

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("Bursa Securities") has only perused through Part A of this Circular in respect of the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. Bursa Securities has not perused the contents of this Circular in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature and Proposed Share Buy-Back Authority (as defined herein) prior to the issuance of this Circular.



KOMARKCORP BERHAD

KOMARKCORP BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE")

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

The above proposals will be tabled as Special Business at the Twenty-Fifth (25th) Annual General Meeting ("AGM") of Komarkcorp Berhad ("Komarkcorp" or "the Company") which will be held on a fully virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkAGM> provided by Mlabs Research Sdn Bhd from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 October 2021 at 10.00 a.m. or any adjournment thereof.

The Notice of the 25th AGM and the Form of Proxy are set out in the Annual Report of Komarkcorp for the financial year ended 30 April 2021 which are available to download from the Company's website at <https://komark.com.my/>.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and shall be deposited at the Share Registrar office of the Company, Boardroom.com Sdn. Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, not less than forty-eight (48) hours before the time stipulated for holding the meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy: Wednesday, 27 October 2021 at 10.00 a.m.

Day, date and time of the 25th AGM : Friday, 29 October 2021 at 10.00 a.m.

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	: The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	: Annual General Meeting
“Audit Committee”	: The Audit Committee of Komarkcorp
“Board”	: The Board of Directors of Komarkcorp
“Bursa Securities”	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“CDS”	: Central Depository System
“Circular”	: Circular to Shareholders in relation to the Proposals
“Directors”	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of the Komarkcorp Group
“ESOS”	: Employees’ share options scheme of the Company which took effect on 14 January 2021 for a period of 5 years
“ESOS Options”	: ESOS options that may be granted to eligible persons, during the duration of the ESOS pursuant to the existing by-laws governing the ESOS, where each option holder can subscribe for 1 new Share for every 1 ESOS Option held
“EPS”	: Earnings Per Share
“Key Alliance”	: Key Alliance Group Berhad [Registration No.: 200301007533 (609953-K)]
“Key Alliance Group”	: Collectively, Key Alliance and its subsidiaries
“Komarkcorp” or “the Company”	: Komarkcorp Berhad [199601001919 (374265-A)]
“Komarkcorp Group” or “the Group”	: Collectively, Komarkcorp and its subsidiaries as defined in Section 4 of the Act.
“Komarkcorp Shares” or “the Shares”	: Ordinary shares in the Company
“LPD”	: 14 September 2021, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“Market Day”	: A day which Bursa Securities is open for the trading of securities

DEFINITIONS (CONT'D)

“Major Shareholder(s)”	: Means a person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company, and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act
“NA”	: Net assets attributable to ordinary equity holders of Komarkcorp
“Proposed New and Renewal of Shareholders’ Mandate”	: Proposed new and renewal of the shareholders’ mandate for Komarkcorp Group to enter into RRPTs of a revenue or trading nature
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of authority for the purchase by Komarkcorp of up to ten percent (10%) of the issued share capital of the Company
“Proposals”	: Proposed New and Renewal of Shareholders’ Mandate and Proposed Renewal of Share Buy-Back Authority, collectively
“Purchased Komarkcorp Shares”	: Shares purchased by Komarkcorp pursuant to Section 127 of the Act
“Related Party(ies)”	: Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of Komarkcorp
“RRPT(s)”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Shareholders”	: Shareholders of Komarkcorp
“Substantial Shareholder(s)”	: A person who has interest or interests in one or more voting Shares in the Company and the nominal amount of that Share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting Shares in the Company
“Toprint”	: Toprint Packaging Sdn Bhd [Registration No.: 201401024486 (1100574-A)]

DEFINITIONS (CONT'D)

- “Warrants C” : Outstanding warrants 2021 / 2024 issued by the Company pursuant to the Deed Poll C and expiring on 10 January 2024. Each Warrant C holder is entitled to subscribe for 1 new Share at the exercise price of RM0.56, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C
- “2021 Annual Report” : Annual Report of Komarkcorp issued for the financial year ended 30 April 2021

