

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2010

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year quarter ended 30/9/2010 RM '000	Preceding Year Corresponding quarter ended 30/9/2009 RM '000	Current Year todate 30/9/2010 RM '000	Preceding Year Corresponding period 30/9/2009 RM '000
Revenue	30,471	13,782	30,471	13,782
Cost of sales	(22,521)	(11,007)	(22,521)	(11,007)
Gross profit	7,950	2,775	7,950	2,775
Operating expenses	(4,388)	(2,916)	(4,388)	(2,916)
Other income	795	770	795	770
Profit before tax	4,357	629	4,357	629
Tax expense	(780)	(51)	(780)	(51)
Profit for the period	3,577	578	3,577	578
Other comprehensive income :				
Foreign currency translation differences for foreign operations	(133)	(391)	(133)	(391)
Total comprehensive income for the period	3,444	187	3,444	187
Profit for the period attributable to :				
Owners of the parent	2,058	287	2,058	287
Non-controlling interest	1,519	291	1,519	291
	3,577	578	3,577	578
Total comprehensive income attributable to :				
Owners of the parent	1,961	(104)	1,961	(104)
Non-controlling interest	1,483	291	1,483	291
	3,444	187	3,444	187
Earnings per share (sen)				
- Basic / diluted	3.06	0.43	3.06	0.43

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2010)

KOBAY TECHNOLOGY BHD
(Co. No. 308279-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

	(Unaudited) As at current quarter 30/9/2010 RM '000	(Audited) (Restated) As at preceding financial year 30/06/2010 RM '000
Assets		
Non-Current Assets		
Property, plant and equipment	55,084	55,425
Land held for property development	7,106	7,106
Property Development Expenditure	2	-
Other investments	2,662	2,612
Intangible assets	393	414
Loan receivables	-	16
	65,247	65,573
Current Assets		
Assets held for sale	8,246	8,246
Inventories	11,865	11,181
Trade and other receivables	30,043	28,748
Loan receivables	3,157	3,097
Tax assets	1,147	1,160
Cash & cash equivalents	53,405	49,109
	107,863	101,541
Total Assets	173,110	167,114
Equity		
Share capital	68,081	68,081
Reserves		
Treasury shares	(888)	(888)
Share premium	1,680	1,680
Currency translation reserve	170	267
Retained profit	38,844	36,785
	39,806	37,844
Equity attributable to owners of the Parent	107,887	105,925
Non controlling interest	38,160	36,706
Total Equity	146,047	142,631
Non-Current Liabilities		
Deferred income on government grant	154	164
Deferred taxation	3,603	3,691
	3,757	3,855
Current Liabilities		
Trade and other payables	21,673	19,373
Tax liabilities	1,633	1,255
	23,306	20,628
Total Liabilities	27,063	24,483
Total Equity and Liabilities	173,110	167,114
Net assets per ordinary share attributable to owners of the Parent(RM)	1.60	1.57

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2010)

KOBAY TECHNOLOGY BHD

(Co. No. 308279-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2010**

	(Unaudited) Period Ended 30/9/2010 RM '000	(Unaudited) Period Ended 30/9/2009 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from :		
Continuing operations	4,357	629
Adjustments for:		
- Non-cash items	1,678	1,626
- Non-operating items	(39)	(475)
Operating profit before changes in working capital	<u>5,996</u>	<u>1,780</u>
Changes in working capital:		
- Net change in current assets	(2,010)	(642)
- Net change in current liabilities	1,345	2,647
Net Cash generated from operating activities	<u>5,331</u>	<u>3,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary companies, net of cash acquired	(67)	-
Purchase of additional shares from non-controlling interest	-	(163)
Purchase of property, plant and equipment	(1,000)	(3,215)
Other investments	24	798
Net cash used in investing activities	<u>(1,043)</u>	<u>(2,580)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	(24)	-
Share application money from non-controlling interest	145	-
Capital repayment to non-controlling interest	(76)	-
Net cash generated from financing activities	<u>45</u>	<u>-</u>
Currency translation differences	(36)	53
Net Change in Cash & Cash Equivalents	4,297	1,258
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>48,716</u>	<u>60,291</u>
CASH & CASH EQUIVALENTS AS AT END OF THE PERIOD	<u><u>53,013</u></u>	<u><u>61,549</u></u>

