

KOMARKCORP BERHAD (374265-A)

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

Tel: 603 9080 3333 **Fax:** 603 9080 5233

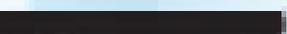
Email: enquiry@komark.com.my

URL: www.komark.com.my



2007

annual report



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Corporate Information

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Annual Report 2007

DIRECTORS

Koh Hong Muan @ Koh Gak Siong
(Group Chairman/Chief Executive Officer)

Lee Poh Tin
(Executive Director)

Koh Chie Jooi
(Executive Director)

Koh Chee Mian
(Executive Director)

Datuk Ng Peng Hong @ Ng Peng Hay
(Independent Non-Executive Director)

Chew Chee Chek
(Independent Non-Executive Director)

MANAGEMENT TEAM

Ong Ann Boon (Director)
General Labels & Labelling Pte. Ltd.

Low Tuck Meng
(Group Financial Controller)

Simon Yaw Chan Kin (General Manager)
General Labels & Labelling (M) Sdn. Bhd
Komark International (M) Sdn. Bhd

Dr. Victor Chong Yoon Soon
(Deputy General Manager - QAQC
& System)

REGISTERED OFFICE

Level 7, Setia 1,
15, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur.
Tel : 03-2095 7188
Fax : 03-2095 0988

PRINCIPAL PLACE OF BUSINESS

(Headquarters)
Lot 132, Jalan 16/1
Kawasan Perindustrian
Cheras Jaya
43200 Balakong, Selangor
Tel : 03-9080 3333
Fax : 03-9080 5233

AUDIT COMMITTEE

Datuk Ng Peng Hong @ Ng Peng Hay
Chairman
(Independent Non-Executive Director)

Chew Chee Chek
Member of the Committee
(Independent Non-Executive Director)

Koh Hong Muan @ Koh Gak Siong
Member of the Committee
(Executive Director)

REMUNERATION COMMITTEE

Datuk Ng Peng Hong @ Ng Peng Hay
Chairman
(Independent Non-Executive Director)

Chew Chee Chek
Member of the Committee
(Independent Non-Executive Director)

Koh Hong Muan @ Koh Gak Siong
Member of the Committee
(Executive Director)

NOMINATION COMMITTEE

Datuk Ng Peng Hong @ Ng Peng Hay
Chairman
(Independent Non-Executive Director)

Chew Chee Chek
Member of the Committee
(Independent Non-Executive Director)

Koh Hong Muan @ Koh Gak Siong
Member of the Committee
(Executive Director)

AUDITORS

Ong & Wong
Chartered Accountants
Unit C-20-5, Block C
20th Floor Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

REGISTRARS

Tenaga Koperat Sdn Bhd
(Co No. 118401-V)
20th Floor, Plaza Permata
Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-4047 3883
Fax : 03-4042 6352

PRINCIPAL BANKERS

EON Bank Bhd (Co No. 92351-V)
Hong Leong Bank Berhad
(Co No. 97141-X)
DBS Bank Ltd (Co No. 196800306-E)
Malayan Banking Bhd (Co No. 3813-K)
Ambank Bhd (Co No. 295576-U)
RHB Bank Berhad (Co No. 6171-M)

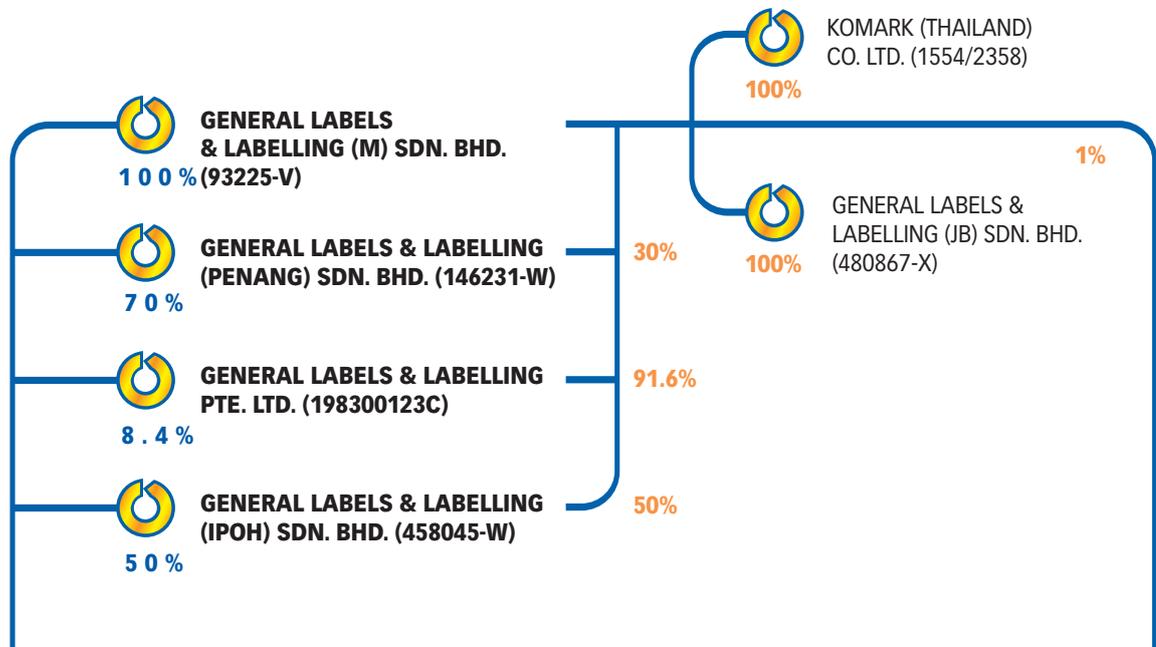
COMPANY SECRETARIES

Saw Bee Lean (MAICSA 0793472)
Liew Irene (MAICSA 7022609)

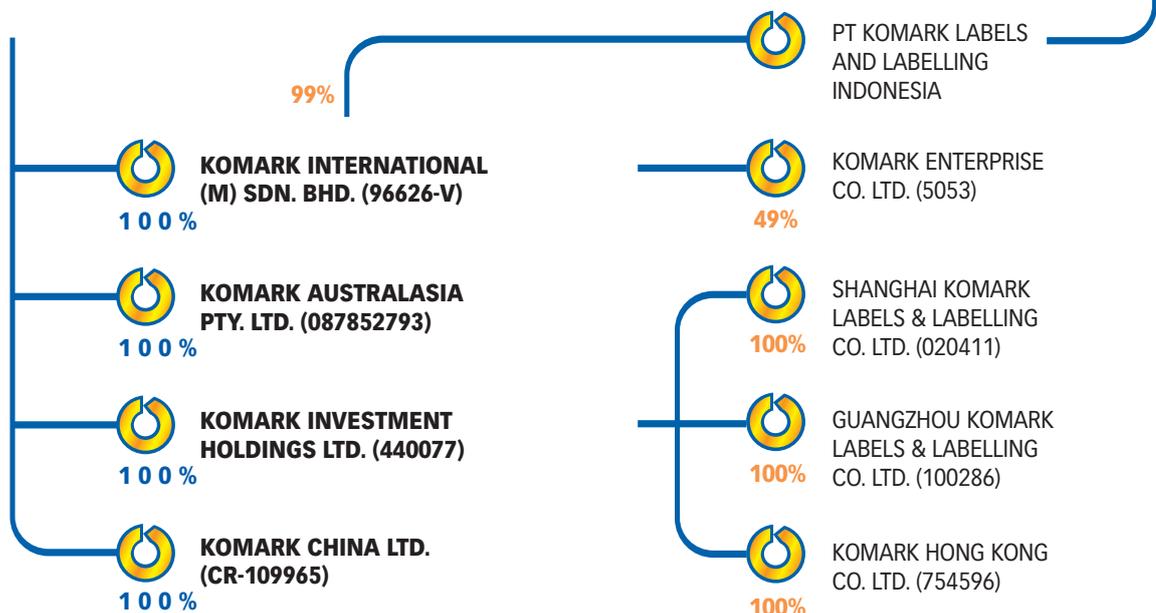
STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Co No. 635998-W)
Second Board

Corporate Structure



KOMARKCORP BERHAD
 (Company No. : 374265-A) (Incorporated in Malaysia)



Chairman's Statement



Dear Shareholders,

With great pleasure and on behalf of the Board of Directors, I present to you the Annual Report of Komarkcorp Berhad and its subsidiary companies ("Group") for the financial year ended 30 April 2007.

PERFORMANCE REVIEW

The Group achieved a marginal increase in turnover of RM105.48 million for the financial year ended 30 April 2007 compared to RM103.13 million recorded in the previous financial year. The continued increase of demand from the Multinational Customers ("MNC") had contributed substantially to the growth of the Group's turnover. The Group recorded a profit before tax of RM2.06 million for the financial year ended 30 April 2007, representing an increase of 32.9% compared to RM1.55 million achieved in the previous financial year.

For the financial year ended 30 April 2007, the Group posted a profit after tax and minority interest of RM1.51 million compared to RM0.63 million achieved in the previous financial year.

The Group will continue to implement aggressive marketing strategies for both the domestic and foreign market to increase the turnover for the coming financial year.

MARKET OUTLOOK

The Malaysia economy is expected to see an improvement in Gross Domestic Product ("GDP") in 2007, albeit a modest increase to 6%. The uncertainties of a global economy faced with high oil prices and the expected slowdown in US economy are contributory factors to the moderate improvement in the expected GDP growth for 2007. Given the strong economic fundamentals of Malaysia as reflected by a healthy foreign reserve position, continued trade surpluses, strong domestic liquidity, low inflation and low interest rates, the Malaysian economy is well-positioned to withstand any uncertain global economic conditions generated by volatile oil prices and expected slowdown in the US economy.

East Asia's growth is expected to slow to 8% in 2007, down from 8.7% a year earlier, largely because of measures taken by the People's Republic of China (PRC) to rein in fixed asset investment. China's GDP is projected to ease at 10% in 2007 compared to 10.7% achieved in 2006. Though economic situations differ from country to country, East Asia will remain the fastest growing region in the world.

MARKET OUTLOOK (cont'd)

With the Group's diversification of markets in terms of different countries (mainly Malaysia, China, Singapore, Thailand, Indonesia, India, Philippines and Australia), the impact of economy slowdown in any of those countries shall be minimised and being cushioned off by the positive growth in some other countries and thus the risk of dependent on a single market is manageable.

The prospect of the Group's operations in China is extremely bright given the vast population of approximately 1.3 billion together with the projected economy growth of 10% for 2007, which will create huge demand for labels and related products. In addition, the entry of China into the World Trade Organisation (WTO) will attract more multinational companies in setting up business in China and thus creating more demand for labels and related products.

We will continue to capitalise on the Group's established brandname, product quality, efficient service and established network to strengthen its market position locally and abroad. In addition, the Group will continue to explore potential foreign markets for its products.

DIVIDEND

The immediate priority of the Group is to reduce its bank borrowings, which arises as a result of the past business expansion and thus the internally generated fund will be channeled towards the repayment of bank borrowings.

After taking into consideration of the above, the Board of Directors is not recommending any dividend payment for the financial year ended 30 April 2007.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express our sincere appreciation to the management and staff of the Komarkcorp Group for their continued dedication, commitment and loyalty to the Group.

Given the joint commitment of the Board of Directors, management and staff, as well as the co-operation and support of customers and shareholders, the Group is poised to meet the new challenges in the years ahead.

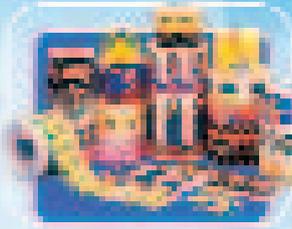
I also wish to express our sincere appreciation to our valued shareholders, customers, business associates, government authorities and bankers for their continued support and co-operation.

Koh Gak Siong
Chairman



Product Review

PACKAGING SOLUTION



Pressure Sensitive Labels
In Reel / Sheet



PP Roll-Fed Labels



Heat Shrink Sleeves



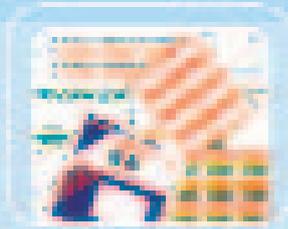
RFID Smart Labels



Multiform (Booklet) Labels



In-Mould Labels



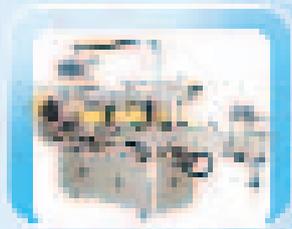
Barcode & Computer Labels



Fabric Labels

LABELLING AND LABELS INSPECTION SYSTEM SOLUTION

PUMA



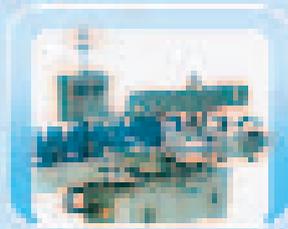
Four Label Applicator Heads for 2
Sides & Non-Stop Labelling With
Stepper Motor Drive System

TIGER



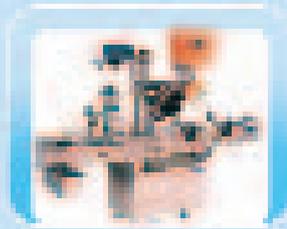
Pressure Sensitive Label Applicator
With Servo Motor Drive System -
Double Side Labelling (Tiger Series)

LION

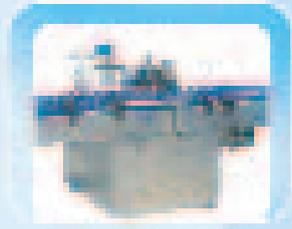


Pressure Sensitive Label Applicator
With Fully Synchronised Stepper Motor
Drive System - 2 Sides Labelling With
Wraparound Station (Lion Series)

K3000



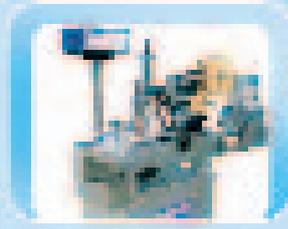
Pressure Sensitive Label Applicator
With Clutch And Brake Drive System -
Wraparound Labelling



Pressure Sensitive Label High
Speed Rotary Labelling Machine



Pressure Sensitive Label Applicator
For Tube Labelling



Fully Customisation Labelling System
For Pharmaceuticals Industry



Semi Automatic Labelling Machine



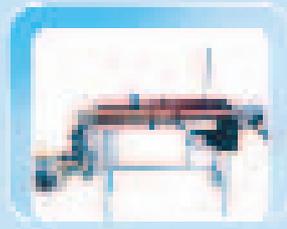
Pressure Sensitive Label Dispenser



Automatic Label Dispenser With
Hot Printer



High Speed Labels
Inspection Machine (LIM380)



Pressure Sensitive Labels Inspection
Machine (PIM300S)

RETAILING AND BARCODING SYSTEM SOLUTION



Pricing Labeller - Single Liner



Pricing Labeller - Double Liner



Pricing Labeller - Three Liner



Tag Guns & Pins



Digital Computing Scale



Barcode Scanner / Printer



Barcode Labels Printer cum Applicator



Barcoding System Software



Scale Labels, Pricing Labels & Tag



Rotary Press (1 - 2 Colours)

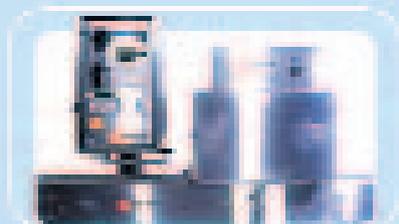


Labels Rewinder for Pricing Labels
With or Without Slitter

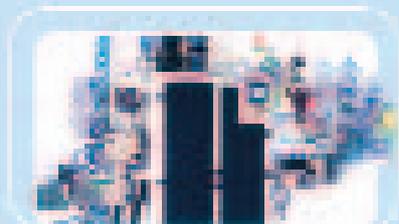


Mini Slitter for Labels

OEM & AGENCY PRODUCTS



Axon Automatic Heat Shrink Band and Sleeve
Applicator & Heat Tunnel



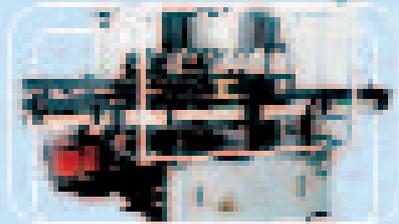
Komark Automatic Heat Shrink Band and Sleeve
Applicator and Heat Tunnel



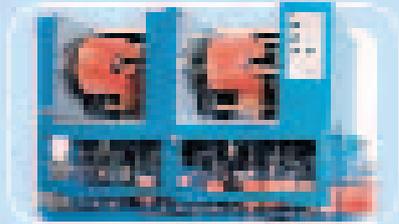
Cocito Rotary Labelling Machine "Etina"
for Roll-Fed Label



Cocito Pressure Sensitive Label Rotary High
Speed Labelling Machine



Cocito Rotary Cold Glue / Hot Mett
Labelling Machine



Styrotech PE Stretch Sleeve Label Applicator

Distribution Network



MALAYSIA HEADQUARTERS

KUALA LUMPUR



Penang



Ipoh



Johor Bahru



Shanghai



Langfang



Guangzhou



Singapore



Thailand



Indonesia

Agents, Distributors & Customers

Hong Kong, Papua New Guinea, Middle East, Indonesia, Philippines, Vietnam, India, Sri Lanka, Korea, Australia, Japan, Pakistan and Bangladesh.

Notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Company will be convened and held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 22 October 2007 at 10.30 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 April 2007 together with the Directors' and Auditors' Reports thereon.
2. To approve the Directors' Fees for the financial year ended 30 April 2007.
3. To re-elect the following Directors who are retiring under Article 93.1 of the Company's Articles of Association:-
 - (i) Madam Lee Poh Tin
 - (ii) Mr Koh Chee Mian
4. To re-appoint Messrs Ong & Wong as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

5. **Proposed Renewal of Share Buy-Back Mandate**

"THAT, subject to the Companies Act, 1965 ("Act"), the Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company ("Shares") ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of Shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company and that an amount not exceeding the Company's share premium account of RM14.7 million as at 30 April 2007, would be allocated by the Company for the Proposed Share Buy-Back. The unaudited share premium account of the Company as at 31 July 2007 was RM14.7 million.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following the Eleventh Annual General Meeting at which this ordinary resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

THAT the Directors be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Share Buy-Back and further **THAT** authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the ordinary shares of RM1.00 each in the Company purchased by the Company as treasury shares, to be either subsequently cancelled or distributed as share dividends and/or re-sold on the Bursa Securities, or to cancel the shares so purchased or a combination of both."

Ordinary Resolution 6

6. Proposed Renewal of General Mandate for Recurrent Related Party Transactions

"**THAT** the Proposed Renewal of General Mandate pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company's subsidiaries to enter into recurrent transactions of a revenue or trading nature as set out in paragraph 3.2.1 of the Circular to Shareholders dated 28 September 2007 with the related parties mentioned therein which are necessary for the Komarkcorp group's day-to-day operations, be and is hereby approved provided that:-

- (i) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) in making the disclosure of the aggregate value of recurrent transactions conducted pursuant to the General Mandate in the Annual Report, the Company will provide a breakdown of the aggregate value of the recurrent transactions made during the financial year, amongst others, based on the following information:
 - the type of the recurrent transactions made; and
 - the names of the related parties involved in each type of the recurrent transactions made and their relationship with the listed issuer.

THAT the authority conferred by such mandate shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Renewal of General Mandate for Recurrent Related Party Transactions is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of General Mandate for Recurrent Related Party Transactions."

Ordinary Resolution 7

7. **Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed 10 per centum of the issued Share Capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue."

Ordinary Resolution 8

8. **Proposed Amendments to the Articles of Association**

"**THAT** the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the financial year ended 30 April 2007 be and are hereby approved."

Special Resolution 1

BY ORDER OF THE BOARD
SAW BEE LEAN (MAICSA 0793472)
LIEW IRENE (MAICSA 7022609)
Secretaries

Kuala Lumpur
Date: 28 September 2007

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company, an advocate, an approved Company auditor or a person approved by the Registrar.
2. A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of the attorney.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES TO THE SPECIAL BUSINESS

5. For further information on Ordinary Resolution No. 6 and Ordinary Resolution No. 7, please refer to the Circular to Shareholders dated 28 September 2007 accompanying the Company's Annual Report for the year 2007.
6. Ordinary Resolution No. 8, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued Share Capital of the Company for

such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

7. Special Resolution No. 1, if passed, will render the Articles of Association of the Company to be in line with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad and any prevailing laws, rules, regulations, orders, guidelines or requirements of the relevant authorities and to further enhance administrative efficiency of the Company.

Statement accompanying notice of annual general meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

Details of the Directors standing for re-election at the Eleventh Annual General Meeting are as follows:-

Name	Madam Lee Poh Tin	Mr Koh Chee Mian
Age	53	27
Nationality	Malaysian	Malaysian
Qualification	#	#
Position on the Board	Executive Director	Executive Director
Date first appointed to the Board	16 June 1997	15 December 2003
Attendance at Board Meeting	3 out of 4	2 out of 4
Membership of Board Committees	None	None
Working experience	#	#
Occupation	Company Director	Technical Manager
Other directorships of public companies	None	None
Securities holdings in the Company	Indirect 16,917,189 ordinary shares	Indirect 16,917,189 ordinary shares
Securities holdings in the Company's subsidiaries	Deemed to have an interest in the shares of all the subsidiaries to the extent Komarkcorp Berhad has an interest	Deemed to have an interest in the shares of all the subsidiaries to the extent Komarkcorp Berhad has an interest.
Family relationship with any director and/or substantial shareholder of the Company	She is the wife of Mr Koh Hong Muan @ Koh Gak Siong and the mother of Mr Koh Chie Jooi and Mr Koh Chee Mian	He is the child of Mr Koh Hong Muan @ Koh Gak Siong and Madam Lee Poh Tin and brother of Mr Koh Chie Jooi
Conflict of interest	None	None
Convictions for offences within the past 10 years other than traffic offences	None	None

Please refer to Directors' Profile on Pages No. 22 to 24 of the Annual Report.

Appendix I

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Articles		Amended Articles	
2.	WORDS	MEANINGS	WORDS	MEANINGS
	"Central Depository"	<u>Malaysian Central Depository Sdn. Bhd.</u>	"Central Depository"	Bursa Malaysia Depository Sdn. Bhd.
	"Deposited Security"	A security, as defined in Section 2 of the Central Depositories Act, standing to the credit of a securities account and includes security in a securities account that is in suspense.	"Deposited Security"	Shall have the meaning given in Section 2 of the Securities Commission Act 1993.
	"Depositor"	A holder of securities account, <u>as defined in Section 2 of the Central Depositories Act.</u>	"Depositor"	A holder of securities account established by the Central Depository.
	"Exchange"	<u>The Kuala Lumpur Stock Exchange and/or other stock exchange on which the shares of the Company are listed.</u>	"Exchange"	Bursa Malaysia Securities Berhad.
	"Market Day"	<u>Any day between Mondays and Fridays which is not a market holiday or Public holiday on which there is official trading on the Exchange.</u>	"Market Day"	A day on which the stock market of the Exchange is open for trading in securities.
	"Member(s)"	<u>Any person(s) whose name(s) is/are entered in the Company's register of members including depositors whose names appear on the Record of Depositors except the Malaysian Central Depository Sdn. Bhd.</u>	"Member(s)"	Includes a Depositor who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee.
	"Securities"	<u>Securities as defined in the Central Depositories Act for the time being.</u>	"Securities"	Shall have the meaning given in Section 2 of the Securities Commission Act 1993.

Article No.	Existing Articles	Amended Articles
4.4	<p>every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and -</p> <p>(a) <u>such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Directors; and</u></p> <p>(b) <u>only Directors holding office in an executive capacity shall participate in such an issue of shares or options Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue; and</u></p>	<p>every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and no Director shall participate in such an issue of shares or options <i>unless the members in general meeting have approved of the specific allotment to be made to such Director.</i></p>
4.7	<p><u>the Company must allot securities and despatch notices of allotment to the allottees within fifteen (15) market days of the final applications closing date for an issue of securities or such other periods as may be prescribed by the Exchange.</u></p>	<p><i>(Deleted)</i></p>
5.	<p>Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:-</p> <p>5.1 <u>the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time; and</u></p> <p>5.2 <u>the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the property, business and undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on such shares is in arrears for more than 6 months and during the winding up of the Company; and</u></p> <p>5.3 <u>the holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up; and</u></p>	<p>Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:-</p> <p><i>(Deleted)</i></p> <p>5.1 the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the property, business and undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on such shares is in arrears for more than 6 months and during the winding up of the Company;</p> <p><i>(Deleted)</i></p>

Article No.	Existing Articles	Amended Articles
5.	<p><u>5.4</u> the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 18 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.</p> <p><u>5.5</u> The Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls</p>	<p>5.2 the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 18 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith; and</p> <p>5.3 the Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.</p>
16.	<p>The Registrar of the Company shall only issue jumbo certificates in respect of shares or securities in favour of <u>MCD</u> Nominees Sdn Bhd as he may be directed by the Securities Commission pending the crediting of shares or securities into the Securities Account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules PROVIDED ALWAYS that every certificate shall be issued under the Share Seal or Seal in such form as the Directors shall from time to time prescribe and shall bear the fascimile signature of at least one Director and a second Director or the Secretary or some other person appointed by the Directors, and shall specify the number and class of shares or securities to which it relates and the amounts paid thereon.</p>	<p>The Registrar of the Company shall only issue jumbo certificates in respect of shares or securities in favour of Bursa Malaysia Depository Nominees Sdn Bhd or such other names as he may be directed by the Securities Commission from time to time pending the crediting of shares or securities into the Securities Account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules PROVIDED ALWAYS that every certificate shall be issued under the Share Seal or Seal in such form as the Directors shall from time to time prescribe and shall bear the fascimile signature of at least one Director and a second Director or the Secretary or some other person appointed by the Directors, and shall specify the number and class of shares or securities to which it relates and the amounts paid thereon.</p>
43A. (New Article)		<p><i>Transmission of Securities (sub-heading)</i></p> <p><i>Where:-</i></p> <p><i>(a) the securities of the Company are listed on another stock exchange; and</i></p> <p><i>(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities,</i></p> <p><i>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</i></p>

Article No.	Existing Articles	Amended Articles
58.	<p>The notices convening meetings shall be given to all members (other than those who are not entitled to receive notices of general meetings of the Company under the provisions of these Articles or the terms of issue of the shares held by them) and to the auditors for the time being of the Company at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement in <u>the</u> daily <u>press</u> and in writing to the Exchange.</p>	<p>The notices convening meetings shall be given to all members (other than those who are not entitled to receive notices of general meetings of the Company under the provisions of these Articles or the terms of issue of the shares held by them) and to the auditors for the time being of the Company at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement in a nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange.</p>
59.	<p>The Company shall request the Central Depository in accordance with the Rules, to <u>prepare</u> a Record of Depositors to whom notices of general meetings shall be given by the Company. The Company shall request the Central Depository in accordance with the Rules, to <u>prepare</u> a Record of Depositors as at a date not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provision in the Act, a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</p>	<p>The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provision in the Act, a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</p>
60.	<p>Subject always to the provisions of Section 151 of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting, other than business of which notice has been given as aforesaid, with the exception of the receipts and consideration of the audited financial statements and audited group financial statements (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the financial statements,</p>	<p>Subject always to the provisions of Section 151 of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting, other than business of which notice has been given as aforesaid, with the exception of the receipts and consideration of the audited financial statements and audited group financial statements (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the financial statements,</p>

Article No.	Existing Articles	Amended Articles
60.	the declaration of dividends, the election of Directors and other officers in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.	the declaration of dividends, the fixing of the remuneration of Directors , the election of Directors and other officers in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
63.	<p>A meeting shall, notwithstanding that it is called by notice shorter than is required by Article <u>53</u>, be deemed to be duly called if it is so agreed -</p> <p>63.1 in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or</p> <p>63.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% in nominal value of the shares giving a right to attend and vote.</p>	<p>A meeting shall, notwithstanding that it is called by notice shorter than is required by Article 58, be deemed to be duly called if it is so agreed -</p> <p>63.1 in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or</p> <p>63.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% in nominal value of the shares giving a right to attend and vote.</p>
65.	All business that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting shall be deemed special, with the exception of the receipts and consideration of the audited financial statements and audited group financial statements (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the financial statements, the declaration of dividends, the election of Directors and other officers in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.	All business that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting shall be deemed special, with the exception of the receipts and consideration of the audited financial statements and audited group financial statements (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the financial statements, the declaration of dividends, the fixing of the remuneration of Directors , the election of Directors and other officers in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
69.	In the event that the Chairman (if any) of the Board of Directors who shall preside at the General Meeting is not present or unwilling to act as Chairman, no business shall be transacted except the adjournment of the meeting or the choice of a Chairman as pursuant to Article <u>64</u> aforesaid while the chair is vacant.	In the event that the Chairman (if any) of the Board of Directors who shall preside at the General Meeting is not present or unwilling to act as Chairman, no business shall be transacted except the adjournment of the meeting or the choice of a Chairman as pursuant to Article 68 aforesaid while the chair is vacant.
76.	Subject to Article <u>66</u> a poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded. No notice need to be given of a poll not taken immediately.	Subject to Article 72 a poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded. No notice need to be given of a poll not taken immediately.

Article No.	Existing Articles	Amended Articles
80.2.	Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a <u>member</u> or a member's representative or proxy or attorney shall <u>have</u> one vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way. A member may appoint more than two proxies to attend at the same meeting. Where a member appoints two <u>or more</u> proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.	Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a holder of ordinary shares or preference shares or a member's representative or proxy or attorney and entitled to vote shall be entitled to one vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way. A member may appoint not more than two proxies to attend at the same meeting. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
82.2	The legal personal representative of a deceased member or the person entitled under the Article <u>40</u> to any share in consequence of the death or bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that 48 hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.	The legal personal representative of a deceased member or the person entitled under the Article 43 to any share in consequence of the death or bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that 48 hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.
87. (Sub-head-ing only)	Appointment of <u>more than</u> one proxy for authorised nominee company	Appointment of at least one proxy for authorised nominee company
88. (Note to the Form of Proxy)	The instrument appointing a proxy must be deposited at the Registered Office of the Company <u>at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur</u> not less than 48 hours before the time set for holding the meeting or any adjournment thereof.	The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
91.1	Until otherwise determined by the Company in general meeting the number of Directors shall not be less than 2 nor more than 9 but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company. <u>No one other than a natural person shall be a Director of the Company.</u>	Until otherwise determined by the Company in general meeting the number of Directors shall not be less than 2 nor more than 9 but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.

Article No.	Existing Articles	Amended Articles
94.	A retiring Director shall be eligible for re-election but save as aforesaid no person shall be eligible for election as a Director at a general meeting unless a notice of intention to propose his election signed by a member and a notice of his consent signed by himself have been left at the Office not more than 30 days nor less than 11 clear days before the date appointed for the meeting provided that in the case of a person recommended by the Directors for election 9 clear days' notice only shall be necessary and notice of every candidate for election shall be served on all members at least 7 days prior to the meeting at which the election is to take place.	A retiring Director shall be eligible for re-election but save as aforesaid no person shall be eligible for election as a Director at a general meeting unless a notice of intention to propose his election signed by a member and a notice of his consent signed by himself have been left at the Office not more than 30 days nor less than 11 clear days before the date appointed for the meeting provided that in the case of a person recommended by the Directors for election 9 clear days' notice only shall be necessary and notice of every candidate for election shall be served on all members at least 7 days prior to the meeting at which the election is to take place. <i>The cost of serving the notice to propose the election of a Director where the nomination is made by a member or members shall be borne by the member or members making the nomination.</i>
103.6	if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;	if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder <i>during his term of office;</i>
103.7	if he becomes bankrupt or makes any arrangement or composition with his creditors generally; <u>or</u>	if he becomes bankrupt or makes any arrangement or composition with his creditors generally <i>during his term of office;</i>
103.8	if he becomes prohibited from being a Director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act.	if he becomes prohibited from being a Director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act; <i>or</i>
103.9 (New sub-Article)		<i>if he is convicted by a court of law, whether in Malaysia or elsewhere, in relation to the offences under the Act or the securities laws as defined in the Listing Requirements.</i>
116.	Unless otherwise determined by the Directors from time to time, a 7 days' notice of all Directors' meeting shall be given to all Directors and their Alternates Directors, who have a registered address in Malaysia, except in the case of emergency, reasonable notice shall be deemed sufficient, provided always it shall not be necessary to give any Director or Alternate Director, who has not got an address in Malaysia, registered with the Company, notice of a meeting of the Directors. <u>The notice of each Directors' meeting shall be deemed to be served in the case of a Director having an address in Peninsular Malaysia, 2 days following that on which a properly stamped letter containing the notice is posted in Peninsular Malaysia and in the case of a Director having an address in East Malaysia, 7 days following that on which a properly stamped letter containing the notice is posted within Peninsular Malaysia.</u>	Unless otherwise determined by the Directors from time to time, a 7 days' notice of all Directors' meeting shall be given to all Directors and their Alternates Directors, who have a registered address in Malaysia, except in the case of emergency, reasonable notice shall be deemed sufficient, provided always it shall not be necessary to give any Director or Alternate Director, who has not got an address in Malaysia, registered with the Company, notice of a meeting of the Directors.