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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PART A

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE
("PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE")**



KOMARKCORP BERHAD

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

Registered Office:
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam, Selangor

30 September 2021

Board of Directors:

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Chairman / Independent Non-Executive Director)
Roy Ho Yew Kee (Executive Director)
Chan Jee Peng (Independent Non-Executive Director)
Ihsan bin Ismail (Independent Non-Executive Director)
Koo Kien Keat (Independent Non-Executive Director)

Dear Shareholders,

PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the AGM of the Company held on 22 October 2020, the Company sought and obtained from its shareholders the general mandate for Komarkcorp Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for Komarkcorp Group's day to day operations. In accordance with the Listing Requirements, the RRPT Mandate shall lapse at the conclusion of the 25th AGM of the Company, unless renewed by the shareholders of the Company.

On 24 September 2021, the Board announced that the Company proposes to undertake the Proposed New and Renewal of Shareholders' Mandate at the forthcoming 25th AGM of the Company.

The purpose of this Circular is to provide you with the relevant information of the Proposed New and Renewal of Shareholders' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed New and Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM. The notice of the AGM together with the Form of Proxy is enclosed in the 2021 Annual Report of the Company for the financial year ended 30 April 2021.

SHAREHOLDERS OF KOMARKCORP ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following :

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and above :
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Principal Activities of Komarkcorp Group

Komarkcorp is an investment holding company and provision of management services to its subsidiaries.

The details of Komarkcorp's subsidiaries as well as their principal activities as at the LPD are set out in the table below:

Name	Country of Incorporation	Effective equity interest	Principal activities
General Labels & Labelling (M) Sdn Bhd	Malaysia	100%	Manufacturing of self-adhesive labels and stickers, and labelling machines and trading of related products
Komark International (M) Sdn Bhd	Malaysia	100%	Manufacturing of self-adhesive labels
Komark Mask (M) Sdn Bhd	Malaysia	92.7%	Manufacturing of Disposal Surgical Face Mask and Protective Apparels

Name	Country of Incorporation	Effective equity interest	Principal activities
<u><i>Subsidiaries of General Labels & Labelling (M) Sdn Bhd</i></u>			
General Labels & Labelling (JB) Sdn Bhd	Malaysia	100%	Manufacturing of self-adhesive labels and stickers, and trading of related products
Komark (Thailand) Co.,Ltd	Thailand	100%	Manufacturing and selling of self-adhesive labels
General Labels & Labelling Pte Ltd	Singapore	91.6%	Printer of labels and stickers
<u><i>Subsidiary Komark International (M) Sdn Bhd</i></u>			
PT Komark Labels and Labelling Indonesia	Indonesia	84%	Manufacturing and trading of self-adhesive labels

It is anticipated that Komarkcorp Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

As such, the Board proposes to seek the shareholders' approval for the Proposed New and Renewal of Shareholders' Mandate for the Komarkcorp Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below, provided such transactions are entered into at arm's length 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. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5 below.

2.3 Validity Period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until :

- (a) the conclusion of the next AGM of Komarkcorp following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340 (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

2.4 Classes of Related Parties and Nature of RRPTs

The Proposed New and Renewal of Shareholders' Mandate will apply to the transactions with the following companies:

(a) Proposed New Shareholders Mandate

Related Party	Komarkcorp Group - Transacting Party	Nature of Transaction	Estimated value for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between Komarkcorp Group and the Related Party(ies)
XOX Bhd	Komarkcorp Group	<ul style="list-style-type: none"> • Sales of packaging and project labelling • Sales of face masks 	5,000	<ul style="list-style-type: none"> • Mr Roy Ho Yew Kee is the Executive Director of XOX Bhd and Executive Director of Komarkcorp Group. He has direct interest of 750,000 ordinary shares representing 0.130% of issued share capital in Komarkcorp. • Key Alliance is a major shareholder of XOX Bhd and Komarkcorp which representing 8.602% of issued share capital in XOX Bhd and 11.146% of issued share capital in Komarkcorp respectively.