Note: Deposits amounting to RM392,935 (30.9.2009: RM309,950) have been pledged to local banks for bank guarantee facilities obtained by the Group as at 30th September 2010. As such, these amounts are not included as cash and cash equivalents as at the aforementioned dates.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2010)

KOBAY TECHNOLOGY BHD

(Co. No. 308279-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2010**

Group	Non-distributable				Distributable	Shareholders' Equity RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Translation reserve RM'000	Retained profit RM'000			
CURRENT PERIOD								
As at 1 July, 2010	68,081	(888)	1,680	267	36,786	105,926	36,706	142,632
Total comprehensive income for the period	-	-	-	(97)	2,058	1,961	1,483	3,444
Transactions with owners								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(24)	(24)
Acquisition of a subsidiary company	-	-	-	-	-	-	71	71
Capital repayment to non-controlling interest	-	-	-	-	-	-	(76)	(76)
Balance as at 30 September, 2010	68,081	(888)	1,680	170	38,844	107,887	38,160	146,047

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2009**

Group	Non-distributable				Distributable	Shareholders' Equity RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Translation reserve RM'000	Retained profit RM'000			
CURRENT PERIOD								
As at 1 July, 2009	68,081	(888)	1,680	900	36,526	106,299	33,998	140,297
Total comprehensive income for the period	-	-	-	(391)	287	(104)	291	187
Transactions with owners								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(27)	(27)
Acquisition of a subsidiary company	-	-	-	-	-	-	10	10
Accretion arising from acquisition of shares from non-controlling interest	-	-	-	-	237	237	(400)	(163)
Balance as at 30 September, 2009	68,081	(888)	1,680	509	37,050	106,432	33,872	140,304

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2010)

A. Notes to the interim financial report for the period ended 30 September 2010

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 'Interim Financial Reporting' and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30th June 2010.

The interim financial report has been prepared based on the accounting policies and methods of computation consistent with those adopted for the annual audited financial statements for the year ended 30th June 2010 except for the adoption of the following new/revised FRSs, amendments to FRSs and IC interpretations:

(i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

Effective for annual financial period beginning on or after 1 January 2010

Standard/Interpretation

Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations*

Amendments to FRS 2 *Share-based Payment*

Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Amendments to FRS 132 *Financial Instruments: Presentation*

Amendments to FRS 138 *Intangible Assets*

Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*, FRS 7 *Financial Instruments: Disclosures* and IC Interpretation 9 *Reassessment of Embedded Derivatives*

Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*

Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*

Amendments to FRSs contained in the document entitled "*Improvements to FRSs (2009)*"

FRS 1 *First-time Adoption of Financial Reporting Standards* (revised in 2010)

FRS 3 *Business Combinations* (revised in 2010)

FRS 7 *Financial Instruments: Disclosures*

FRS 101 *Presentation of Financial Statements* (revised in 2009)

FRS 123 *Borrowing Costs*

FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)

FRS 139 *Financial Instruments: Recognition and Measurement*

IC Interpretation 9 *Reassessment of Embedded Derivatives*

IC Interpretation 10 *Interim Financial Reporting and Impairment*

IC Interpretation 11 *FRS 2 - Group and Treasury Share Transactions*

IC Interpretation 13 *Customer Loyalty Programmes*

IC Interpretation 14 *FRS119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction*

IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*

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The adoption of the above FRSs, amendments and interpretations do not have significant impact on the financial statement of the Group, other than as described below:

Revised FRS 101 Presentation of Financial Statements

The Group has elected to present the statements of comprehensive income in a single statement.

With the adoption of the revised FRS 101, the components of the interim financial statements presented consists of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flow and notes to the financial statements.