Article No.	Existing Articles	Amended Articles
158.	<p>Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant and sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct, subject to the Rules. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the <u>dividend</u> represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.</p>	<p>Any dividend, interest or other money payable in cash in respect of shares or other securities may be paid by way of direct transfer by means of the electronic payment systems upon the terms and conditions as the Directors may stipulate or by cheque or warrant and sent through the post directed to the registered address of the holder or to such person and to such address or account as the holder may in writing direct or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address or account as such persons may by writing direct, subject to the Rules. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share or securities in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or remittance via the electronic payment systems shall operate as a good discharge to the Company in respect of the payment represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented and the Company shall have no responsibility for any sums lost or delayed in the course of any transfer or where the Company has acted on any such instructions.</p>
163A. (New Article)		<p>Authority to issue Annual Report in CD-ROM or DVD-ROM format (sub-heading)</p> <p>Subject to compliance with the requirements of the Exchange and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in any other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.</p>
171.	<p>A document purporting to be a copy of a resolution of the Director or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article <u>160</u> shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is true and accurate record of a duly constituted meeting of the Directors.</p>	<p>A document purporting to be a copy of a resolution of the Director or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 170 shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is true and accurate record of a duly constituted meeting of the Directors.</p>

Article No.	Existing Articles	Amended Articles
172.	A notice or other document shall be served by the Company or the Secretary on any member or Director, as the case may be, either personally or by sending it through the post in prepaid letter addressed to such member or Director at his registered address as appearing in the register of Directors and the Records of Depositors, as the case may be, in Malaysia or (if he has no address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him.	A notice or other document shall be served by the Company or the Secretary on any member or Director, as the case may be, either personally or by sending it through the post in prepaid letter addressed to such member or Director at his registered address as appearing in the register of Directors and the Records of Depositors, as the case may be, in Malaysia or (if he has no address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him. The Company may also serve notices or documents by electronic mails or other means of electronic communications to the address provided by the member or Director to the Company as the address to which notices or documents may be sent by such means.
173.	<u>A notice or other document if served by post shall be deemed to be served in the case of a member or Director having an address for service in Peninsular Malaysia 2 days following that on which a properly stamped letter containing the same is posted in Peninsular Malaysia and in the case of a member or Director having an address for service in East Malaysia 7 days following that on which the letter suitably stamped at airmail rates containing the same is posted within Peninsular Malaysia.</u> In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box or by a letter from the Secretary certifying that the notice or document has been posted.	The service of notice or other document if served by post shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice or document. Such notice or documents sent by such means shall be deemed to be given on the date of its posting. In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box or by a letter from the Secretary certifying that the notice or document has been posted. A notice or document sent by electronic mails or other means of electronic communications shall be deemed given when the electronic mail or communication is sent.
176.	Subject always to the provisions of Article <u>165</u> , any notice or document delivered or sent by post to, or left at, the registered address of any member shall, if such member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives.	Subject always to the provisions of Article 175 , any notice or document delivered or sent by post to, or left at, the registered address of any member shall, if such member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives.

Profile of directors of Komarkcorp Berhad

KOH HONG MUAN @ KOH GAK SIONG

Age : 59

Nationality : Malaysian

Qualification : Malaysian Certificate of Education

Occupation : Group Chairman and Chief Executive Officer

Position : Executive Director

Other Directorships of Public Companies : None

The Date He Was First Appointed to the Board :

16 June 1997

The Details of Any Board Committee to Which He Belongs :

Audit Committee, Remuneration Committee and Nomination Committee of Komarkcorp Berhad

Securities Holding in the Company :

Direct :

6,010,300 ordinary shares

Indirect:

10,906,889 ordinary shares

Securities Holding in the Subsidiaries :

Deemed to have interests in shares of all the subsidiaries to the extent Komarkcorp Berhad has an interest.

Family Relationship With Any Director and / or Major Shareholders of the Company :

- Spouse to Mdm Lee Poh Tin

- Parent to Mr. Koh Chie Jooi and Mr. Koh Chee Mian

Conflict of Interest : None

List of Convictions for Offences Within the Past 10 Years

Other Than Traffic Offences : None

Working Experience :

Mr. Koh is the founder of the Komarkcorp Group of Companies and is currently the Group Chairman and Chief Executive Officer of Komarkcorp Group. Mr. Koh is responsible for formulating the overall business development and corporate strategies for the Group. Mr. Koh has been engaged in the manufacturing of pressure sensitive labels and automatic labelling systems for over 30 years during which he gained wide experience in product development and corporate management. He co-invented two sets of patented feeding mechanism in hand-held labellers and precision products feeding device with pneumatic logistic control systems in automatic labelling machines, respectively. Mr. Koh's efforts were recognized by the Malaysian Government when General Labels & Labelling (M) Sdn Bhd ("GLLM") and Komark International (M) Sdn Bhd, wholly-owned subsidiaries of Komarkcorp Berhad, were granted Pioneer Status for the manufacturing of automatic labelling machines and hand-held labellers by Malaysia Industrial Development Authority (MIDA), Malaysia in 1991 and 1997, respectively. Mr. Koh is a member of The Institute of Printing of the United Kingdom.

The Number of Board Meetings Attended in the Financial

Year : 4 out of 4

LEE POH TIN

Age : 53

Nationality : Malaysian

Qualification : Secondary School

Occupation : Company Director

Position : Executive Director

Other Directorships of Public Companies : None

The Date She Was First Appointed to the Board :

16 June 1997

The Details of Any Board Committee to Which She Belongs :

Nil

Securities Holding in the Company :

Indirect:

16,917,189 ordinary shares

Securities Holding in the Subsidiaries :

Deemed to have interests in shares of all the subsidiaries to the extent Komarkcorp Berhad has an interest.

Family Relationship With Any Director and/or Major Shareholders of the Company :

- Spouse to Mr. Koh Hong Muan @ Koh Gak Siong

- Parent to Mr. Koh Chie Jooi and Mr. Koh Chee Mian

Conflict of Interest : None

List of Convictions for Offences Within the Past 10 Years

Other Than Traffic Offences : None

Working Experience :

She is an Executive Director and joined the Komarkcorp Group of Companies in 1983 and was appointed to the Board of Directors of GLLM in 1983 and to the Board of Directors of Komarkcorp Berhad in 1997. She is currently involved in overseeing the daily operations of the Komarkcorp Group of Companies. She has more than 20 years of experience in the pressure sensitive labels industry.

The Number of Board Meetings Attended in the Financial

Year : 3 out of 4

KOH CHIE JOOI

Age : 29

Nationality : Malaysian

Qualification : Degree in Bachelor of Commerce

Occupation : Company Director

Position : Executive Director

Other Directorships of Public Companies : None

The Date He Was First Appointed to the Board

: 27 June 2002

The Details of Any Board Committee to Which He Belongs :

Nil

Securities Holding in the Company :

Indirect:

16,917,189 ordinary shares

Securities Holding in the Subsidiaries :

Deemed to have interest in shares of all the subsidiaries to the extent Komarkcorp Berhad has an interest.

Family Relationship With Any Director and/or Major Shareholders of the Company :

Child of Mr. Koh Hong Muan @ Koh Gak Siong and Mdm Lee Poh Tin and brother of Mr. Koh Chee Mian

Conflict of Interest : None

List of Convictions for Offences Within the Past 10 Years Other Than Traffic Offences : None

Working Experience :

He is an Executive Director and was appointed to the Board of Komarkcorp Berhad on 27 June 2002. He graduated from the University of Sydney, Australia with a degree in Bachelor of Commerce. Prior to joining Komarkcorp in December 2001 as Assistant Accounts Manager, he was attached to KPMG from February 2001 to November 2001, with his last held position as Audit Assistant.

He is currently assisting the Chairman and Chief Executive Officer of Komarkcorp Group to oversee the overall operation and financial matters and in formulating the business development and corporate strategies for the Group.

The Number of Board Meetings Attended in the Financial Year : 3 out of 4

KOH CHEE MIAN

Age : 27

Nationality : Malaysian

Qualification : Degree in Bachelor of Engineering

Occupation : Technical Manager

Position : Executive Director

Other Directorships of Public Companies : None

The Date He Was First Appointed to the Board

: 15 December 2003

The Details of Any Board Committee to Which He Belongs :

Nil

Securities Holding in the Company :

Indirect:

16,917,189 ordinary shares

Securities Holding in the Subsidiaries :

Deemed to have interest in shares of all the subsidiaries to the extent Komarkcorp Berhad has an interest.

Family Relationship With Any Director and/or Major Shareholders of the Company :

Child of Mr. Koh Hong Muan @ Koh Gak Siong and Mdm Lee Poh Tin and brother of Mr. Koh Chie Jooi

Conflict of Interest : None

List of Convictions for Offences Within the Past 10 Years Other Than Traffic Offences : None

Working Experience :

He is an Executive Director and was appointed to the Board of Komarkcorp Berhad on 15 December 2003. He graduated from the King's College London, United Kingdom with a degree in Bachelor of Engineering. He has been appointed as Technical Manager for the China operations of Komarkcorp.

Currently, he is the person-in-charge of the overall operations for China.

The Number of Board Meetings Attended in the Financial Year : 2 out of 4

DATUK NG PENG HONG @ NG PENG HAY D.M.S.M., D.S.M., P.J.K.

Age : 55
Nationality : Malaysian
Qualification : Malaysian Certificate of Education
Occupation : Company Director
Position : Independent Non-Executive Director
Other Directorships of Public Companies :
 Bonia Corporation Berhad
 Farm's Best Berhad
 Ta Win Holdings Berhad
 Wellcall Holdings Berhad

The Date He Was First Appointed to the Board :
 16 June 1997

The Details of Any Board Committee to Which He Belongs :
 Audit Committee, Remuneration Committee and Nomination Committee of Komarkcorp Berhad

Securities Holding in the Company : Nil

Securities Holding in the Subsidiaries : Nil

Family Relationship With Any Director and/or Major Shareholders of the Company : Nil

Conflict of Interest : None

List of Convictions for Offences Within the Past 10 Years Other Than Traffic Offences : None

Working Experience :
 He was appointed to the Board of Komarkcorp Berhad on 16 June 1997. He was the State Assemblyman for Tengkeru Constituency under Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He has been appointed as the Investment Co-ordinator of the Malacca State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his team of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors into the State of Melaka. In recognition of his efforts and dedication, he was conferred the Darjah Mulia Seri Melaka by his Excellency, the Governor of Melaka in 1992. On 17 July 1999, the Taiwanese Government awarded him the Economic Medal. He was the Chairman of MCA, 7th Branch Melaka since 1982. He was also appointed as Vice Chairman of Melaka State Malaysia Crime Prevention Foundation (MCPF) since 1997 and as Exco Member of National Malaysia Crime Prevention Foundation. He is also the Chairman of Malacca State's Inspectorate of National Service Training Council.

The Number of Board Meetings Attended in the Financial Year : 4 out of 4

CHEW CHEE CHEK

Age : 37
Nationality : Malaysian
Qualification : Diploma In Commerce (Financial Accounting), Kolej Tunku Abdul Rahman
 The Association of Chartered Certified Accountants
Occupation : Company Director
Position : Independent Non-Executive Director
Other Directorships of Public Companies :
 Wellcall Holdings Berhad

The Date He Was First Appointed to the Board :
 15 April 2003

The Details of Any Board Committee to Which He Belongs :
 Audit Committee, Remuneration Committee and Nomination Committee of Komarkcorp Berhad

Securities Holding in the Company : Nil

Securities Holding in the Subsidiaries : Nil

Family Relationship With Any Director and/or Major Shareholders of the Company : Nil

Conflict of Interest : None

List of Convictions for Offences Within the Past 10 Years Other Than Traffic Offences : None

Working Experience :
 He was appointed to the Board of Komarkcorp Berhad on 15 April 2003. He is a Fellow of the Association of Chartered Certified Accountants, UK. He started his career as an Audit Assistant in BDO Binder, Kuala Lumpur, a public accounting firm, from 1994 to 1995. In 1995, he joined PricewaterhouseCoopers (then known as Coopers & Lybrand) as Audit Semi Senior and subsequently promoted to Audit Senior. In 1996, he joined Alliance Merchant Bank Berhad (then known as Amanah Merchant Bank Berhad) as a Corporate Finance Executive where he acquired extensive experience in corporate restructuring exercise involving initial public offer, merger and acquisition, reverse takeover, back door listing, debt restructuring, rights issue, private placement and bonus issue. Subsequently, he was promoted to the position of Corporate Finance Assistant Manager. In 2000, he joined Komarkcorp Berhad as the Group Financial Controller. He resigned from Komarkcorp Berhad in the same year and advanced his career by jointly setting up WCL Consulting Sdn Bhd, a management consultancy firm, with various partners where he was appointed as Director and later resigned in August 2006. In April 2006, he was appointed as the Executive Director of Wellcall Holdings Berhad. He also sits on the board of directors of a private limited company.

The Number of Board Meetings Attended in the Financial Year : 4 out of 4

Statement on corporate governance

The Board of Directors appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts: namely transparency, accountability and corporate performance.

As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code on Corporate Governance ("Code") respectively.

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

Principles Statement

The following statement sets out how the Group has applied the principles in Part 1 of the Code. The Principles are dealt with under the following headings: Board of Directors, Directors' Remuneration, Shareholders and Accountability and Audit.

A. BOARD OF DIRECTORS

Board Responsibilities

The Group acknowledges the pivotal role of the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The role and function of the Board, as well as the differing roles of executive directors and non-executive directors are clearly delineated and defined.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment policy, approval of major capital expenditure, consideration of significant financial matters and its review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hands.

Meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken. During the financial year ended 30 April 2007, the Board met on four (4) occasions; where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business plan, corporate finance and developments and directions of the Group.

Prior to each Board meeting, Directors are furnished with comprehensive information on matters requiring their deliberation. The Board papers encompass both quantitative and qualitative factors which enable informed decision-making. All proceedings at the Board meetings are minuted and confirmed by the Chairman of the meeting.

Details of each Director's attendance at the Board meetings held during the financial year ended 30 April 2007 are as follows:-

Name of Director	Attendance	%
Koh Hong Muan @ Koh Gak Siong	4/4	100
Lee Poh Tin	3/4	75
Datuk Ng Peng Hong @ Ng Peng Hay	4/4	100
Koh Chie Jooi	3/4	75
Chew Chee Chek	4/4	100
Koh Chee Mian	2/4	50

A. BOARD OF DIRECTORS (cont'd)

Board Committees

To assist the Board in carrying out its fiduciary duties and to enhance business and operational efficiency, the Board of Directors delegates certain duties to its committees, namely the Audit Committee, Nomination Committee and Remuneration Committee.

All committees have written terms of reference and operating procedures, and the Board receives reports of their proceedings and deliberations. The Chairman of the various committees will report to the Board the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.

Board Balance

As at the date of this statement, the Board consists of six (6) members; comprising two (2) independent non-executive directors and four (4) executive directors. A brief profile of each director is presented on pages 22 to 24 of the Annual Report.

The concept of independence adopted by the Board is in tandem with the definition of an independent director in paragraph 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Practice Note 13/2002 issued pursuant to the Bursa Securities Listing Requirements. The key element for fulfilling the criteria is the appointment of an independent director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Board's composition complies with paragraph 15.02 of the Bursa Securities Listing Requirements which requires that at least two (2) directors or one-third of the Board of the Company, whichever is the higher, are independent directors.

The directors with their different backgrounds and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The executive directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The independent non-executive directors bring with them objective and independent judgement to decision-making and provide a capable check and balance for the executive directors.

There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Datuk Ng Peng Hong @ Ng Peng Hay as the independent non-executive Chairman of Audit Committee and the executive management is led by Mr Koh Hong Muan @ Koh Gak Siong, the Group Chairman/Chief Executive Officer.

The roles of Chairman of Audit Committee and the Group Chairman/Chief Executive Officer are clearly defined within each individual position description. The Chairman is responsible for running the Board and ensuring that all directors receive sufficient information on financial matters to enable them to participate actively in Board deliberations and decisions. The Group Chairman/Chief Executive Officer is responsible for the day-to-day management of the business as well as implementation of the Board's policies and decisions.

In view of the current composition of the Board, particularly the separation of the roles of the independent Chairman and Group Chairman/Chief Executive Officer, and the presence of other independent directors, the Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns of shareholders may be conveyed.

The Board is also satisfied that its composition fairly reflects the investment of minority shareholders in the Company.

Supply of Information

The Chairman ensures that all directors have full and timely access to information. Prior to the meetings of the Board and the Board Committees, notice of agenda together with previous minutes and other relevant information were circulated to all directors on a timely basis in order to enable the directors to be well informed and briefed before the meetings. All directors also have full and free access to information within the Group and can as individuals or as a full Board seek independent professional advice, in furtherance of their duties, at the expense of the Group.

Every director also has unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board. In the event that the Company Secretary fails to fulfil her functions effectively, the terms of the appointment permits her removal and appointment of successor only by the Board as a whole.

APPOINTMENTS TO THE BOARD

Nomination Committee

1. Objective

The principal objective of the Nomination Committee is to assist the Board of Directors in its responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the directors of the Company on an on-going basis.

2. Membership

The members of the Nomination Committee for the time being are:-

Datuk Ng Peng Hong @ Ng Peng Hay	- Independent Non-Executive Director (Chairman)
Chew Chee Chek	- Independent Non-Executive Director
Koh Hong Muan @ Koh Gak Siong	- Executive Director

3. Composition of Members

The Board of Directors shall elect the Nomination Committee members from amongst themselves, a majority of whom are independent. The term of office of the Nomination Committee shall be for a period of three (3) years and may be re-nominated and appointed by the Board of Directors from time to time.

4. Chairman

The Chairman of the Nomination Committee shall be elected from amongst the Nomination Committee members and shall be an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors. In the absence of the Chairman, the other Independent Director shall be the Chairman for that meeting.

5. Secretary

The Secretary of the Nomination Committee shall be the Company Secretary of the Company.

6. Meetings

The Nomination Committee may meet together for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Nomination Committee summon a meeting of the Nomination Committee except in the case of an emergency, reasonable notice of every Nomination Committee meeting shall be given in writing.

Details of each Nomination Committee Member's attendance at Nomination Committee Meeting held during the financial year ended 30 April 2007 are as follows:-

Name of Nomination Committee Member	Attendance
Datuk Ng Peng Hong @ Ng Peng Hay	1/1
Koh Hong Muan @ Koh Gak Siong	1/1
Chew Chee Chek	1/1

7. Quorum

A quorum shall consist of two (2) members, one of whom shall be an Independent Director.