2.4 Classes of Related Parties and Nature of RRPTs (cont'd)

Related Party	Komarkcorp Group - Transacting Party	Nature of Transaction	Estimated value for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between Komarkcorp Group and the Related Party(ies)
Key Alliance Group	Komarkcorp Group	<ul style="list-style-type: none"> Sales of face masks 	1,000	<ul style="list-style-type: none"> YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad is the Independent Non-Executive Director of Key Alliance and he is also a Chairman / Independent Non-Executive Director of Komarkcorp. He has direct interest of 200,000 ordinary shares representing 0.035% of the issued share capital in Komarkcorp. Mr Roy Ho Yew Kee is the Managing Director of Key Alliance and Executive Director of Komarkcorp Group. He has direct interest of 224,900,000 ordinary shares representing 9.553% of issued share capital in Key Alliance and he also has direct interest of 750,000 ordinary shares representing 0.130% of issued share capital in Komarkcorp.

Notes:

* The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

2.4 Classes of Related Parties and Nature of RRPTs (cont'd)

(b) Proposed Renewal of Shareholders' Mandate

Related Party	Komarkcorp Group - Transacting Party	Nature of Transaction	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 28 August 2020 (RM'000)	Actual value transacted (from date of AGM held on 22 October 2020 up to LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming 25 th AGM to the next AGM * (RM'000)	Nature of relationship between Komarkcorp Group and the Related Party(ies)
Toprint	Komarkcorp Group	<ul style="list-style-type: none"> Sales of high-end labels to Toprint 	2,000	13	1,000	<ul style="list-style-type: none"> Mr Koh Chie Jooi is the Group Chief Executive Officer of Komarkcorp Group and he has resigned on 23 July 2021. He is the son of Mr Koh Hong Muan @ Koh Gak Siong and brother of Mr Koh Chee Hao. Mr Koh Hong Muan @ Koh Gak Siong is the father of Mr Koh Chie Jooi and he is also the Director and major shareholder of Toprint. He has direct/indirect interest of 143 ordinary shares in Komarkcorp. Mr Koh Chee Hao is the brother of Mr Koh Chie Jooi and he is also the Director and shareholder of Toprint.
		<ul style="list-style-type: none"> Sales of boxes, prepaid cards, low end labels, punch cards, name cards, A4 papers, printed forms to Komarkcorp Group 	5,000	1,832	1,000	

2.4 Classes of Related Parties and Nature of RRPTs (cont'd)

Related Party	Komarkcorp Group - Transacting Party	Nature of Transaction	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 28 August 2020 (RM'000)	Actual value transacted (from date of AGM held on 22 October 2020 up to LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming 25 th AGM to the next AGM * (RM'000)	Nature of relationship between Komarkcorp Group and the Related Party(ies)
Key Alliance	Komarkcorp Group	<ul style="list-style-type: none"> • Provision of Information and Communication Technology ("ICT") services. • Installation of security and Closed-Circuit Television ("CCTV") monitoring • Installation of Internet of Things ("IOT") devices • Installation of Covid-19 preventive measures. • Migration of various operating platforms to cloud based 	5,000	678	2,000	<ul style="list-style-type: none"> • YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad is the Independent Non-Executive Director of Key Alliance and he is also a Chairman / Independent Non-Executive Director of Komarkcorp. He has direct interest of 200,000 ordinary shares representing 0.035% of the issued share capital in Komarkcorp. • Mr Roy Ho Yew Kee is the Managing Director of Key Alliance and Executive Director of Komarkcorp Group. He has direct interest of 224,900,000 ordinary shares representing 9.553% of issued share capital in Key Alliance and he also has direct interest of 750,000 ordinary shares representing 0.130% of issued share capital in Komarkcorp.