The effect of change in presentation are as follow :

The gain and losses that were recognized directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for the preceding corresponding period is presented separately an a allocation is made to show the amount attributable to Owners of the Parent and to Non-controlling interests. The effects on the comparatives to the Group on the adoption of the revised FRS 101 are as follows:

For the period ended 30 September 2009	Income statement As previously reported (RM'000)	Effects of adopting FRS 101 (RM'000)	Statement of Comprehensive Income As restated (RM'000)
Profit for the period	578		578
Other comprehensive income		(391)	(391)
Total comprehensive income			187
Total comprehensive income attributable to :			
Owners of the parent			(104)
Non-controlling interest			291

Amendments to FRS 117 Leases

Prior to the adoption of the Amendments to FRS 117, leasehold lands were treated as operation leases. The consideration paid were classified and presented as prepaid lease payments. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group are in substance finance lease and has reclassified leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provision and certain comparative balances have been restated as follows:

As at 30 June 2010 (Net book value)	As previously reported (RM'000)	Reclassification (RM'000)	As restated (RM'000)
Property, plant & equipment	45,428	9,997	55,425
Prepaid lease payments	9,997	(9,997)	-

The adoption of other new and revised FRSs, IC Interpretations and amendments has no effect to the Group's consolidated financial statements of the current quarter or the comparative financial statement of the preceding year corresponding period.

(ii) New and Revised FRSs, IC Interpretations and Amendments issued but not yet effective for the Group's current quarter report

Amendment to FRS 1 *Limited Exemption from Comparative FRS7 Disclosures for First-time Adoptions*

Amendments to FRS2 *Group Cash-settled Share-based Payment Transactions*

Amendments to FRS7 *Improving Disclosure about Financial Instruments*

The adoption of other New and Revised FRSs, IC Interpretations and Amendments will have no significant impact or not result in changes to the existing accounting policies.

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2. Seasonal or cyclical operations

The business operations of the Group are subject to cyclical effects of the global semiconductors and electronics industries.

3. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no other events affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence during the current quarter under review.

4. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period

There were no significant changes in estimates of amounts reported in prior interim periods of the current financial year or prior years, that have a material effect in the current quarter .

5. Issuance, cancellations, repurchases, resale or repayments of debts and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities for the current financial quarter.

6. Dividend Paid

There were no dividend paid during the quarter under review. (30.9.2009 : Nil).

7. Segment Information

For management purposes, the Group is organised into business units based on their products and services.

The Group's reportable segments are as follows:

- a) Precision Tooling & Mould – Manufacture of machinery parts, tools, dies and moulds.
- b) Precision Components – Manufacture of precision machined components, precision stamping, sheet metal parts and surface treatment.
- c) Automation & Metal Work – Design and manufacture of automated machines, development of automation software and manufacture of all types of metal plates, modules and parts for oil and gas production.
- d) Other operating segments– Include small operations related to general trading, money lending, oil and gas maintenance services.

Current Period ended 30/9/10	Precision Tooling & Mould	Precision Components	Automation & Metal Work	Other operating segments	Unallocated non- operating segments	Total	Eliminations	Total Equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue from external customer	4948	15620	7733	2171		30471		30471
Intersegment revenue	42		124	80	1217	1462	-1462	
Interest income	12	131	56		165	364		364
Interest expense			45	35		80	-80	
Depreciation and amortisation	108	1314	168		88	1678		1678
Tax expense	81	719	13		8	820	-41	780
Reportable segment profit after taxation	977	2684	482	-403	649	4388	-812	3577
Reportable segment assets	10668	76734	28805	11907	106351	234464	-61355	173110
Expenditure for non-current assets	4	836	160			1000		1000
Reportable segment liabilities	2775	10985	8640	11457	11818	45675	-18612	27063

Segment Information-continued

Segment information by geographical regions

The following is an analysis of Group's sales by geographical market, irrespective of the origin of the goods/services :

	30.9.2010 (RM'000)
Malaysia	17462
Other Asia Pacific countries	10665
United States of America	1409
Europe	934
Total	30471

Information about major customer

During the quarter, revenue from a major customer of the Group's automation and metal works segment contributed approximately RM3.78 million of the Group's total revenue.