APPOINTMENTS TO THE BOARD (cont'd)

8. Authority

The Nomination Committee shall in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

- annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive directors should have;
- assess on an annual basis, the effectiveness of the Board of Directors as a whole, the committees of the Board and for assessing the contribution of each individual director; and
- be entitled to the services of the Company Secretary who must ensure that all appointments are properly made that all necessary information is obtained from the directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of the Bursa Securities or other regulatory requirements.

9. Duties and Responsibilities

The duties and responsibilities of the Nomination Committee are:-

- to recommend to the Board of Directors, candidates for all directorships to be filled by the shareholders or the Board of Directors;
- to consider, in making its recommendations, candidates for directorships proposed by the Group Chairman;
- to recommend to the Board of Directors, the nominees to fill the seats on the board committees;
- to assess the effectiveness of the Board of Directors as a whole and each individual directors / committees of the Board;
- to act in line with the directions of the Board of Directors; and
- to consider and examine such other matters as the Nomination Committee considers appropriate.

The Board and the Nomination Committee considered the appointment of an Executive Director as a member of the Nomination Committee, which is a departure from the best practices of the Code, necessary to provide the Board and the Nomination Committee with the views of the executive management.

Directors' Training

The Group acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, technological advances in our core business, latest regulatory developments and management strategies. Therefore, the Directors are encouraged to evaluate their own training needs on a continuous process and to determine the relevant programmes, seminars and briefings that would enhance their knowledge to enable the Directors to discharge their responsibilities more effectively. All members of the Board have attended the Mandatory Accreditation Programme organised by the Bursa Securities' approved organisations.

Statement on Continuing Education ("CE") Programme

For the financial period ended 30 April 2007, all the Executive Directors, except Mr Koh Chee Mian who was overseas on company business, had attended a specially organized full day seminar entitled "Managing Performance In Accordance to Your Organisation's Key Performance Indicators" by Lyons Shers Incorporated Sdn Bhd.

Furthermore, the Independent Directors had attended briefing on Changes in Accounting Standards and Bursa Requirements by a company secretary and auditors via in-house training in a half day session on 17 August 2007.

Re-election

The Company's Articles of Association provide that at least one-third of the Board is subject to retirement by rotation at each Annual General Meeting. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. This provides an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings in the Group of each Director standing for election are furnished in a separate statement accompanying the Notice of the Annual General Meeting.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

B. REMUNERATION COMMITTEE

1. Objective

The principal objective of the Remuneration Committee is to assist the Board of Directors in its responsibilities in assessing the remuneration packages of the Group Chairman and Executive Directors.

2. Membership

The members of the Remuneration Committee for the time being are:-

- Datuk Ng Peng Hong @ Ng Peng Hay - Independent Non-Executive Director (Chairman)
- Chew Chee Chek - Independent Non-Executive Director
- Koh Hong Muan @ Koh Gak Siong - Executive Director

3. Composition of Members

The Board of Directors shall elect the Remuneration Committee members from amongst themselves, a majority of whom are independent. The term of office of the Remuneration Committee shall be for a period of three (3) years and may be re-nominated and appointed by the Board of Directors from time to time.

4. Chairman

The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee Members and shall be an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors.

5. Secretary

The secretary of the Remuneration Committee shall be the Company Secretary of the Company.

6. Meetings

The Remuneration Committee may meet together for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Remuneration Committee except in the case of an emergency, reasonable notice of every Remuneration Committee meeting shall be given in writing.

Details of each Remuneration Committee Member's attendance at Remuneration Committee Meeting held during the financial year ended 30 April 2007 are as follows:-

Name of Remuneration Committee Member	Attendance
Datuk Ng Peng Hong @ Ng Peng Hay	1/1
Koh Hong Muan @ Koh Gak Siong	1/1
Chew Chee Chek	1/1

7. Quorum

A quorum shall consist of two (2) members, both of whom shall be Independent Directors.

8. Authority

The Remuneration Committee shall in accordance with a procedure or process to be determined by the Board of Directors and at the expenses of the Company:-

- review, assess and recommend to the Board of Directors, the remuneration packages of the executive directors in all forms, with other independent professional advice or outside advice as necessary; and
- be entitled to the services of the Company Secretary who must ensure that all decisions made on remuneration packages of the executive directors be properly recorded and minuted in the minutes book.

B. REMUNERATION COMMITTEE (cont'd)**9. Duties and Responsibilities**

The duties and responsibilities of the Remuneration Committee are:-

- to review and assess the remuneration packages of the Group Chairman and Executive Directors in all forms, with or without other independent professional advice or other outside advice;
- to ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully;
- to structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at board level at a particular time;
- to recommend to the Board of Directors the remuneration packages of the Group Chairman and Executive Directors;
- to act in line with the directions of the Board of Directors; and
- to consider and examine such other matters as the Remuneration Committee considers appropriate.

The remuneration of the directors of Komarkcorp Berhad for the financial year ended 30 April 2007 are as follows:-

Type	Executive Directors	Non-Executive Directors
Aggregate Remuneration	RM'000	RM'000
Directors' Fees	130	50
Salaries	1,711	-
Allowance	1,180	-
Bonuses	300	-
Commission	-	-
Compensation for loss of office	-	-
Benefits in kind based on an estimated money value	23	-
Total	3,344	50

Band (RM)	No. of Directors	No. of Directors
Below 50,000		2
450,001 - 500,000	1	
650,001 - 700,000	1	
700,001 - 750,000	1	
1,450,001 - 1,500,000	1	
Total	4	2

C. SHAREHOLDERS

The Company recognises the importance of the accountability to its shareholders through proper communication with them. The Annual General Meeting is the principal forum for dialogue with the shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report before the meeting. All shareholders are encouraged to attend the Annual General Meeting and participate in its proceedings. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group.

D. ACCOUNTABILITY AND AUDIT

Audit Committee

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies. In addition, the Audit Committee shall:-

- (a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- (b) Maintain open lines of communication between the Board of Directors, the internal auditors and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- (c) Determine the adequacy of the Group's administrative, operating and accounting controls.

The Audit Committee's Report is set out on pages 34 to 36 of the Annual Report.

Financial Reporting

Through the annual financial statements as well as the Chairman's statement and review of operations in the Annual Report and the quarterly announcements of results to shareholders, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and quality of its financial reporting.

Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the accounting period and of their profit or loss and cashflow for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

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

Statement on Internal Control

The Statement on Internal Control furnished on page 33 of the Annual Report provides an overview of the system of internal controls of the Group.

D. ACCOUNTABILITY AND AUDIT (cont'd)

Relationship with the Auditors

Key features underlying the relationship between the Audit Committee and the external auditors are included in the Audit Committee's Report as detailed on pages 34 to 36 of the Annual Report.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of the results and cash flow of the Company and Group for the year then ended thereat.

In preparing the financial statements, the Directors are required to select appropriate accounting policies and apply them consistently to make reasonable and prudent judgements and estimates, and to state that all accounting standards which they consider to be applicable have been followed. The Directors are also required to prepare the financial statements on the going concern basis unless it is inappropriate to do so.

The Directors have responsibility for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enables them to ensure that the financial statements comply with the Companies Act, 1965. The Directors also have responsibility for taking such steps that are reasonable to safeguard the assets of the Company and Group and for prevention and detection of fraud and other irregularities.

E. CORPORATE SOCIAL RESPONSIBILITY

The Company has involved in various activities as part of its Corporate Social Responsibility (CSR) efforts:-

(a) Occupational Safety and Health

The Company is committed to maintain high safety and health standards at work place. A committee has been set up to monitor the compliance of the safety and health standards. A series of in-house programmes on safety and health are regularly conducted with the assistance of external experts and committee members. This includes training on handling chemical, flammable materials and machineries in work place.

(b) Contribution to charitable causes

The Company has been contributing regularly to schools with an objective to provide the less fortunate an opportunity to pursue further education.

Statement on internal control

The Board of Directors is ultimately responsible for the Group's system of internal control and for reviewing the effectiveness of the internal control system during the year pursuant to paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad. Internal control system is primarily designed to cater for the business needs and manage the potential business risks of the Group.

The Board has overall responsibility for the Group's system of internal control, which aims to:

- safeguard shareholders' investments and the Group's assets;
- ensure that proper accounting records are maintained; and
- ensure that the financial information provided within the business and for publication is reliable.

In view of the limitations that are inherent in any systems of internal control, such systems are designed to mitigate rather than eliminate the likelihood of fraud and error. Accordingly, these systems can provide only reasonable and not absolute assurance against material misstatement or loss. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

There are always opportunities to further improve the current internal control systems of the Group. A programme of actions to enhance the internal control systems was undertaken in line with corporate governance compliance. The Board of Directors has engaged Anuarul Azizan Chew Consulting Sdn Bhd, a professional firm, on 5 August 2006 to carry out Enterprise Risk Management and Internal Audit Services on an operation of the Group's subsidiaries on a project basis after considering the following:-

- The underlying operation risk of the business operation;
- The contribution of the particular Subsidiary's business operation towards the performance of the Group; and
- The timing of setting up of the Group's internal audit unit.

In seeking to achieve the objectives of the internal control systems, the following key elements will be considered:

Control Environment and Activities

It is imperative that the Group should operate on a sound system of internal control. In general, the overall line of communications across the business should be defined and there is an appropriate integrity in risk management.

There is also a limit on authority that clearly defines authorisation limits to ensure proper identification of accountabilities and segregation of duties. Operation control procedures have been established according to ISO 9001 standard. This will ensure that the business process flow is accordingly and properly executed.

Risk Management

The Board fully supports the contents of the Statement on Internal Control and Guidance for Directors of Public Listed Companies. The Board together with the assistance of the professional firm is in the process of reviewing the existing risk management process of certain business operations, with the aim of formalising the risk management functions across the Group.

As an ongoing process, business issues faced by the Group are identified and evaluated and consideration is given on the potential impact of achieving the business objectives. This includes examining business issues in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate the risks arising from these issues.

Relationship With Shareholders

The annual report and the quarterly announcements are the primary mode of communications to report on the Group's business activities and financial performance to all shareholders.

The Annual General Meeting ("AGM") provides a good opportunity to communicate with the shareholders and the Board welcomes their participation during the AGM. The Audit Committee is available at the AGM to answer questions and consider suggestions. This is usually followed by a dialogue with the press to further highlight the Group's activities for the benefits of shareholders especially those who are unable to attend the AGM.

Going Concern

The Board, based on the current business activities and facilities available as well as the stable economic environment, have a reasonable expectations that the Group is in a position to continue its operational presence and existence in the foreseeable future. Hence the Group financial statements have been prepared on the going concern basis.

Audit committee report

COMPOSITION

Datuk Ng Peng Hong @ Ng Peng Hay
Chairman/Independent Non-Executive Director

Koh Hong Muan @ Koh Gak Siong
Executive Director

Chew Chee Chek
Independent Non-Executive Director

TERMS OF REFERENCE

1. OBJECTIVE

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

In addition, the Audit Committee shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

2. COMPOSITION

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:-

- a) the audit committee must be composed of no fewer than three (3) members;
- b) a majority of the audit committee must be independent directors; and
- c) at least one member of the audit committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
 - iii) he must be a person who fulfils the requirements as may be prescribed by Bursa Malaysia Securities Berhad and/or other relevant authorities from time to time.

The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 2 (a) to (c) above, the vacancy must be filled within three (3) months of that event.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.

3. FUNCTIONS

The functions of the Audit Committee are as follows:-

- a) review the following and report the same to the Board of Directors:-
 - i) with the external auditors, the audit plan;
 - ii) with the external auditors, his evaluation of the system of internal controls;
 - iii) with the external auditor, his audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- c) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly and year-end financial statements of the Company, focusing particularly on:-
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- f) To review the external auditor's management letter and management's response;
- g) To do the following where an internal audit function exists:-
 - Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;
 - Approve any appointments or termination of senior staff members of the internal audit function;
 - Inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- h) To consider the major findings of internal investigations and management's response;
- i) To consider other areas as defined by the Board; and
- j) To perform any other functions/responsibilities as may be required of them by Bursa Malaysia Securities Berhad or such other relevant authorities from time to time.

4. RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee shall, wherever necessary and reasonable for the Company to the performance of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;

4. RIGHTS OF THE AUDIT COMMITTEE (cont'd)

- c) have full and unrestricted access to any information pertaining to the Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

5. MEETINGS

The Audit Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. However, at least once a year the Audit Committee shall meet with the external auditors without executive Board members present.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

DETAILS OF ATTENDANCE AT AUDIT COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 30 APRIL 2007

Number of Audit Committee Meetings held for the financial year: Four (4)

Attendance of the Audit Committee members are shown below:-

Name of Audit Committee member	Attendance
Datuk Ng Peng Hong @ Ng Peng Hay	4/4
Koh Hong Muan @ Koh Gak Siong	4/4
Chew Chee Chek	4/4

HIGHLIGHTS OF ACTIVITIES

During the financial year, the activities of the Audit Committee included:-

1. Review of the quarterly financial results prior to the release of the announcements to Bursa Malaysia Securities Berhad.
2. Review of the external auditor's reports in relation to audit and accounting issues arising from the audit of the Group's financial statements and updates on the changes in the reporting of financial statements.
3. Review of audit strategy and plan of the external auditors.

Other information

1. Share Buy-Back

The Company had on 23 May 2001 obtained the authority of its shareholders to undertake, inter alia, a share buy back of up to 10% of the issued and paid-up share capital. Subsequently, the authority for the share buy-back was renewed via the Company's annual general meeting. During the financial year ended 30 April 2007, the Company has purchased 2,296,200 of its own shares. Subsequently the Company purchased another 536,000 of its own shares before the disposal of 2,400,000 of its own shares in the open market on 4 July 2007. Details of shares bought-back and re-sold are as follows:-

Month	Number of shares purchased	Lowest purchase price (RM)	Highest purchase price (RM)	Average purchase price (RM)	Total consideration (RM)
Purchase					
May-06	291,600	0.350	0.370	0.362	105,474.00
Jun-06	690,000	0.345	0.390	0.364	251,372.50
Jul-06	283,900	0.345	0.370	0.359	101,987.50
Aug-06	172,600	0.315	0.350	0.330	56,889.27
Sep-06	123,700	0.310	0.335	0.319	39,490.50
Oct-06	87,100	0.315	0.330	0.320	27,843.00
Nov-06	2,000	0.330	0.330	0.330	660.00
Dec-06	128,200	0.330	0.360	0.352	45,079.00
Jan-07	242,600	0.360	0.420	0.393	95,430.50
Feb-07	160,700	0.390	0.560	0.440	70,652.00
Mar-07	58,500	0.390	0.420	0.408	23,862.00
Apr-07	55,300	0.400	0.440	0.422	23,347.25
May-07	109,900	0.360	0.400	0.381	41,916.77
Jun-07	318,200	0.375	0.480	0.438	139,501.98
Jul-07	107,900	0.540	0.570	0.558	60,232.20
Aug-07	-	-	-	-	-
Total	2,832,200				1,083,738.40
Disposal					
Jul-07	2,400,000	0.600	0.630	0.610	1,463,645.74
Aug-07	-	-	-	-	-

2. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programmes

During the financial year, the Company did not sponsor any ADR or GDR programmes.

3. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

4. Non-Audit Fees

The amount of non-audit fee paid or payable to external auditors and their affiliated company for the financial year ended 30 April 2007 are as follows:-

RM'000

E- Resources Consulting Sdn Bhd

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5. Profit Estimate, Forecast or Projection

There was no variance between the results of the financial year and the unaudited results previously announced.

The Company did not make any release on the profit estimates, forecast or projections for the financial year.

6. Profit Guarantees

During the financial year, there were no profit guarantees given by the Company.

7. Material Contracts

During the financial year, there were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interest.

8. Contracts Relating to Loans

There were no material contracts relating to loans by the Company involving Directors and major shareholders.

9. Utilisation of Proceeds

The Company did not implement any fund raising exercise during the financial year.

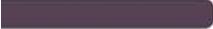
10. Options, Warrants or Convertible Securities

There were no changes in the issued and paid up share capital of the Company during the financial year.

No options were granted to any person to take up unissued shares of the Company during the year. None of the warrants is exercised as at end of the financial year.

11. Revaluation Policy

During the financial year, the Company and its subsidiaries do not have any revaluation policy on landed properties.



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Directors' report for the year ended 30 April 2007

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are as set out in Note 4 to the financial statements. There have been no significant changes in these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the year	1,510	(4,577)

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the changes in accounting policies due to the adoption of the new and revised Financial Reporting Standards ("FRSs") as disclosed in Note 24 to the financial statements.

DIVIDEND

No dividend was paid nor declared since the end of the previous financial year and the directors do not recommend any dividend to be paid for the financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, there was no issue of shares.

TREASURY SHARES

During the financial year, the Company repurchased 2,296,200 ordinary shares from the open market at an average price of approximately RM0.37 per share. The total consideration paid for the repurchase including transaction costs was RM848,773 and this was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965, and are disclosed in Note 14 to the financial statements.

SHARE OPTION

During the financial year, the Company did not grant any option to any person to take up the unissued shares of the Company.