Notes:

* The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

Komarkcorp Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with Komarkcorp Group's usual business practices and policies, on terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows :

- (i) the Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) That all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities, which will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Party(ies) is/are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar or substantially similar transactions between the Komarkcorp Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance to the usual business practices of the Group to ensure that the RRPT(s) is/are not detrimental to the Komarkcorp Group;
- (v) Although there are no specific thresholds for approval of RRPT(s) within the Komarkcorp Group, all RRPT(s) are subject to the approval of the appropriate levels of authority as determined by the senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where applicable. Where any Director has an interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and decision making;
- (vi) The Audit Committee shall amongst others, review any RRPT and conflict of interest situation that may arise within the Group including any transaction procedures or course of conduct that raises questions of management integrity;
- (vii) Records will be maintained by the respective companies to capture all RRPTs which are entered pursuant to the shareholders' mandate;
- (viii) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPTs have been complied with; and
- (ix) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.6 Amount Due and Owing by Related Parties

As at LPD, there is no amount owing by the Related Parties pursuant to the RRPT(s) that has exceeded the credit terms.

2.7 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures and processes for reviewing all RRPT(s) are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures and processes established to monitor RRPT(s) have been complied with. If it is determined that the procedures and processes stated in Section 2.5 are inadequate to ensure that (i) the RRPT(s) will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures and processes.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures and processes to be followed if it considers such requests to be appropriate. In that event, such limits or procedures and processes may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures and processes.

The Audit Committee will review the existing procedures and processes, on an annual basis and as and when required, to ensure that the RRPT(s) are at all times carried out on commercial terms consistent with the Komarkcorp Group's usual business practices and policies.

The Audit Committee of the Company has reviewed the above procedures and processes and is satisfied that the said procedures and processes are adequate to monitor, track and identify RRPT(s) in a timely and orderly manner and are sufficient to ensure that the RRPT(s) will be carried out on commercial terms consistent with the Komarkcorp Group's usual business practices and policies and on terms not more favourable to the Related Parties than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders. Any member of the Audit Committee who is interested in any transaction shall abstain from reviewing and deliberating on such transaction.

2.8 Disclosure of Recurrent Related Party Transactions

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information :

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with Komarkcorp Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New and Renewal of Shareholders' Mandate had been obtained.

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3. RATIONALE FOR THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed New and Renewal of Shareholders' Mandate will enable Komarkcorp Group to carry out RRPT(s) necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPT(s) carried out within the Komarkcorp Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPT(s) are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Party(ies), the Group would have an advantage of familiarity with the background and management of the Related Party(ies), thus enabling more informed commercial decisions to be made. In most dealings with the Related Party(ies), the Group and the Related Party(ies) have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT(s).

4. EFFECTS OF THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed New and Renewal of Shareholders' Mandate are administrative in nature and are therefore not expected to have any effect on the issued and paid-up capital, major shareholders' shareholdings and any material effect on the consolidated net assets, consolidated earnings per share and consolidated gearing of Komarkcorp.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Shareholdings as at the LPD, the direct and indirect shareholdings of the Substantial Shareholder and Directors of Komarkcorp are as follows:

Names	As at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
YM Tengku Ezuan Ismara Bin	200,000	0.035	-	-
Tengku Nun Ahmad				
Roy Ho Yew Kee	750,000	0.130	-	-
<u>Substantial Shareholder</u>				
Key Alliance	64,352,600	11.146	-	-

Accordingly, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Roy Ho Yew Kee (collectively referred to as "Interested Directors") have and will continue to abstain from all deliberations and voting on matters relating to the Proposed New and Renewal of Shareholders' Mandate at Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in Komarkcorp at the forthcoming AGM on the resolution pertaining to the Proposed New and Renewal of Shareholders' Mandate.