Period ended 30/9/09	Precision Tooling & Mould	Precision Components	Automation & Metal Work	Other operating segments	Unallocated non- operating segments	Total	Eliminations	Total Equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue from external customer	2829	8236	2712	5		13782		13782
Intersegment revenue	232	259	674		824	1990	-1990	
Interest income	12	110	24		166	312		312
Depreciation and amortisation	159	1211	160		97	1626		1626
Tax expense	26	47			-22	51		51
Reportable segment profit after taxation	141	420	23		563	1147	-569	578
Reportable segment assets	11124	66540	22686	365	106504	207219	-51083	156136
Expenditure for non-current assets		254	2961			3215		3215
Reportable segment liabilities	3108	6737	3787	435	12768	26835	-11003	15832

Segment information by geographical regions

The following is an analysis of Group's sales by geographical market, irrespective of the origin of the goods/services :

	30.9.2009 (RM'000)
Malaysia	8909
Other Asia Pacific countries	3769
United States of America	835
Europe	269
Total	13782

Information about major customer

During the quarter, revenue from a major customer of the Group's automation and metal works segment contributed approximately RM2.06 million of the Group's total revenue.

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8. Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendment from the previous annual report.

9. Subsequent events

In October 2010, LD Global Sdn Bhd ("LD"), a 85% owned subsidiary, has increased its paid up capital from RM100,000 to RM400,000. Kobay has subscribed for 155,000 ordinary shares of RM1/= each only and consequently, the equity holding of Kobay in LD has been diluted to 60%.

Other than the above, there were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statement.

10. Changes in the composition of the group

In August 2010, Kobay SCM (S) Pte Ltd, a 60% owned subsidiary, has acquired 60% equity interest in United Manufacturing Corporation Pte Ltd for a cash consideration of SGD39,000 (approximately RM92,040).

Save for the above, there were no changes in composition of the Group for current quarter.

The effect of the acquisitions on the financial position of the Group for the period ended 30th September 2010 are as follows :

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Net assets as of date of acquisition:		
Property, plant and equipment	46	46
Trade and other receivables	79	79
Inventories	67	67
Cash and bank balances	25	25
Trade and other payables	(39)	(39)
Net assets acquired	178	178
Non-controlling interest	(71)	(71)
Share of net assets acquired	107	107
Cost of acquisition	(92)	
Negative goodwill on consolidation	<u>15</u>	
Cash flow arising on acquisition :		
Purchase consideration satisfied by cash	92	
Less : Cash and cash equivalents of subsidiary company acquired	<u>(25)</u>	
Net cash outflow of the Group	<u>67</u>	

KOBAY TECHNOLOGY BHD (Co. No. 308279-A)**11. Contingent assets and contingent liabilities**

There were no contingent assets or liabilities as at the date of the report (30.9.2009: RM Nil).

12. Material related party transaction

There was no material transaction entered by the group with any related party.

13. Capital Commitments

Capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at the reporting date were as follows :

	RM'000
Authorised but not contracted for	700
Authorised and contracted for	<u>618</u>

B. Additional information required by the Listing Requirements of Bursa Securities**1. Review of performance**

The Group recorded a revenue of RM30.47 million and profit before tax of RM4.35 million for the current quarter. As compared to previous year's corresponding quarter, revenue and profit before tax has increased by RM16.69 million and RM3.72 million respectively. The significant increase in incoming order from Precision Components and Precision Tooling segments has led to the favorable performance for the quarter.

Additionally, there was a new subsidiary acquired subsequent to preceding year corresponding quarter which also contributed positive results to the Group in current quarter.

2. Comparison with preceding quarter's results

The Group reported a revenue of RM30.47 million and profit before tax of RM4.35 million as compared to previous quarter of RM29.15 million and RM2.93 million respectively.

The increase in incoming order for Precision Tooling & Precision Components segments had contributed to better performance for the quarter.

3. Commentary on the prospects of the Group

The Board anticipates that the performance of the Group for the coming quarter will remain challenging. While keeping the steady pace of growth for the Precision Tooling and Precision Components, the Group will continue to look for expansion plan for future growth and a more aggressive marketing plan has been implemented to address the under-performed automation and metal works segments.

4. Variance on forecast profit/profit guarantee

No profit forecast or profit guarantee was issued during the period.

5. Taxation

Taxation comprises the following :-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year quarter ended 30/9/2010 RM '000	Preceding Year Corresponding quarter ended 30/9/2009 RM '000	Current Year to date 30/9/2010 RM '000	Preceding Year Corresponding period 30/9/2009 RM '000
Current tax	(868)	420	(868)	420
Deferred tax	88	(471)	88	(471)
	<u>(780)</u>	<u>(51)</u>	<u>(780)</u>	<u>(51)</u>

The effective tax rates for the quarter and period were lower than the statutory tax rate due to the availability of tax incentives enjoyed by certain subsidiaries during the current financial period.