In prior year, the warrants issued are in registered form and constituted by a deed poll and entitle the registered holder to subscribe for one (1) new ordinary share of RM1.00 in the Company at a price of RM1.70 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid deed poll and can be exercised at any time during the ten (10) years subscription period expiring on 30 June 2010. At the end of the financial year, 39,999,990 warrants remained unexercised.

The warrants holders are not entitled to participate in any share issue of any other company.

SIGNIFICANT EVENT

Significant event during the financial year is disclosed in Note 29.

SUBSEQUENT EVENT

Event subsequent to the financial year is disclosed in Note 30.

DIRECTORS

The directors who served from the date of the last report to the date of this report are:

Koh Hong Muan @ Koh Gak Siang (Group Chairman/Chief Executive Officer)

Lee Poh Tin

Datuk Ng Peng Hong @ Ng Peng Hay

Koh Chie Jooi

Chew Chee Chek

Koh Chee Mian

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, 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 of RM1.00 each			Balance at 30.04.2007
	Balance at 01.05.2006	Bought	Sold	
(Direct Interest)				
Koh Hong Muan @ Koh Gak Siang	6,019,478	-	-	6,019,478
Lee Poh Tin	425,965	-	-	425,965
(Indirect Interest)				
Koh Hong Muan @ Koh Gak Siang	19,619,854#	-	-	19,619,854#
Lee Poh Tin	25,312,367#	-	-	25,312,367#
Koh Chie Jooi	25,639,332*	-	-	25,639,332*
Koh Chee Mian	25,639,332*	-	-	25,639,332*

	Number of warrants			Balance at 30.04.2007
	Balance at 01.05.2006	Bought	Sold	
(Direct Interest)				
Koh Hong Muan @ Koh Gak Siang	1,043,000	-	-	1,043,000
Lee Poh Tin	232,632	-	-	232,632
(Indirect Interest)				
Koh Hong Muan @ Koh Gak Siang	4,561,865#	-	-	4,561,865#
Lee Poh Tin	5,372,233#	-	-	5,372,233#
Koh Chie Jooi	5,604,865*	-	-	5,604,865*
Koh Chee Mian	5,604,865*	-	-	5,604,865*

Deemed interested in warrants held by an affiliated company, Aimas Enterprise Sdn. Bhd., a company incorporated in Malaysia, by virtue of Section 6A(4)(c) of the Companies Act, 1965 and warrants held by spouse.

* Deemed interested in the warrants held by persons connected under Section 122A(1)(a) of the Companies Act, 1965.

DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of their interests in the shares of the Company, Koh Hong Muan @ Koh Gak Siang, Lee Poh Tin, Koh Chie Jooi and Koh Chee Mian are also deemed to have an interest in the shares of all the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in the shares and warrants of the Company or its related companies 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 emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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 as disclosed in Note 27 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements which object was 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 STATUTORY INFORMATION

- a. Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b. At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off as bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading;
- b. At the date of this report, the directors are not aware of any circumstances: (cont'd)
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and
 - (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.
- c. At the date of this report, there does not exist:
- (i) 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
 - (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONT'D)

- d. No contingent liability or other liabilities 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 its obligations as and when they fall due.
- e. No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The Auditors, ONG & WONG, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the directors

KOH HONG MUAN @ KOH GAK SIONG

Director

KOH CHIE JOOI

Director

Dated: 28 August 2007
Kuala Lumpur

Statement by directors (Pursuant to Section 169[15] of the Companies Act, 1965)

We, **KOH HONG MUAN @ KOH GAK SIONG** and **KOH CHIE JOOI**, being two of the directors of **KOMARKCORP BERHAD**, do hereby state that, in the opinion of the directors, the financial statements set out on pages 46 to 81 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB approved accounting standards in Malaysia for entities other than private entities so as to give a true and fair view of the states of affairs of the Group and of the Company as at 30 April 2007 and of the results of their operations, changes in equity and cash flows of the Group and of the Company for the financial year ended on that date.

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Annual Report 2007

Signed in accordance with a resolution of the directors

KOH HONG MUAN @ KOH GAK SIONG

Director

KOH CHIE JOOI

Director

Dated: 28 August 2007

Kuala Lumpur

Statutory declaration (Pursuant to Section 169[16] of the Companies Act, 1965)

I, **KOH CHIE JOOI**, being the director primarily responsible for the financial management of **KOMARKCORP BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 46 to 81 are, 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 Declaration Act, 1960.

Subscribed and solemnly declared by
the abovenamed, at Kuala Lumpur
in Wilayah Persekutuan on
28 August 2007

Before me,

KOH CHIE JOOI

Report of the auditors to the members of Komarcorp Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on pages 46 to 81. The preparation of the financial statements is the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We have conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by directors as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a. the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB approved accounting standards in Malaysia for entities other than private entities, so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company at 30 April 2007 and of the results of the operations and cash flows of the Group and of the Company for the financial year ended on that date; and
- b. the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 4 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Companies Act, 1965.

ONG & WONG

AF 0241

Chartered Accountants

ONG KONG LAI

494/06/08(J/PH)

Partner of Firm

Dated: 28 August 2007

Kuala Lumpur

Balance sheets as at 30 April 2007

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Annual Report 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	128,540	126,727	-	-
Investments in subsidiaries	4	-	-	13,621	13,621
Investment in associate	5	61	102	-	-
Other investment	6	4	4	-	-
Development expenditure	7	955	1,603	-	-
Goodwill on consolidation	8	1,750	1,750	-	-
Deferred tax assets	17	110	-	-	-
		131,420	130,186	13,621	13,621
Current assets					
Inventories	9	41,493	36,684	-	-
Trade and other receivables	10	38,950	30,008	2	3
Amount due from related companies	11	-	-	73,160	78,618
Tax recoverable		431	393	-	-
Cash and bank balances	12	6,309	5,704	8	7
		87,183	72,789	73,170	78,628
TOTAL ASSETS		218,603	202,975	86,791	92,249
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	81,275	81,275	81,275	81,275
Treasury shares	14	(849)	-	(849)	-
Share premium		14,724	14,724	14,724	14,724
Reserves	15	15,464	12,370	(11,700)	(7,123)
Total equity		110,614	108,369	83,450	88,876
Non-current liabilities					
Borrowings	16	12,216	9,486	-	-
Deferred tax liabilities	17	1,313	1,227	-	-
		13,529	10,713	-	-
Current liabilities					
Trade and other payables	18	23,424	20,256	401	411
Borrowings	16	70,984	63,549	2,940	2,962
Tax payable		52	88	-	-
		94,460	83,893	3,341	3,373
Total liabilities		107,989	94,606	3,341	3,373
TOTAL EQUITY AND LIABILITIES		218,603	202,975	86,791	92,249

The annexed notes form an integral part of these financial statements.

Income statements for the year ended 30 April 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Revenue		105,597	103,129	-	-
Cost of sales		(59,071)	(56,301)	-	-
Gross profit		46,526	46,828	-	-
Other operating income	19	685	989	-	354
Depreciation and amortisation		(6,451)	(6,764)	-	-
Staff costs and employee benefits		(19,298)	(21,733)	(3,803)	(3,394)
Other operating expenses		(14,101)	(13,476)	(538)	(416)
Profit/(Loss) from operations		7,361	5,844	(4,341)	(3,456)
Finance costs		(5,257)	(4,402)	(236)	(238)
Share of results of associate		(41)	29	-	-
Profit/(Loss) before tax	20	2,063	1,471	(4,577)	(3,694)
Tax expense	21	(553)	(918)	-	8
Profit/(Loss) for the year		1,510	553	(4,577)	(3,686)
Attributable to:					
- Equity holders of the Company		1,510	626	(4,577)	(3,686)
- Minority interest		-	(73)	-	-
Profit/(Loss) for the year		1,510	553	(4,577)	(3,686)
Basic earnings per share attributable to equity holders of the Company (sen)	22	1.9	0.8		

Consolidated statement of changes in equity

for the year ended 30 April 2007

Note	Attributable to Equity Holders of the Company										Minority Interest	Total Equity					
	Share capital	Treasury shares	Share premium	General reserve	Translation reserve	Retained profits	Total	Share capital	Treasury shares	Share premium			General reserve	Translation reserve	Retained profits	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2005	81,275	-	14,724	1,525	412	10,156	108,092							217	108,309		
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	-	(349)	-	(349)							-	(349)		
Profit for the year	-	-	-	-	-	626	626							(73)	553		
Total recognised income and expense for the year	-	-	-	-	(349)	626	277							(73)	204		
Transfer to general reserve	-	-	-	178	-	(178)	-							-	-		
Acquisition of additional shares in subsidiaries	-	-	-	-	-	-	-							(144)	(144)		
At 30 April 2006 / 1 May 2006	81,275	-	14,724	1,703	63	10,604	108,369							-	108,369		
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	-	1,584	-	1,584							-	1,584		
Profit for the year	-	-	-	-	-	1,510	1,510							-	1,510		
Total recognised income and expense for the year	-	-	-	-	1,584	1,510	3,094							-	3,094		
Treasury shares - purchased	-	(849)	-	-	-	-	(849)							-	(849)		
At 30 April 2007	81,275	(849)	14,724	1,703	1,647	12,114	110,614							-	110,614		

The annexed notes form an integral part of these financial statements

Statement of changes in equity for the year ended 30 April 2007

	Note	Share capital RM'000	Treasury shares RM'000	Non-distributable Share premium RM'000	Accumulated losses RM'000	Total Equity RM'000
At 1 May 2005		81,275	-	14,724	(3,437)	92,562
Loss for the year, representing total recognised income and expense for the year		-	-	-	(3,686)	(3,686)
At 30 April 2006 / 1 May 2006		81,275	-	14,724	(7,123)	88,876
Loss for the year, representing total recognised income and expense for the year		-	-	-	(4,577)	(4,577)
Treasury shares - purchased	14	-	(849)	-	-	(849)
At 30 April 2007		81,275	(849)	14,724	(11,700)	83,450

Cash flow statements for the year ended 30 April 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		2,063	1,471	(4,577)	(3,694)
Adjustments for:					
Amortisation of development expenditure		956	1,108	-	-
Amortisation of moulds and die-cutters		62	582	-	-
Amortisation of goodwill		-	239	-	-
Amortisation of negative goodwill		-	(2,734)	-	-
Dividend income		-	-	-	(75)
Net gain on disposal of property, plant and equipment		(312)	(102)	-	-
Depreciation of property, plant and equipment		8,131	8,151	-	-
Net unrealised foreign exchange gains		-	(417)	-	-
Property, plant and equipment written off		699	-	-	-
Share of results of associate		41	(29)	-	-
Interest expense		5,257	4,402	236	238
Interest income		(70)	(63)	-	-
Operating profit/(loss) before working capital changes		16,827	12,608	(4,341)	(3,531)
(Increase)/Decrease in inventories		(4,871)	(4,749)	-	-
(Increase)/Decrease in receivables		(8,105)	2,396	5,386	3,660
Increase/(Decrease) in payables		2,827	(715)	63	26
Cash generated from operations		6,678	9,540	1,108	155
Tax paid		(655)	(1,456)	-	-
Tax refund		3	13	-	8
Interest paid		(5,241)	(4,402)	(236)	(238)
Interest received		70	63	-	-
Net cash generated from/(used in) operating activities		855	3,758	872	(75)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	B	(11,781)	(8,063)	-	-
Proceeds from disposal of property, plant and equipment		3,908	1,876	-	-
Development expenditure paid		(305)	(363)	-	-
Acquisition of additional shares in subsidiaries		-	(1,250)	-	-
Dividend received		-	-	-	75
Net cash (used in)/generated from investing activities		(8,178)	(7,800)	-	75

Cash flow statements for the year ended 30 April 2007 (cont'd)

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Share bought back		(849)	-	(849)	-
Decrease/(Increase) in deposits pledged with licensed banks		26	(881)	-	-
Advances to associate		(496)	(17)	-	-
Drawdown of term loan and other borrowings		36,143	45,351	-	-
Repayment of term loans and other borrowings		(27,497)	(41,980)	-	-
Repayment of hire purchase and lease financing		(1,761)	(1,126)	-	-
Net cash generated from/(used in) financing activities		5,566	1,347	(849)	-
Net (decrease)/increase in cash and cash equivalents		(1,757)	(2,695)	23	-
Effects of exchange rate changes		1,064	234	-	-
Cash and cash equivalents at beginning of year		(15,671)	(13,210)	(2,955)	(2,955)
Cash and cash equivalents at end of year	A	(16,364)	(15,671)	(2,932)	(2,955)

NOTE

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash and bank balances	6,309	5,704	8	7
Less : Deposits pledged with licensed institutions	(1,892)	(1,918)	-	-
Bank overdraft	(20,781)	(19,457)	(2,940)	(2,962)
	(16,364)	(15,671)	(2,932)	(2,955)

B. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company acquired the property, plant and equipment by:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Transfers from other receivables	-	631	-	-
Cash	11,781	8,063	-	-
Hire purchase	1,771	5,579	-	-
	13,552	14,273	-	-

Notes to the financial statements

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are as set out in Note 4.

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

The registered office is located at Level 7, Setia 1, 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

2. ACCOUNTING POLICIES

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous years except for the adoption of the following new/revised FRSs effective for financial year beginning 1 May 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

For this set of financial statements, the Group and the Company have chosen not to early adopt the following FRSs:

<u>FRS</u>		<u>Effective for financial periods beginning on or after</u>
FRS 117	Leases	1 October 2006
FRS 124	Related Party Disclosures	1 October 2006
FRS 139	Financial Instruments: Recognition and Measurement	Deferred

The Group and the Company are not required to disclose the possible impact of applying FRS 117, FRS 124 and FRS 139 on these financial statements by virtue of exemptions provided under these FRSs.

The adoption of the new/revised FRSs does not have significant financial impact on the Group and the Company other than FRS 3, FRS 101 and FRS 136. The effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are disclosed in Note 24.

a. Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia for entities other than private entities issued by the Malaysian Accounting Standards Board ("MASB"). The financial statements have been prepared under the historical cost convention, except where otherwise stated in the respective accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2. ACCOUNTING POLICIES (CONT'D)

b. Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, if any. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in the income statement. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

(ii) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The results of the subsidiaries are consolidated using the acquisition method.

Under the acquisition method, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The cost of acquisition is measured as the aggregate of fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Any difference between the cost of acquisition and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill or negative goodwill. The accounting policy on goodwill and negative goodwill is disclosed in Note 2(h).

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered. Consistent accounting policies are applied for transactions and events in similar circumstances.

Minority interest represents the portion of profit or loss and net assets in subsidiaries not held directly or indirectly by the Group. Minority interest is measured at the minority's share of the fair values of the identifiable assets and liabilities at the acquisition date and the minority's equity since then.

c. Associate

Associate is an entity in which the Group has a long term equity interest and voting rights of between 20% and 50% to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but not in control over those policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method. The Group's investment in associate is recognised in the consolidated balance sheet at cost plus the Group's share of post-acquisition net results of the associate less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

The Group's share of results of the associate is recognised in the consolidated income statement from the date that significant influence commences until the date that significant influence ceases. Any unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Consistent accounting policies are applied for transactions and events in similar circumstances.

2. ACCOUNTING POLICIES (CONT'D)**c. Associate (cont'd)**

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the fair value of the associate's net identifiable assets and contingent liabilities over the cost of the 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 results of the associate in the period in which the investment is acquired.

In the Company's separate financial statements, investment in associate is stated at cost less impairment losses, if any. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in the income statement.

d. Goodwill

For acquisitions occurred prior to 1 January 2006, goodwill acquired in a business combination represents the excess of the cost of the acquisition of subsidiaries over the Group's interest in the fair values of the net identifiable assets (including intangible assets) at the date of acquisition. With the adoption of FRS 3 Business Combinations beginning 1 May 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries.

Goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is no longer amortised. Instead it is allocated to cash-generating units ("CGUs") which are expected to benefit from the synergies of the business combination. Each CGU represents the lowest level at which the goodwill is monitored and is not larger than a segment based on either the Group's primary or secondary reporting format. The carrying amount of goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Negative goodwill, which represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired over the cost of the acquisition of the subsidiaries, is recognised immediately in the income statement.

e. Foreign Currencies

The individual financial statements of each entity in the Group are measured using their respective functional currency.

(i) Foreign Currency Transactions

In preparing the individual financial statements, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated into the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate prevailing at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated at exchange rates at the date when the fair value is determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at balance sheet date are recognised in the income statement except for those arising on monetary items that form part of the Group's net investment in foreign operation.

(ii) Net Investment in Foreign Operations

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within the equity until the disposal of the foreign operation, at which time they are recognised in the income statement. If exchange differences arise in a currency other than the functional currency of either the reporting entity or the foreign operation, such items are recognised in the income statement for the period.

2. ACCOUNTING POLICIES (CONT'D)**e. Foreign Currencies (cont'd)****(ii) Net Investment in Foreign Operations (cont'd)**

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in the income statement of the Company or the foreign operation, as appropriate.