The Interested Substantial Shareholder, namely Key Alliance (collectively referred to as “Interested Substantial Shareholders”) will abstain from voting in respect of their direct and/or indirect shareholdings in Komarkcorp at the forthcoming AGM on the resolution pertaining to the Proposed New and Renewal of Shareholders’ Mandate.

The above Interested Directors and Interested Substantial Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed New and Renewal of Shareholders’ Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Substantial/Major Shareholders or persons connected with a Director or Substantial/Major Shareholders have any interest, directly or indirectly in the Proposed New and Renewal of Shareholders’ Mandate.

6. APPROVALS REQUIRED

The Proposed New and Renewal of Shareholders’ Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

7. DIRECTORS’ RECOMMENDATION

The Directors of Komarkcorp (save for YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Roy Ho Yew Kee) having considered all aspects of the Proposed New and Renewal of Shareholders’ Mandate and after careful deliberation, are of the opinion that the Proposed New and Renewal of Shareholders’ Mandate is in the best interest of the Company and accordingly, the Board (save for YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Roy Ho Yew Kee) recommended that the shareholders of Komarkcorp vote in favour of the ordinary resolution pertaining to the Proposed New and Renewal of Shareholders’ Mandate to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The 25th AGM of the Company, the notice of which is enclosed in the 2021 Annual Report of the Company, will be held on a fully virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkAGM> provided by Mlabs Research Sdn Bhd from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 October 2021 at 10.00 a.m for the purpose of considering and, if thought fit, to pass with or without modification, the resolution to give effect to the Proposals.

If you are unable to attend and vote in person at the 25th AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2021 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at Share Registrar Office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia not less than forty-eight (48) hours before the time set for the 25th AGM.

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9. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

KOO KIEN KEAT
Independent Non-Executive Director

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PART B

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE
PURCHASE OF ITS OWN ORDINARY SHARES
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**



KOMARKCORP BERHAD

KOMARKCORP BERHAD

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

Registered Office:

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

30 September 2021

Board of Directors:

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

Roy Ho Yew Kee (Executive Director)

Chan Jee Peng (Independent Non-Executive Director)

Ihsan bin Ismail (Independent Non-Executive Director)

Koo Kien Keat (Independent Non-Executive Director)

Dear Shareholders,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the AGM of the Company held on 22 October 2020, the Company had obtained the approval of its shareholder to purchase up to ten percent (10%) of the total number of issued shares of the Company at any point in time. The aforesaid shareholders' approval for the Company to purchase its own shares is subject to the annual renewal and will lapse at the conclusion of the 25th AGM unless such authority is renewed by an ordinary resolution passed at the general meeting.

On 24 September 2021, the Board announced that the Company proposes to undertake the Proposed Renewal of Share Buy-Back Authority at the forthcoming 25th AGM of the Company. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information of the Proposed Renewal of Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM. The notice of the AGM together with the Form of Proxy is enclosed in the 2021 Annual Report of the Company for the financial year ended 30 April 2021.

SHAREHOLDERS OF KOMARKCORP ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 Proposed Renewal of Share Buy-Back Authority

The Board is proposing to seek the shareholders' approval for the renewal of the authority for the Company to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares at any point in time.

Based on the Company's issued and paid-up share capital of RM133,098,534.940 comprising 577,356,548 Komarkcorp Shares (inclusive 18,000 treasury shares). As at the LPD, the maximum number of Komarkcorp Shares which may be purchased by the Company pursuant to the proposed renewal of share buy-back authority shall not exceed 57,735,654 Komarkcorp Shares in aggregate. However, the actual number of Komarkcorp Shares to be purchased and the timing of any purchase will depend on the market conditions and sentiments of Bursa Securities, the availability of financial resources and retained profits of our Company. In addition, the Board will ensure that the purchase of Komarkcorp Shares will not result in the Company's public shareholding spread falling below the minimum public shareholding spread of twenty-five percent (25%) of the issued and paid-up share capital.