KOBAY TECHNOLOGY BHD (Co. No. 308279-A)**6. Profit / (loss) on sale of investments and/or properties**

There were no profits on sale of unquoted investments and/or properties for the current quarter.

7. Purchases and sales of quoted securities and unit trusts

(a) Total purchase or disposal of quoted securities and unit trusts, and profit thereof for the current quarter and financial year-to-date are as follows :

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year quarter ended 30/9/2010 RM '000	Preceding Year Corresponding quarter ended 30/9/2009 RM '000	Current Year todate 30/9/2010 RM '000	Preceding Year Corresponding period 30/9/2009 RM '000
(i) Total purchase	337	850	337	850
(ii) Total disposal	363	1,879	363	1,879
(iii) Profit on disposal	24	217	24	217

(b) Total quoted investment as at end of the current quarter are as follows :

	RM '000
(i) At cost	357
(ii) At carrying value/market value	372

8. Status of corporate proposals

On 15th January 2009, the Company announced the appointment of liquidator for members' voluntary winding up of its 55% owned subsidiary company, namely Elite Paper Trading Sdn Bhd. The exercise is still pending completion as at the date of this report.

In September 2010, The Group has entered into a share sale agreement to dispose off its 60% owned subsidiary, namely Unetsys Sdn Bhd for RM8.7 million. The exercise is still pending completion as at the date of this report.

Save for the above, there were no corporate proposals announced as at the date of this interim report but pending completion.

9. Group borrowings

The were no borrowings for the Group as at 30th September 2010. (30.9.2009 : Nil)

10. Derivative Financial Instrument

The Group did not have any derivative financial instruments as at the end of the reporting period.

11. Gain and losses arising from Fair Value Changes of Financial Liabilities

There were no gain and losses arising from fair value changes of financial liabilities for the current quarter and current financial year to date.

12. Breakdown of realised and unrealised profits or losses of the Group

	As at 30/9/2010 RM'000
Realised profits and total retained profits	<u>38,844</u>

13. Material litigation

The Group is not engaged in any material litigation as at the date of this report.

14. Dividend

The Board of Directors do not recommend any dividend for the financial quarter ended 30th September 2010 (30.9.2009: Nil).

KOBAY TECHNOLOGY BHD (Co. No. 308279-A)**15. (Loss)/Earnings Per Share ("EPS")****(a) Basic earnings per share**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year quarter ended 30/9/2010 RM '000	Preceding Year Corresponding quarter ended 30/9/2009 RM '000	Current Year to date 30/9/2010 RM '000	Preceding Year Corresponding period 30/9/2009 RM '000
Profit attributable to ordinary equity holders of the Parent	2,058	287	2,058	287
Weighted average number of ordinary shares ('000)				
- Issued ordinary shares at beginning of period	68,081	68,081	68,081	68,081
- Effect of Shares Buy Back	(728)	(728)	(728)	(728)
	<u>67,353</u>	<u>67,353</u>	<u>67,353</u>	<u>67,353</u>
Basic earnings per share (sen)	3.06	0.43	3.06	0.43

(b) Diluted earnings per share

The effects on the basic EPS for the year arising from the assumed exercise of the employee share options is anti-dilutive. Accordingly the diluted EPS for the current period has not been presented.

16. Provision for Financial Assistance

Pursuant to Paragraph 8.23 and 10.08 of the Listing Requirements and Practice Note No. 11/2001 of the Bursa Malaysia Securities Berhad, the followings are the financial assistance provided by the Group for the current financial period under review :-

	Current Period As at 30/9/2010 RM '000
Loan given to non-wholly owned subsidiaries	8,113
Loan given by a licensed moneylending company within the Group to third parties	<u>5,038</u>
	<u>13,151</u>

The provision of the financial assistance does not have any impact on the issued and paid-up capital and substantial shareholders' shareholding of the Company and would not have any material effect on the net assets, net tangible assets, gearing and earnings of the Group.

17. Audit report of preceding annual financial statements

The Group's audited financial statements for the year ended 30th June 2010 were reported without any qualification.