(iii) Foreign Operations

The results and financial position of the Group's foreign operations are translated into presentation currency (RM) as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to a foreign currency translation reserve within equity and are subsequently recognised in the income statement upon disposal of the foreign operations.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operation and are translated at the closing rate at the balance sheet date. For acquisition prior to 1 January 2006, the exchange rates as at the date of initial acquisition were used.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

	2007	2006
	RM	RM
1 United States Dollar (USD)	3.42	3.62
1 Singapore Dollar (SGD)	2.25	2.29
1 Chinese Renminbi (RMB)	0.46	0.45
1 Australia Dollar (AUD)	2.83	2.75
100 Thailand Baht (THB)	10.40	9.69
100 Hong Kong Dollar (HKD)	43.80	46.74
1000 Indonesia Rupiah (INR)	0.37	-

f. Property, Plant and Equipment and Depreciation

Freehold land and construction work-in-progress are stated at cost and are not depreciated. All other property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement when they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

2. ACCOUNTING POLICIES (CONT'D)**f. Property, Plant and Equipment and Depreciation (cont'd)**

The annual rates of depreciation used for the major groups of property, plant and equipment are as follows:

Buildings	2% and 10%
Plant and machinery	5% to 10%
Office equipment, furniture and fittings	5% to 20%
Motor vehicles	10% to 20%
Renovations	10% to 33 1/3 %

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement.

g. Development Expenditure

Expenditure on development activities, where research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation. These expenditure are amortised and recognised as expenses on systematic basis from the date of commencement of commercial production so as to reflect the pattern in which the related economic benefits are recognised, which are over three (3) to five (5) years.

h. Impairment of Assets

The carrying amount of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there are any indications of impairment. If any such indications exist, the asset's recoverable amount is estimated to determine the amount of impairment loss. The policies on impairment of assets are summarised as follows:

(i) Goodwill

Goodwill that has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. For impairment testing, goodwill from business combinations is allocated to CGUs which are expected to benefit from the synergies of the business combination.

The recoverable amount is determined for each CGU based on its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in the income statement when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis. An impairment loss on goodwill is not reversed in subsequent periods.

(ii) Other Assets

Other assets such as property, plant and equipment, investments in subsidiaries and associate are reviewed for objective indications of impairment at each balance sheet date or whenever there is any indication that these assets may be impaired.

2. ACCOUNTING POLICIES (CONT'D)

h. Impairment of Assets (cont'd)

(ii) Other Assets (cont'd)

Where such indications exist, impairment loss is determined as the excess of the asset's carrying value over its recoverable amount (greater of value in use or fair value less costs to sell) and is recognised in the income statement. Any reversal of an impairment loss for these assets is recognised in the income statement. The carrying amount is increased to its revised recoverable amount, provided that the amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

If an asset is carried at a revalued amount, impairment loss is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset. Any subsequent reversal is treated as a revaluation increase.

i. Inventories

Raw materials, work-in-progress and manufactured inventories are stated at the lower of cost and net realisable value with the weighted average cost being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

Mould and die-cutters are stated at cost less accumulated amortisation. The straight line method is used to write off the cost over a period of not more than ten (10) years.

j. Financial Instruments

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances, cash in hand and short term highly liquid assets that are readily convertible to cash without significant risk of changes in value net of outstanding bank overdrafts.

(ii) Other Investment

Other investment comprises quoted shares that are acquired and held for yield or capital growth. These are stated at cost. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

(iii) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(iv) Payables and Interest Bearing Borrowings

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

Interest bearing borrowings are stated at the amount of proceeds received, net of transaction costs. After initial recognition, interest bearing borrowings are subsequently stated at amortised cost using the effective interest method.

Borrowing costs are recognised in the income statement in the period in which they are incurred.

2. ACCOUNTING POLICIES (CONT'D)

j. Financial Instruments (cont'd)

(v) Equity Instruments

Ordinary shares are classified as equity in the balance sheet. Costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

Dividends on ordinary shares are accounted for as an appropriation of retained profits in the period in which they are approved.

When the Company repurchases its own equity shares, the amount of the consideration paid, including directly attributable costs, is recognised in equity. Shares repurchased are held as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of the treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

k. Assets Held Under Hire Purchase

Assets acquired under hire purchase or finance lease agreements are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the hire purchase and finance leases, less accumulated depreciation and impairment losses. These assets are depreciated in accordance with the depreciation policy as disclosed in Note 2(f).

Outstanding obligation due under the hire purchase or finance lease agreements after deducting finance costs are included as liabilities in the financial statements. The finance costs of the hire purchase or finance lease are charged to the income statement over the periods of respective agreements so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

l. Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sales of Goods

Revenue from sales of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the customers.

(ii) Interest Income

Interest is recognised on an accrual basis that reflects the effective yield on the asset.

(iii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

m. Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and allowances are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term nonaccumulating compensated absences such as sick leave are recognised when the absences occur.

2. ACCOUNTING POLICIES (CONT'D)**m. Employee Benefits (cont'd)****(ii) Defined Contribution Plans**

Obligations for contributions to defined contribution plans such as the Employees Provident Fund ("E.P.F") are recognised as an expense in the income statement as incurred.

n. Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

o. Critical Judgments Made in Applying Accounting Policies

In the preparation of the financial statements, management has been required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial statements in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies as described above, management is of the view that there are no instances of application of judgments which are expected to have significant effect on the amounts recognised in the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Group	As at 01.05.2006 RM'000	Addition/ Transfer RM'000	Disposal/ Write off RM'000	Exchange differences RM'000	As at 30.04.2007 RM'000
2007					
Cost					
Freehold land	11,995	5,784	-	-	17,779
Construction work-in-progress	-	302	-	-	302
Buildings	26,392	1,866	-	6	28,264
Plant and machinery	116,996	5,169	(5,896)	900	117,169
Office equipment, furniture and fittings	7,493	145	-	20	7,658
Motor vehicles	3,045	82	-	9	3,136
Renovations	4,288	204	(107)	47	4,432
	170,209	13,552	(6,003)	982	178,740

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

Group (cont'd) 2007	As at 01.05.2006 RM'000	Charge for the year RM'000	Disposal/ Write off RM'000	Exchange differences RM'000	As at 30.04.2007 RM'000
Accumulated Depreciation					
Freehold land	-	-	-	-	-
Construction work-in-progress	-	-	-	-	-
Buildings	2,735	543	-	1	3,279
Plant and machinery	31,214	6,347	(1,693)	235	36,103
Office equipment, furniture and fittings	5,503	505	-	17	6,025
Motor vehicles	2,130	317	-	7	2,454
Renovations	1,900	419	-	20	2,339
	43,482	8,131	(1,693)	280	50,200

	As at 30.04.2007 RM'000
Net Book Value	
Freehold land	17,779
Construction work-in-progress	302
Buildings	24,985
Plant and machinery	81,066
Office equipment, furniture and fittings	1,633
Motor vehicles	682
Renovations	2,093
	128,540

Group 2006	As at 01.05.2005 RM'000	Addition/ Transfer RM'000	Disposal/ Write off RM'000	Exchange differences RM'000	As at 30.04.2006 RM'000
Cost					
Freehold land	11,995	-	-	-	11,995
Buildings	26,327	89	-	(24)	26,392
Plant and machinery	107,527	13,399	(3,126)	(804)	116,996
Office equipment, furniture and fittings	7,323	223	-	(53)	7,493
Motor vehicles	3,208	148	(291)	(20)	3,045
Renovations	3,901	414	(2)	(25)	4,288
	160,281	14,273	(3,419)	(926)	170,209

	As at 01.05.2005 RM'000	Charge for the year RM'000	Disposal/ Write off RM'000	Exchange differences RM'000	As at 30.04.2006 RM'000
Accumulated Depreciation					
Freehold land	-	-	-	-	-
Buildings	2,197	541	-	(3)	2,735
Plant and machinery	26,565	6,175	(1,352)	(174)	31,214
Office equipment, furniture and fittings	4,807	736	-	(40)	5,503
Motor vehicles	2,125	308	(291)	(12)	2,130
Renovations	1,526	391	(2)	(15)	1,900
	37,220	8,151	(1,645)	(244)	43,482

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

Group (cont'd)	As at
2006	30.04.2006
Net Book Value	RM'000
Freehold land	11,995
Buildings	23,657
Plant and machinery	85,782
Office equipment, furniture and fittings	1,990
Motor vehicles	915
Renovations	2,388
	126,727

The building of the subsidiary, Guangzhou Komark Labels & Labelling Co., Ltd. costing RM1,562,000 (2006: RM1,562,000) is built on a piece of land belonging to and leased from the authority of the People's Republic of China. The lease term is due to expire in the year 2044.

The net book value of plant and machinery and motor vehicles of the Group acquired under hire purchase agreements amounted to RM11,647,000 (2006: RM9,972,000) and RM176,000 (2006: RM248,000) respectively.

Freehold land, buildings and plant and machinery of the Group costing RM17,779,000 (2006: RM11,995,000), RM26,779,000 (2006: RM24,918,000) and RM21,647,000 (2006: RM23,347,000) respectively are charged to licensed banks and financial institutions as security for borrowings granted to certain subsidiaries (Note 16).

4. INVESTMENTS IN SUBSIDIARIES

	Company	
	2007	2006
	RM'000	RM'000
Unquoted shares, at cost	13,621	13,621

The list of subsidiaries, their places of incorporation, their principal activities and the effective interest of the Company are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest	
			2007	2006
			%	%
General Labels & Labelling (M) Sdn. Bhd.	Malaysia	Manufacturing of self adhesive Labels and automatic labelling machines and trading of related tools and equipment	100	100
Komark International (M) Sdn. Bhd.	Malaysia	Manufacturing of self adhesive labels and trading of related tools and equipment	100	100
*# General Labels & Labelling (Penang) Sdn. Bhd.	Malaysia	Manufacturing of self adhesive labels and trading of related tools and equipment	100	100

4. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Effective equity interest	
			2007 %	2006 %
* General Labels & Labelling (Ipoh) Sdn. Bhd.	Malaysia	Manufacturing of self adhesive labels and trading of related tools and equipment	100	100
* Komark Investment Holdings Ltd.	British Virgin Island	Investment holding	100	100
^ Komark Australasia Pty. Ltd.	Australia	Dormant	100	100
* Komark China Ltd.	Caymans Island	Dormant	100	100

The subsidiaries of General Labels & Labelling (M) Sdn. Bhd. are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest	
			2007 %	2006 %
* General Labels & Labelling (JB) Sdn. Bhd.	Malaysia	Manufacturing of self adhesive labels and trading of related tools and equipment	100	100
* General Labels & Labelling Pty. Ltd.	Singapore	Manufacturing of self adhesive labels and trading of related tools and equipment	100	100
* Komark (Thailand) Co Ltd.	. Thailand	Manufacturing of self adhesive labels	100	100

The subsidiaries of Komark International (M) Sdn. Bhd. are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest	
			2007 %	2006 %
Shanghai Komark Labels & Labelling Co. Ltd.	People's Republic of China	Manufacturing of self adhesive labels and trading of labelling machines	100	100
Guangzhou Komark Labels & Labelling Co. Ltd.	People's Republic of China	Manufacturing of self adhesive labels	100	100
^ PT Komark Labels and Labelling Indonesia	Indonesia	Manufacturing and trading of self adhesive labels	100	-

4. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Effective equity interest	
			2007 %	2006 %
*# Komark Hong Kong Co. Ltd.	Hong Kong	Dormant	100	100

* Audited by another firm of auditors.

^ Consolidated based on management financial statements.

Subsidiary with auditor's report that is not qualified which contained an emphasis of matter on its going concern, which is dependent upon continuous financial support of its holding or ultimate holding company.

5. INVESTMENT IN ASSOCIATE

	Group	
	2007 RM'000	2006 RM'000
Unquoted shares, at cost	2	2
Share of post acquisition results	59	100
	<u>61</u>	<u>102</u>
Represented by:		
Group's share of net assets	61	102

The shares of the associate are held directly by one of the subsidiaries, namely Komark International (M) Sdn. Bhd.. Details of the associate are as follows:

Name of Company	Country of incorporation	Principal Activities	Effective equity interest	
			2007 %	2006 %
* Komark Enterprise Co. Ltd.	Thailand	Trading of self adhesive labels and related tools and equipment	49	49

* Audited by another firm of auditors.

6. OTHER INVESTMENT

	Group	
	2007 RM'000	2006 RM'000
Quoted shares in Malaysia, at cost	4	4
Quoted shares in Malaysia, at market value	2	2

7. DEVELOPMENT EXPENDITURE

	Group	
	2007	2006
	RM'000	RM'000
Automatic labelling machineries		
Cost		
At 1 May	2,040	1,677
Addition during the year	305	363
At 30 April	2,345	2,040
Accumulated amortisation		
At 1 May	1,300	741
Charge for the year	409	559
At 30 April	1,709	1,300
Net book value	636	740
Roto-gravure/offset combination labels press project		
Cost		
At 1 May	2,724	2,766
Exchange difference	12	(42)
At 30 April	2,736	2,724
Accumulated amortisation		
At 1 May	1,861	1,337
Charge for the year	547	549
Exchange difference	9	(25)
At 30 April	2,417	1,861
Net book value	319	863
Total net book value	955	1,603

The roto-gravure/offset combination labels press commenced its commercial production in December 2002. The amortisation represents the amount charged from the date of commercial production.

8. GOODWILL ON CONSOLIDATION

	Group	
	2007	2006
	RM'000	RM'000
Goodwill on consolidation		
Cost		
At 1 May	2,413	1,307
Acquisition of additional shares in subsidiary	-	1,106
At 30 April	2,413	2,413
Accumulated amortisation		
At 1 May	663	424
Charge for the year	-	239
At 30 April	663	663
Net book value	1,750	1,750

Negative goodwill amounting to RM7,195,813 has been fully amortised and recognised in the income statement in the previous financial year.

9. INVENTORIES

	Group	
	2007 RM'000	2006 RM'000 (Restated)
Raw materials	8,479	10,012
Work-in-progress	4,984	2,958
Manufactured inventories	26,034	17,918
Moulds and die-cutters	3,664	6,985
Others	907	-
	44,068	37,873
Less : Allowance for slow-moving manufactured inventories	(2,575)	(1,189)
	41,493	36,684

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables	30,088	26,505	-	-
Other receivables and Deposits	8,862	3,503	2	3
	38,950	30,008	2	3

Included in trade receivables of the Group is an amount of RM871,000 (2006: RM757,000) due from associate.

Included in other receivables of the Group is a deposit of RMNil (2006: RM661,000) paid for purchase land and building.

11. AMOUNT DUE FROM RELATED COMPANIES

These balances are unsecured, interest free and have no fixed terms of repayment.

12. CASH AND BANK BALANCES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits with licensed banks	1,926	1,918	-	-
Cash on hand and at bank	4,383	3,786	8	7
	6,309	5,704	8	7

Included in deposits placed with licensed banks of the Group is an of RM1,892,000 (2006: RM1,918,000) amount pledged as security for borrowings granted to subsidiaries (Note 16).

13. SHARE CAPITAL

	Group and Company	
	2007	2006
	RM'000	RM'000
Ordinary shares of RM1.00 each		
Authorised:		
At 1 May/30 April	500,000	500,000
Issued and fully paid		
At 1 May/30 April	81,275	81,275

14. TREASURY SHARES

	Group and Company	
	2007	2006
	RM'000	RM'000
Number of ordinary shares of RM1 each		
At 1 May	-	-
Repurchased during the year	2,296,200	-
At 30 April	2,296,200	-
	RM'000	RM'000
Ordinary shares of RM1 each		
At 1 May	-	-
Repurchased during the year	849	-
At 30 April	849	-

During the financial year, the Company repurchased 2,296,200 (2006: Nil) ordinary shares from the open market at an average price of RM0.37 (2006: RMNil) per share. The total consideration paid for the repurchase was RM848,773 (2006: RMNil). The repurchased transactions were financed by internally generated funds.

The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

15. RESERVES

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
General reserve				
At 1 May	1,703	1,525	-	-
Transfer from retained profits	-	178	-	-
At 30 April	1,703	1,703	-	-
Translation reserve				
At 1 May	63	412	-	-
Foreign currency translation	1,584	(349)	-	-
At 30 April	1,647	63	-	-
Total non-distributable reserves	3,350	1,766	-	-

15. RESERVES (CONT'D)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Distributable				
Retained profits/ (Accumulated losses)				
At 1 May	10,604	10,156	(7,123)	(3,437)
Profit/(Loss) for the year	1,510	626	(4,577)	(3,686)
Transfer to general reserve	-	(178)	-	-
At 30 April	12,114	10,604	(11,700)	(7,123)
Total Reserves	15,464	12,370	(11,700)	(7,123)

a. General Reserve

Subsidiaries in the People's Republic of China ("PRC") are required to appropriate 10% of their after-tax profit (after offsetting prior year losses), based on the respective PRC statutory financial statements, to a general reserve fund until the balance of the fund reaches 50% of the Company's registered capital. Thereafter, any further appropriation can be made at the Directors' discretion. The general reserve fund can be utilised to offset prior year losses, or be utilised for the issuance of bonus shares on the condition that the general reserve fund shall be maintained at a minimum of 25% of the registered capital after such issuance. An amount of RMNil (2006: RM178,000) is appropriated to general reserve during the year.

In accordance with the relevant rules and regulations in the PRC, the subsidiaries may also appropriate a portion of its after-tax profit (after offsetting prior year losses), based on the PRC statutory financial statements, to an enterprise expansion fund and a staff and workers' bonus and welfare fund at the Director's discretion. No such appropriation has been made in the current and previous year.

b. Translation Reserve

This represents foreign currency exchange differences arising from the translation of the financial statements of subsidiaries which are denominated in currency other than the presentation currency of the Company, Ringgit Malaysia.