The Proposed Renewal of Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

The Proposed Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.2 Maximum Amount of Funds to be Allocated and the Source of Funds

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements for the financial year ended 30 April 2021 of the Company, the retained losses of Komarkcorp was RM77,641,216.15.

The Renewal Proposed Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of Komarkcorp Shares to be purchased and other relevant factors. The actual number of Komarkcorp Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial

resources available to the Company. In the event that the Proposed Renewal of Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

2.3 Treatment of the Purchased Komarkcorp Shares

Pursuant to Section 127(4) of the Act, where the Company has purchased the Shares, the Board may, at their discretion, resolve: -

- i) to cancel the shares so purchased;
- ii) to retain the shares so purchased in treasury, which is referred to as "treasury shares" in the Act; or
- iii) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Board may, at their discretion: -

- i) distribute the shares as dividends to shareholders, such dividend to be known as "share dividends";
- ii) resell the shares or any of the shares in accordance with the relevant rules of Bursa Securities;
- iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;
- iv) transfer the shares, or any of the shares as purchase consideration;
- v) cancel the shares or any of the shares; or
- vi) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe.

Upon each Proposed Renewal of Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board to either retain the Shares purchased as treasury shares or cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of Shares so purchased.

2.4 Purchase/Resale Price

Pursuant to the Listing Requirements, the Company may only purchase Komarkcorp Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the five (5) Market Days immediately preceding the date of the purchase(s). The Company may only resell the Purchased Komarkcorp Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of Komarkcorp Shares for the five (5) Market Days immediately prior to the resale; or
- (b) at a discount of not more than 5% to the weighted average share price of Komarkcorp Shares for the five (5) Market Days immediately prior to the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

The Proposed Renewal of Share Buy-Back Authority and/or resale of the Purchased Komarkcorp Shares shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. The

Company shall ensure that all dealing(s) in its own Shares/Purchased Komarkcorp Shares are made through stock broker(s) appointed by the Company.

2.5 Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back Authority

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Renewal of Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased Komarkcorp Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Renewal of Share Buy-Back Authority may also stabilise the supply and demand of Komarkcorp Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of Komarkcorp Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of Komarkcorp Group.
- (b) The Proposed Renewal of Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- (c) The Proposed Renewal of Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

2.6 Public Shareholding Spread

Pursuant to the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance of twenty-five (25%) public spread. Based on the Company's Record of Depositors as at LPD, the public spread of the Company was 88.69%. The Board will endeavor to ensure that the Company complies with the public spread requirements and shall not buy back the Company's own shares if the purchase would result in the public spread requirements not being met.

2.7 Implication Relating to the Code

Pursuant to the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining Komarkcorp Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is between 33.0% and 50.0% and increases by another 2.0% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Renewal of Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Renewal of Share Buy-Back Authority.

2.8 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months

There were no purchase, resale, transfer or cancellation of shares made by Komarkcorp in the previous twelve (12) months preceding the date of this Circular. As at LPD, 18,000 Komarkcorp Shares are held by Komarkcorp as treasury shares in accordance with Section 127(6) of the Act at an average price of RM0.350 per share.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The implementation of the Proposed Renewal of Share Buy-Back Authority is envisaged to benefit the Company and its shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the Komarkcorp Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of Komarkcorp Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;
- (iii) the Purchased Komarkcorp Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased Komarkcorp Shares retained as treasury shares can be distributed as share dividends to the shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased Komarkcorp Shares held as treasury shares are resold at prices higher than the purchase price.

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4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

As at the LPD, the Company has 577,338,548 issued Shares (excluding 18,000 treasury shares) and the following convertible securities:

- (i) 240,460,690 outstanding Warrants C, which have an exercise price of RM0.56 each and expiring on 10 January 2024; and
- (ii) up to 86,600,700 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS.

the Company does not intend to grant any ESOS Options prior to the 25th AGM.

The effects of the Proposed Renewal of Share Buy-Back Authority are illustrated as follows:-

<i>Minimum Scenario</i>	: Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and that none of the outstanding Warrants C and ESOS Options are exercised into new Komarkcorp Shares as at the LPD
<i>Maximum Scenario</i>	: Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and that all of the outstanding Warrants C and ESOS Options are exercised into new Komarkcorp Share

4.1 Share Capital

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
As at LPD**	577,338,548	577,338,548
To be issued assuming full exercise of the total outstanding Warrants C	-	240,460,690
To be issued assuming full granting and exercise of outstanding ESOS Options which may be granted	-	86,600,700
Resultant issued and paid-up share capital	577,338,548	904,399,938
Maximum number of Komarkcorp Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority (including 18,000 treasury shares held by the Company as at the LPD)	57,733,854	90,439,993
Resultant share capital after cancellation of Komarkcorp Shares bought back	519,604,694	813,959,945

Note:

** Based on 577,338,548 issued Shares (excluding 18,000 treasury shares) as at the LPD.

However, the implementation of the Proposed Renewal of Share Buy-Back Authority will not have any effect on the share capital of Komarkcorp if the Komarkcorp Shares purchased are retained as Treasury Shares.

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4.2 NA

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or subsequently cancelled, the NA per Share of Komarkcorp Group will decrease if the cost per Share purchased exceeds the NA per Share of Komarkcorp Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of Komarkcorp Group at the relevant point in time, the NA per Share of Komarkcorp Group will increase.

In the case where the Purchased Komarkcorp Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of Komarkcorp Group upon the resale will increase if the Company realises a gain from the resale and vice-versa. If the treasury shares are distributed as share dividends, the NA of Komarkcorp Group will decrease by the cost of the treasury shares at the point of purchase.

4.3 Working Capital

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of Komarkcorp Group, the quantum of which depends on, amongst others, the number of Komarkcorp Shares purchased and the purchase price(s) of the Komarkcorp Shares.

For Komarkcorp Shares so purchased which are kept as treasury shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

4.4 Earnings

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of Komarkcorp Group are dependent on the number Komarkcorp Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to Komarkcorp Group if internally generated funds are utilised. Further, the purchase of the Komarkcorp Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

4.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, the Proposed Renewal of Share Buy-Back Authority will have an effect of increasing the dividend rate per ordinary share of the Company as a result of the reduction in the issued share capital of the Company.

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4.6 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and the substantial shareholders of Komarkcorp based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD assuming the Proposed Renewal of Share Buy-Back Authority is undertaken in full by the Company, are as follows:

<i>Minimum Scenario</i>	:	<i>Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and that none of the outstanding Warrants C and ESOS Options are exercised into new Komarkcorp Shares as at the LPD</i>
<i>Maximum Scenario</i>	:	<i>Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and that all of the outstanding Warrants C and ESOS Options are exercised into new Komarkcorp Share</i>

Minimum Scenario

	No of Shares held as at the LPD				After Proposed Renewal of Share Buy-Back Authority			
	Direct	% [^]	Indirect	% [^]	Direct	% [#]	Indirect	% [#]
<u>Directors</u>								
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.035	-	-	200,000	0.038	-	-
Roy Ho Yew Kee	750,000	0.130	-	-	750,000	0.144	-	-
Chan Jee Peng	-	-	-	-	-	-	-	-
Ihsan bin Ismail	-	-	-	-	-	-	-	-
Koo Kien Keat	-	-	-	-	-	-	-	-
<u>Substantial Shareholder</u>								
Key Alliance	64,352,600	111.146	-	-	64,352,600	12.385	-	-

Notes:-

[^] Calculated based on the 577,338,548 issued Shares (excluding 18,000 treasury shares) as at the LPD.

[#] Calculated based on the 519,604,694 issued Shares (excluding 57,733,854 treasury shares), under the Minimum Scenario.