16. BORROWINGS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current				
Bank overdrafts	19,456	18,554	2,940	2,962
- secured				
- unsecured	1,324	903	-	-
Bankers' acceptances	17,601	14,395	-	-
- secured				
- unsecured	11,465	6,531	-	-
Trust receipts	160	1,040	-	-
- secured				
- unsecured	-	-	-	-
Term loans	364	493	-	-
- secured				
- unsecured	2,937	3,379	-	-
Short-term loans	2,730	2,719	-	-
- secured				
- unsecured	12,940	13,978	-	-
Hire purchase liabilities	2,007	1,557	-	-
	70,984	63,549	2,940	2,962

16. BORROWINGS (CONT'D)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-current				
Term loans				
- secured	6,363	1,601	-	-
- unsecured	1,451	3,040	-	-
Hire purchase liabilities	4,402	4,845	-	-
	12,216	9,486	-	-
	83,200	73,035	2,940	2,962

a. Term loans and repayment schedule

(i) Secured term loans

Secured term loans consist of 2 (2006: 3) term loans. Their repayment schedule are as follows:

Secured term loan of RM5,011,000 (equivalent to RMB11,014,000) (2006: RMNil) is obtained by a foreign subsidiary from a foreign bank. This is repayable by 24 consecutive quarterly installments commencing on April 2007.

Secured term loan of RM1,716,000 (equivalent to THB16,500,000) (2006: RM1,843,000 (equivalent to THB19,000,000)) is repayable in ten (10) half yearly installments ranging from RM97,000 (equivalent to THB1,000,000) to RM291,000 (equivalent to THB3,000,000) over a period of five (5) years commencing December 2005. The secured term loan is obtained by a foreign subsidiary from a foreign bank.

2 secured term loans amounting to RM251,000 as at the end of previous financial year have been fully settled during the current financial year.

(ii) Unsecured term loans

Unsecured term loans consist of 3 (2006: 4) term loans. Their repayment schedule are as follows:

Unsecured term loan of RM2,805,000 (equivalent to USD800,000) (2006: RM5,816,000 (equivalent to USD1,600,000)) is repayable in ten (10) half yearly installments over a period of five (5) years commencing June 2003. The unsecured term loan is obtained by a foreign subsidiary from a foreign bank.

Unsecured term loan of RM132,400 (equivalent to RMB291,000) (2006: RM458,000 (equivalent to RMB1,011,000)) is repayable in eleven (11) quarterly installments over a period of three (3) years commencing April 2005. The unsecured term loan is obtained by a foreign subsidiary from a foreign bank.

Unsecured term loan of RM1,451,000 (equivalent to RMB3,189,000) (2006: RMNil) is obtained by a foreign subsidiary from a foreign bank. There is no fixed repayment period for this term loan.

1 unsecured term loan amounting to RM145,000 (equivalent to USD40,000) as at the end of previous financial year have been fully settled during the current financial year.

b. Significant covenants for term loans granted to a foreign subsidiary

In connection with the borrowing facilities agreements and their supplemental agreements, a foreign subsidiary has agreed on the following significant covenants with the lenders:

- i) the subsidiary shall maintain a minimum net worth of RMB60,000,000 at April 2007 and at anytime thereafter, where net worth shall include paid-up capital, related company loans and retained profits at any time;
- ii) the ratio of the subsidiary's total liabilities to net worth shall not exceed 125% at 30 April 2007 and at anytime thereafter without prior consent of the lenders;

16. BORROWINGS (CONT'D)**b. Significant covenants for term loans granted to a foreign subsidiary (cont'd)**

- iii) the ratio of the subsidiary's total current assets to total current liabilities (excluding loans from related companies) shall not be below 80% as at 30 April 2007 and at anytime thereafter.
- iv) not to make any advances, loans or grant any credit (save in the ordinary course of business) to or for the benefit of any other persons (including any related company) or give any guarantee or indemnity to or for the benefit of any other person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person without prior consent of the lenders. The foreign subsidiary shall notify the lenders on the ratio of said guarantees, if any over its net tangible assets; and
- v) not to raise any additional financing from other financial institutions without prior consent from the lenders and such consent shall not be unreasonably withheld.

c. Other borrowings

The Company's bank overdraft facility is secured by a second legal charge for RM3 million over certain land and building of the Group.

The Group's other borrowings are secured by way of fixed charges over the freehold land and buildings of the respective subsidiaries, a negative pledge over a subsidiary's entire present and future assets, corporate guarantees from the Company and fixed deposits of respective subsidiaries.

d. Hire purchase liabilities

	Group	
	2007 RM'000	2006 RM'000
Minimum lease payment		
not later than one year	2,431	2,004
later than one year and not later than five years	4,988	5,579
	7,419	7,583
Future finance costs	(1,010)	(1,181)
Present value of hire purchase liabilities	6,409	6,402
Present value of hire purchase liabilities		
not later than one year	2,007	1,557
later than one year and not later than five years	4,402	4,845
	6,409	6,402

Hire purchase liabilities are subject to effective interest of 2.50% to 8.14% (2006: 2.50% to 5.30%).

17. DEFERRED TAX

The amounts, determined after appropriate offsetting are as follows:

	Group	
	2007 RM'000	2006 RM'000
Deferred tax liabilities		
At 1 May	1,227	1,097
Transfer to income statement	86	130
At 30 April	1,313	1,227

17. DEFERRED TAX (CONT'D)

The amounts, determined after appropriate offsetting are as follows: (cont'd)

	Group	
	2007 RM'000	2006 RM'000
Deferred tax assets		
At 1 May	-	(133)
Transfer (to)/from income statement	(110)	133
At 30 April	(110)	-

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

The net deferred tax liabilities/(assets) are in respect of the followings:

	Group	
	2007 RM'000	2006 RM'000
Deferred tax liabilities		
Taxable temporary differences	1,572	7,495
Allowances	-	(563)
Unabsorbed capital allowances	(259)	(5,114)
Unutilised tax losses	-	(591)
	1,313	1,227
Deferred tax assets		
Taxable temporary differences	3,644	-
Allowances	(271)	-
Unabsorbed capital allowances	(3,061)	-
Unutilised tax losses	(422)	-
	(110)	-

No deferred tax has been recognised for the following items:

	Group	
	2007 RM'000	2006 RM'000
Taxable temporary differences	(291)	(18)
Unabsorbed capital allowances	104	98
Unutilised tax losses	208	186
	21	266

The unutilised tax losses, unabsorbed capital allowances and taxable temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they have arisen in subsidiaries that have a recent history of low profit and hence, it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Subject to agreement by the Inland Revenue Board, the Group has unutilised reinvestment allowances of RM27,130,000 (2006: RM26,551,000).

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	19,701	15,215	-	-
Other payables and accrued expenses	3,723	5,041	401	411
	23,424	20,256	401	411

19. OTHER OPERATING INCOME

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Dividend income	-	-	-	75
Gain on disposal of property, plant and equipment	382	102	-	-
Gain on foreign exchange				
- realised	1	179	-	-
- unrealised	-	556	-	-
Interest income	70	63	-	-
Management fee	-	-	-	279
Rental income	230	89	-	-
Others	2	-	-	-
	685	989	-	354

20. PROFIT/(LOSS) BEFORE TAX

The following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Allowance for doubtful debts	-	35	-	-
Allowance for slow moving inventories written back	-	(37)	-	-
Amortisation of development expenditure	956	1,108	-	-
Amortisation of goodwill	-	239	-	-
Amortisation of moulds and die-cutters	62	582	-	-
Amortisation of negative goodwill	-	(2,734)	-	-
Auditors' remuneration				
- current year's provision	103	137	14	17
- underprovision in prior years	45	-	-	-
Bad debts written off	42	45	-	-
Depreciation of property, plant and equipment	8,131	8,151	-	-
Directors' remuneration				
- fees	180	181	155	155
- other emoluments				
- directors of the Company	3,191	2,854	2,743	2,407
- other directors of subsidiary	413	446	-	-
Finance costs				
- bank overdrafts	1,472	1,629	235	238
- hire purchase and finance lease	511	223	-	-
- short term borrowings	1,470	932	-	-
- term loans	1,788	1,528	-	-
- others	16	90	-	-

20. PROFIT/(LOSS) BEFORE TAX (CONT'D)

The following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Inventories written down	82	182	-	-
Loss on disposal of property, plant and equipment	70	-	-	-
Loss on foreign exchange				
- realised	44	110	-	-
- unrealised	-	139	-	-
Preliminary expenses written off	1	-	1	-
Property, plant and equipment written off	699	-	-	-
Rental of premises	1,222	1,046	-	-
Reversal of allowance of doubtful debts	(828)	-	-	-
Staff costs				
- salaries, allowances and others	14,607	12,576	758	637
- retirement benefits	1,087	1,097	302	350

The estimated monetary value of Directors' benefits-in-kind is RM23,000 (2006: RM23,000).

The number of employees of the Group and of the Company (including directors) at the end of the financial year were 741 (2006: 725) and 17 (2006: 17) respectively.

21. TAX EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Current tax expense				
Malaysian				
- current	8	5	-	-
- overprovision in prior year	(52)	(8)	-	(8)
Overseas				
- current	621	670	-	-
- overprovision in prior years	-	(12)	-	-
	577	655		(8)
Deferred tax expense (Note 17)	(24)	263	-	-
	553	918	-	(8)
Reconciliation of effective tax expense				
Profit/(Loss) before tax	2,063	1,471	-	(3,694)
Income tax using Malaysian tax rates	557	412	-	(1,034)
Effect of different tax rates in foreign jurisdiction	(118)	(68)	-	-
Effect of concessionary tax rate	(314)	-	-	-
Non-deductible expenses	2,266	615	-	1,034
Non-taxable income	(104)	-	-	-
Effect of capital allowance utilised	(1,381)	-	-	-
Effect of changes in tax rate on				
opening balance on deferred tax	(314)	(2)	-	-
Effect of tax losses not recognised	22	33	-	-
Others	(9)	-	-	-
	605	990	-	-

21. TAX EXPENSE (CONT'D)

	Group		Company	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Overprovision in prior years				
- corporate tax	(52)	(20)	-	(8)
- deferred tax	-	(52)	-	-
Tax expense	553	918	-	(8)

22. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares of RM0.50 each in issue during the financial year excluding the weighted average treasury shares held by the Company.

	Group	
	2007 RM'000	2006 RM'000
Profit for the year attributable to equity holders of the Company	1,510	626
Number of ordinary shares in issue at 1 May	81,275	81,275
Effect of shares bought back and held as treasury shares	(1,148)	-
	80,127	81,275
Basic earnings per share (sen)	1.9	0.8

The diluted earnings per share figures are not shown as the conversion price of warrants is higher than the Company's average share price during the financial year.

23. CAPITAL COMMITMENTS

	Group	
	2007 RM'000	2006 RM'000
Property, plant and equipment Authorised and contracted but not provided for in the financial statements	2,634	3,747

24. CHANGES IN ACCOUNTING POLICIES

The accounting policies disclosed in Note 2 have been applied in preparing the financial statements for the year ended 30 April 2007. The impact resulting from changes in accounting policies arising from the adoption of the new/revised FRSs are summarised below:

a. FRS 3 Business Combinations, FRS 136 Impairment of Assets and FRS 138 Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, namely FRS 136 and FRS 138.

Goodwill

In prior years, positive goodwill is amortised from the date of initial recognition over its estimated useful life of not more than ten years.

24. CHANGES IN ACCOUNTING POLICIES (CONT'D)**a. FRS 3 Business Combinations, FRS 136 Impairment of Assets and FRS 138 Intangible Assets (cont'd)****Goodwill (cont'd)**

With effect from 1 May 2006, in accordance with FRS 3 and FRS 136, positive goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in income statement when the carrying amount of the CGU to which the goodwill has been allocated exceeds its recoverable amount, and subsequent reversal is not allowed.

b. FRS 101 Presentation of Financial Statements

In prior years:

- minority interest at the balance sheet date was presented in the consolidated balance sheet separately from liabilities and as a deduction from net assets;
- minority interest in the results of the Group for the year was also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders; and
- the Group's share of taxation of associate accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement.

With effect from 1 May 2006, in order to comply with the revised FRS 101, minority interest at the balance sheet date are presented in the consolidated balance sheet within equity, separate from the equity attributable to the equity holders of the Company, and minority interest in the results of the Group for the year are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between the minority interest and the equity holders of the Company. The revised FRS 101 also requires disclosure, on the face of the statement in changes in equity, total recognized income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interest.

The share of taxation of associate is now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

The current year's presentation of the Group's financial statements is based on the requirements of revised FRS 101, with the comparative figures restated to conform to the current year's presentation.

The following comparative figures of the Group have been restated for the effects of adopting the above changes in accounting policies and to conform to current year's presentation:

	As previously stated	Effects of FRS 101 Note 24(b)	Reclassification	As restated
	RM'000	RM'000	RM'000	RM'000
Income Statement for the year ended 30 April 2006				
Cost of sales	(56,784)	-	483	(56,301)
Other operating income	1,472	-	(483)	989
Share of results of associate	31	(2)	-	29
Tax expense	(920)	2	-	(918)

25. SEGMENT INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments based on the Groups management and internal reporting structure.

Inter-segment pricing is determined based on negotiated basis in the normal course of business.

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 mainly comprise of expenses and assets of the Company and its dormant subsidiaries.

25. SEGMENT INFORMATION (CONT'D)**Business Segment**

The Group comprises the following main business segments:

- i) Manufacturing of self adhesive labels and stickers and trading of related products; and
- ii) Manufacturing of automatic labelling machineries.

Geographical segments

Manufacturing of automatic labelling machineries is principally operated in Malaysia. Other geographical areas are involved in the manufacturing of self adhesive labels and stickers and trading of related products.

In presenting information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of assets.

a. Business Segment

	Manufacturing of self adhesive labels and stickers and trading of related product RM'000	Manufacturing of automatic labelling machineries RM'000	Elimination RM'000	Consolidation RM'000
2007				
Revenue				
External sales	101,051	4,546	-	105,597
Inter-segment sales	-	1,003	(1,003)	-
Total revenue	101,051	5,549	(1,003)	105,597
Results				
Segment results	10,623	1,009	-	11,632
Unallocated expenses				(4,341)
Interest income				70
Profit from operations				7,361
Finance costs				(5,257)
Share of loss of associate				(41)
Profit before tax				2,063
Tax expense				(553)
Profit for the year				1,510
Minority interest				-
Profit attributable to equity holders of the Company				1,510
Assets				
Segment assets	192,184	25,817	-	218,001
Investment in associate	61	-	-	61
Unallocated assets				541
Total Assets				218,603
Liabilities				
Segment liabilities	17,570	5,459	-	23,029
Unallocated liabilities				84,960
Total Liabilities				107,989

25. SEGMENT INFORMATION (CONT'D)

a. Business Segment (cont'd)

	Manufacturing of self adhesive labels and stickers and trading of related product RM'000	Manufacturing of automatic labelling machineries RM'000	Elimination RM'000	Consolidation RM'000
2007				
Other Information				
Capital expenditure	13,552	-	-	13,552
Depreciation and amortisation	(8,738)	(411)	-	(9,149)
Non-cash expenses other than depreciation and amortisation	(812)	-	-	(812)
2006 (Restated)				
Revenue				
External sales	98,617	4,512	-	103,129
Inter-segment sales	-	2,174	(2,174)	-
Total revenue	98,617	6,686	(2,174)	103,129
Results				
Segment results	7,531	2,060	-	9,591
Unallocated expenses				(3,810)
Interest income				63
Profit from operations				5,844
Finance costs				(4,402)
Share of profit of associate				29
Profit before tax				1,471
Tax expense				(918)
Profit for the year				553
Minority interest				73
Profit attributable to equity holders of the Company				626
Assets				
Segment assets	179,602	22,878	-	202,480
Investment in associate	102	-	-	102
Unallocated assets				393
Total Assets				202,975
Liabilities				
Segment liabilities	14,202	5,616	-	19,818
Unallocated liabilities				74,788
Total Liabilities				94,606
Other Information				
Capital expenditure	13,642	-	-	13,642
Depreciation and amortisation	(9,279)	(562)	-	(9,841)
Non-cash expenses other than depreciation and amortisation	(612)	(17)	-	(629)

25. SEGMENT INFORMATION (CONT'D)**b. Geographical Segment**

	Malaysia RM'000	China RM'000	Singapore RM'000	Thailand RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
2007							
Revenue from external customers by location of customers	47,240	41,870	6,620	9,852	15	-	105,597
Segment assets by location of assets	120,760	80,298	2,457	14,007	479	-	218,001
Capital expenditure	4,022	10,924	-	330	24	(1,748)	13,552
2006 (Restated)							
Revenue from external customers by location of customers	40,463	47,207	7,396	8,063	-	-	103,129
Segment assets by location of assets	109,547	75,582	2,583	14,550	218	-	202,480
Capital expenditure	10,461	5,188	-	95	-	(2,102)	13,642

Certain comparatives have been restated to conform with the current year's presentation.

26. CONTINGENT LIABILITIES

	Group	
	2007 RM'000	2006 RM'000
Guarantees in respect of credit facilities granted to subsidiaries	112,004	101,601

27. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Controlling related party relationships are as follows:

- i) Its subsidiaries as disclosed in Note 4.
- ii) A director of the Company, Koh Hong Muan @ Koh Gak Siang.

Significant related party transactions other than those disclosed elsewhere in the financials statements are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Associate				
Komark Enterprise Co. Ltd.				
Sales	1,794	543	-	-
Subsidiaries				
Shanghai Komark Labels Ltd. & Labelling Co.				
Management fees receivable	-	-	-	139
Guangzhou Komark Labels & Labelling Co., Ltd.				
Management fees receivable - General Labels & Labelling Pte. Ltd.	-	-	-	139
Dividend receivable	-	-	-	75

28. FINANCIAL INSTRUMENTS**Financial Risk Management Objectives and Policies**

Exposure to credit, interest rate, currency and liquidity risks arises in the normal course of the Group and of the Company. The Board and management reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

The Group's primary exposure to credit risk arises through trade and other receivables. Exposure to credit risk is monitored by management on an ongoing basis.

All new investment, if any, in quoted and unquoted securities need to be approved by the Board of Directors. All investments in quoted securities are held for long term purposes, and therefore, any temporary diminution in value will not have any significant impact to the Group and the Company.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

28. FINANCIAL INSTRUMENTS (CONT'D)**Interest rate risk**

The Group utilises short term borrowings for working capital purposes and borrows term loans to finance capital expenditure. In view of the low interest rate scenario, exposure to fluctuation of interest rate risk is minimised.

Foreign currency risk

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than Ringgit Malaysia. Most of the foreign currency transactions are denominated in US Dollars, and only a small percentage of the foreign currency transactions are denominated in other foreign currencies. The Group does not hedge this exposure to the US dollars. The transactions in other foreign currencies are insignificant. The Group ascertains that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates where necessary action to minimise the exposure of the risk.

In respect of other monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Group does not hedge this exposure as most of the monetary assets and liabilities are denominated in US Dollars or the reporting currency is used for the other monetary assets and liabilities of foreign subsidiaries in their respective countries.

The Group and the Company are also exposed to foreign currency risk in respect of their investment in foreign subsidiaries. The Group does not hedge this exposure by having foreign currency borrowings as the foreign subsidiaries operate independently from the holding company and source of their own funding to finance their operations. However, the Board and management will keep this policy under review and will taken the necessary action to minimise the exposure of this risk.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows information about the Group's exposure to interest rate risk.

Effective interest rates and repricing analysis

In respect of interest-earning financial asset and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	Effective interest rate %	Total RM'000	Within 1 year RM'000
Group			
2007			
Financial assets			
Deposits placed with licensed banks	3.00-3.70	1,926	1,926
Financial liabilities			
Bank overdrafts	8.00-11.00	20,780	20,780
Bankers' acceptance	1.75-6.17	29,066	29,066
Trust receipts	8.25	160	160
Term loans	6.12-11.00	11,115	3,301
Short-term loans	6.14-7.13	15,670	15,670

28. FINANCIAL INSTRUMENTS (CONT'D)

	Effective interest rate %	Total RM'000	Within 1 year RM'000
2006			
Financial assets			
Deposits placed with licensed banks	3.60	1,918	1,918
Financial liabilities			
Bank overdrafts	7.09-7.76	19,457	19,457
Bankers' acceptance	4.28-3.42	20,926	20,926
Trust receipts	8.00	1,040	1,040
Term loans	6.17-6.67	8,513	3,872
Short-term loans	6.14-6.17	16,697	16,697
Company			
2007			
Financial liabilities			
Bank overdraft	8.75	2,940	2,940
2006			
Financial liabilities			
Bank overdraft	8.75	2,962	2,962

Fair values

The aggregate fair value of the long term financial asset and long term financial liabilities carried on the balance sheet as at 30 April are shown below:

	2007		2006	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial Assets				
Quoted shares - long term	4	2	4	2

The fair value of quoted shares is their quoted bid price at the balance sheet date.

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

In respect of long-term borrowings, the carrying amounts approximate fair value as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

29. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 20 June 2006, the Company set up a new wholly-owned subsidiary, PT Komarks Labels and Labelling Indonesia in Indonesia with a proposed and paid-up share capital of USD470,000. The share capital has yet to be issued as at the date of this report.

30. EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 31 May 2007, the Company and one of its subsidiaries, namely General Labels & Labelling (M) Sdn. Bhd., collectively subscribed 800,000 new ordinary shares of RM1 each in the other subsidiary of the Group, namely General Labels & Labelling (Penang) Sdn. Bhd. for a total consideration of RM800,000. The effective equity interest of the Group in this subsidiary remained at 100%.

31. AUTHORISATION FOR ISSUE

The financial statements of the Company for the financial year ended 30 April 2007 were authorised for issue in accordance with a resolution of the Board of Directors on 28 August 2007.

Analysis of shareholdings as at 30 August 2007

Authorised share capital	:	RM500,000,000
Issued and paid-up share capital	:	RM 81,275,010
Class of shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per share

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares held	% of Issued Capital
1 - 99	313	5.2980	11,870	0.0146
100 - 1,000	759	12.8470	677,039	0.8330
1,001 - 10,000	3,650	61.7806	18,082,082	22.2480
10,001 - 100,000	1,120	18.9573	31,826,501	39.1590
100,001- 4,063,749 (5% of Issued Capital)	65	1.1002	19,770,629	24.3257
4,063,750 and above	1	0.0169	10,906,889	13.4197
TOTAL	5,908	100.0000	81,275,010	100.0000

ANALYSIS OF WARRANT HOLDINGS AS AT 30 AUGUST 2007

No. of warrants in issue	:	39,999,990
Exercise price of the warrants	:	RM1.70
Expiry date of the warrants	:	30 June 2010
Voting rights	:	Each warrant holder present in person or proxy at any Warrant holders' Meeting shall be entitled on a show of hand to one vote, and on a poll each warrant holder who is present in person or by proxy shall have one vote for each warrant held.

Size of Holdings	No. of Warrant Holders/ Depositors	% of Warrant Holders/ Depositors	No. of Warrants held	% of Issued Warrants
1 - 99	191	6.0006	5,265	0.0132
100 - 1,000	228	7.1630	203,862	0.5096
1,001 - 10,000	2,076	65.2215	9,225,333	23.0633
10,001 - 100,000	637	20.0126	20,740,491	51.8513
100,001- 1,999,998 (5% of Issued Warrants)	51	1.6023	9,825,039	24.5626
1,999,999 and above	0	0.0000	0	0.0000
TOTAL	3,183	100.0000	39,999,990	100.0000

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 30 AUGUST 2007

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital *
1. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Aimas Enterprise Sdn Bhd (Jln Hang Lekiu)	10,906,889	13.4915
2. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Koh Hong Muan @ Koh Gak Siong (Jln Hang Lekiu)	3,680,000	4.5520
3. Koh Hong Muan @ Koh Gak Siong	1,300,000	1.6081
4. SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Hong (SMT)	1,115,633	1.3800
5. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koh Hong Muan @ Koh Gak Siong (BLK 0688-8)	1,000,000	1.2370
6. Bu Yaw Seng	870,000	1.0762
7. RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Leow Kay Pin (EPF)	725,700	0.8977
8. Toh Beng	402,600	0.4980
9. Hsu, Yao-Jih	400,000	0.4948
10. Chiah Tho Wak	385,046	0.4763
11. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Leow Kay Pin	375,000	0.4639
12. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Leow Kay Pin (CEB)	370,000	0.4577
13. Chantika Holdings Sdn Bhd	293,232	0.3627
14. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Yeong Choon Hong (MM0434)	287,000	0.3550
15. Lim Kok Wah & Company Sdn Berhad	280,000	0.3464
16. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Swee Ung	271,500	0.3358
17. Tay How Seng	249,000	0.3080
18. OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account For Lim Song Huat	234,800	0.2904
19. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chow Kim Seng	230,000	0.2845
20. Yeo Swee Thean	228,000	0.2820
21. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Leow Kay Pin (E-SS2)	212,000	0.2622
22. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chiah Tho Wak	211,000	0.2610
23. Ng Bieng San	210,000	0.2598
24. Koh Kin Lip	200,000	0.2474
25. Soon Foo Mun	200,000	0.2474
26. HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sim Kean Hee (M06)	194,500	0.2406
27. Kiew Pow Look @ Hew Pow Look	187,000	0.2313
28. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Moong Chiung Yau (R31 Margin)	182,000	0.2251
29. Lee Kee Por	180,000	0.2227
30. New Tian Guan	170,000	0.2103
TOTAL	25,550,900	31.6057

Note:

* Excluding a total of 432,200 shares bought-back by the Company and retained as treasury shares.

THIRTY LARGEST WARRANT HOLDERS/DEPOSITORS AS AT 30 AUGUST 2007

Name of Warrant Holders/Depositors	No. of Warrants	% of Issued Warrants
1. SJ Sec Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Lim Boon Hong (SMT)	1,067,300	2.6682
2. Fua Kia Pha	469,700	1.1742
3. Chiah Tho Wak	385,673	0.9642
4. Ong Chai Lun	357,300	0.8932
5. Chantika Holdings Sdn Bhd	298,666	0.7467
6. Lim Guat Swee	268,000	0.6700
7. ECM Libra Avenue Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mohamed Adzman Bin Mohamed Sura	250,000	0.6250
8. Hew Chen Boong	247,900	0.6198
9. Lau How Guan @ Low How Guan	231,000	0.5775
10. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheah Hoay Lye	229,500	0.5738
11. Ng Bieng San	227,000	0.5675
12. Koh Cheng Kiat	200,000	0.5000
13. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chow Chin Kooi (CD0635)	200,000	0.5000
14. Tang Kee Hiong	200,000	0.5000
15. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khaw Chin Hong (STF)	200,000	0.5000
16. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Ah Tin (REM615)	195,000	0.4875
17. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chwa See Kiap (E-TSA)	188,100	0.4702
18. ECM Libra Avenue Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Ah Cheng	188,000	0.4700
19. Tai Kian Teck	175,000	0.4375
20. Liau Yong Hwa	174,000	0.4350
21. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chow Kim Seng	170,000	0.4250
22. Cha Chan Kok	166,000	0.4150
23. Chai Siaw Ching	164,900	0.4122
24. Ng Yoke Ken	164,000	0.4100
25. Po Ah Pou @ Pook Pou Kuee	163,500	0.4088
26. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Vivekanandan A/L Ams.Periasamy (R90-Margin)	160,800	0.4020
27. Lim Suey Hock	160,000	0.4000
28. Ng Yun Ping	154,000	0.3850
29. Ng Khok Tong	144,000	0.3600
30. Tan Thuan Kiat	141,000	0.3525
TOTAL	7,340,339	18.3508

SUBSTANTIAL SHAREHOLDERS AS AT 30 AUGUST 2007

	Direct		Indirect	
	No. of Shares	% of Issued Capital ⁽¹⁾	No. of Shares	% of Issued Capital ⁽¹⁾
Aimas Enterprise Sdn Bhd	10,906,889	13.4915	-	-
Koh Hong Muan @ Koh Gak Siong	6,010,300	7.4346	10,906,889 ⁽²⁾	13.4915
Lee Poh Tin	-	-	16,917,189 ⁽³⁾	20.9260

Notes:

⁽¹⁾ Excluding a total of 432,200 shares bought-back by the Company and retained as treasury shares.

⁽²⁾ Deemed interested in the shares held by Aimas Enterprise Sdn Bhd by virtue of Section 6A(4)(c) of the Companies Act, 1965.

⁽³⁾ Deemed interested in the shares held by Aimas Enterprise Sdn Bhd by virtue of Section 6A(4)(c) of the Companies Act, 1965 and shares held by spouse, Mr Koh Hong Muan @ Koh Gak Siong.

DIRECTORS' INTERESTS AS AT 30 AUGUST 2007

Director's Name	No. of Shares				No. of Warrants			
	Direct Interest	% ⁽¹⁾	Indirect Interest	% ⁽¹⁾	Direct Interest	%	Indirect Interest	%
Koh Hong Muan @ Koh Gak Siong ⁽²⁾	6,010,300	7.4346	10,906,889 ⁽³⁾	13.4915	-	-	-	-
Lee Poh Tin ⁽²⁾	-	-	16,917,189 ⁽⁴⁾	20.9260	-	-	-	-
Koh Chie Jooi ⁽²⁾	-	-	16,917,189 ⁽⁵⁾	20.9260	-	-	-	-
Koh Chee Mian ⁽²⁾	-	-	16,917,189 ⁽⁵⁾	20.9260	-	-	-	-
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-	-	-	-	-
Chew Chee Chek	-	-	-	-	-	-	-	-

Notes:

⁽¹⁾ Excluding a total of 432,200 shares bought-back by the Company and retained as treasury shares.

⁽²⁾ By virtue of their interests in shares of the Company, the Directors are also deemed to have an interest in all the shares held by the Company in the subsidiary companies to the extent that the Company has an interest.

⁽³⁾ Deemed interested in the shares held by Aimas Enterprise Sdn Bhd by virtue of Section 6A(4)(c) of the Companies Act, 1965.

⁽⁴⁾ Deemed interested in the shares held by Aimas Enterprise Sdn Bhd by virtue of Section 6A(4)(c) of the Companies Act, 1965 and shares held by spouse.

⁽⁵⁾ Deemed interested in the shares held by persons connected under Section 122A(1)(a) of the Companies Act, 1965.

List of properties

Owner	Title No./ Location	Land Area/ Build Up Area Sq. Ft	Age of Building (Year)	Tenure	Existing Usage	Expiry Date	Net Book Value as at 30.04.2007 RM ('000)
Komark International (M) Sdn. Bhd.	GM No. 439 Lot 132, Mukim of Kajang district, Hulu Langat, Selangor.	L-370,260 B-150,000	5	Freehold	Factory Cum Office (HQ)	-	30,762
General Labels & Labelling (M) Sdn. Bhd.	Lot 2897, Mukim 6, District Seberang Prai Tengah, Penang	L-10,814 B-6,000	14	Freehold	Factory Cum Office	-	992
General Labels & Labelling (M) Sdn. Bhd.	H.S. (D) KA 39335 P.T.No. 131760/23 Hala Rapat Baru 22, Kawasan Perindustrian Ringan Kinta Jaya	L-3,640 B-2,640	11	Leasehold	Factory Cum Office	9-3-2094	218
General Labels & Labelling (M) Sdn. Bhd.	Lot PTD 112290, Mukim of Plentong district, Johor Bahru	L-10,200 B-5,394	11	Freehold	Factory Cum Office	-	748
General Labels & Labelling (Penang) Sdn. Bhd.	Lot No. J/A/00/38 & J/A/00/37 Juru Industrial Park, Prai, Penang	L-22,830 B-7,500	10	Freehold	Factory	-	984
General Labels & Labelling (Penang) Sdn. Bhd.	H.S.(M) 833, Lot 3052, Mukim 6 District of Seberang Prai Tengah, Penang	L-2,723 B-3,330	15	Freehold	Factory	-	238
Guangzhou Komark Labels & Labelling Co. Ltd.	Title No: 229030 Second Floor, Building 2, Chung Yie Road Scientech Park Economic & Technological Development Zone Guangzhou	L-16,501 B-17,416	11	Leasehold	Factory Cum Office	9-11-2044	1,271
Shanghai Komark Labels & Labelling Co. Ltd	Title No : 026381 No.1, Baosheng Road, Songjiang Industrial Zone, Songjiang, Shanghai 201600, China.	L-89,222 B-76,751	1	Leasehold	Factory Cum Office	16-8-2052	7,640

Proxy form



CDS account no. of authorised nominee

I/We _____ (name of shareholder as per NRIC, in capital letters)
 NRIC No./ID No./Company No. _____ (new) _____ (old)
 of _____ (full address)
 being a member of KOMARKCORP BERHAD, hereby appoint _____
 (name of proxy as per NRIC, in capital letters) NRIC No. _____ (new) _____ (old)
 of _____ (full address)
 or failing him/her _____ (name of proxy as per NRIC, in capital letters) NRIC No.
 _____ (new) _____ (old) of _____

_____ (full 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 Eleventh Annual General Meeting of the Company to be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 22 October 2007 at 10.30 a.m. and at each and every adjournment thereof.

* Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

My/our proxy is to vote as indicated below:

	ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Adoption of the Audited Financial Statements for the financial year ended 30 April 2007 and Directors' and Auditors' Reports thereon	Resolution 1		
2.	Approval of Directors' Fees	Resolution 2		
3.	Re-election of Madam Lee Poh Tin as Director	Resolution 3		
4.	Re-election of Mr Koh Chee Mian as Director	Resolution 4		
5.	Re-appointment of Auditors	Resolution 5		
6.	Proposed Renewal of Share Buy-Back Mandate	Resolution 6		
7.	Proposed Renewal of General Mandate for Recurrent Related Party Transactions	Resolution 7		
8.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares	Resolution 8		

	SPECIAL RESOLUTION		FOR	AGAINST
1.	Proposed Amendments to the Articles of Association	Resolution 1		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

 Signature/Common Seal

Number of shares held: _____

Date: _____

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Note:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company, an advocate, an approved Company auditor or a person approved by the Registrar.
2. A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of the attorney.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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**AFFIX
STAMP**

The Secretary
KOMARKCORP BERHAD
LEVEL 7, SETIA 1,
15 LORONG DUNGUN, DAMANSARA HEIGHTS,
50490 KUALA LUMPUR
MALAYSIA

Then fold here

Fold this flap for sealing