4.6 Directors' and Substantial Shareholders' Shareholdings (cont'd)

Maximum Scenario

	No. of Shares held as at the LPD				After Proposed Renewal of Share Buy-Back Authority			
	Direct	% [^]	Indirect	% [^]	Direct	% [@]	Indirect	% [@]
<u>Directors</u>								
YM Tengku Ezuan Ismara Bin Tengku	200,000	0.035	-	-	200,000	0.025	-	-
Nun Ahmad								
Roy Ho Yew Kee	750,000	0.130	-	-	750,000	0.092	-	-
Chan Jee Peng	-	-	-	-	-	-	-	-
Ihsan bin Ismail	-	-	-	-	-	-	-	-
Koo Kien Keat	-	-	-	-	-	-	-	-
<u>Substantial Shareholder</u>								
Key Alliance	64,352,600	11.146	-	-	64,352,600	7.906	-	-

Notes:-

[^] Calculated based on the 577,338,548 issued Shares (excluding 18,000 treasury shares) as at the LPD.

[@] Calculated based on the 813,959,945 issued Shares (excluding 90,439,993 treasury shares), under the Maximum Scenario.

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5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of shares or resale of treasury shares, if any, in the future.

6. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Komarkcorp shares traded on Bursa Securities for the past twelve (12) months from September 2020 to LPD are as follows:-

Month/Year	High (RM)	Low (RM)
2020		
September	0.733	0.475
October	0.632	0.509
November	0.755	0.571
December	0.699	0.517
2021		
January	0.572	0.444
February	0.600	0.400
March	0.895	0.275
April	0.325	0.175
May	0.210	0.145
June	0.165	0.120
July	0.155	0.125
August	0.175	0.085

The last transacted price of Komarkcorp shares on LPD was RM0.120.

8. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Renewal of Share Buy-Back Authority is of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of the Company to vote in favour of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

9. ANNUAL GENERAL MEETING

The 25th AGM of the Company, the notice of which is enclosed in the 2021 Annual Report of the Company, will be held on a fully virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkAGM> provided by Mlabs Research Sdn Bhd from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 October 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, to pass with or without modification, the resolution to give effect to the Proposals.

If you are unable to attend and vote in person at the 25th AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2021 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at Share Registrar Office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia not less than forty-eight (48) hours before the time set for the 25th AGM.

10. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

KOO KIEN KEAT
Independent Non-Executive Director

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APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

As at the date of this Circular/Statement, neither the Company nor its subsidiaries have entered into any contract which are or may be material impact to the financial position of the Group.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, neither Komarkcorp nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:-

Writ and Statement of Claim against The Edge Communications Sdn Bhd

The Company had on 11 May 2021, filed a Writ and Statement of Claim in the High Court against The Edge for, amongst others, damages and an injunction to restrain The Edge whether by itself, its agents or servants or otherwise from publishing or causing to be published the same or similar words defamatory of the Company.

Further to the e-review case management held on 16 July 2021, The Edge's solicitors had informed the High Court that it has received letter of approval to operate on 5 July 2021. The High Court then instructed that The Edge to file its defence by 19 July 2021 and a reply to be filed by the Company by 2 August 2021.

During the e-review on 5 August 2021, the Company's solicitors informed the court that they have issued a letter dated 2 August 2021 to The Edge to request for further particulars for the defence filed and The Edge's solicitors informed the High Court that they are seeking their client's instructions on the said letter. The Company also sought for extension of time to file their reply 14 days after receiving the further particulars from The Edge. The Edge's solicitors objected and they informed the High Court they will be filing an application to strike out the statement of claims.

The High Court has fixed 24 August 2021 for the next e-review case management.

The Board is of the view that Komarkcorp has a fair chance in its claims against The Edge.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor during normal business hours from Monday to Friday (except public holidays) from the date of this Circular/Statement up to the date of the AGM:-

- a) The Constitution of the Company;
- b) Audited consolidated financial statements for the financial years ended 30 April 2019 and 30 April 2020; and
- c) Quarterly Report for the financial period ended 30 July 2021.

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