

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 JUNE 2017**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		(Restated) Preceding Year Corresponding quarter ended 30/6/2016 RM '000		(Audited) Preceding Year Corresponding period 30/6/2016 RM '000
	Current Year quarter ended 30/6/2017 RM '000		Current Year to date 30/6/2017 RM '000	
Revenue	38,591	30,655	125,430	104,750
Cost of sales	(30,512)	(22,916)	(97,401)	(75,555)
Gross profit	8,079	7,739	28,029	29,195
Operating expenses	(7,255)	(6,325)	(23,764)	(23,932)
Other expenses	-	-	-	(3,400)
Finance cost	(38)	(73)	(102)	(179)
Other income	906	2,218	3,464	5,896
Profit before tax	1,692	3,559	7,627	7,580
Tax expense	(489)	(907)	(2,765)	(2,603)
Profit for the period	1,203	2,652	4,862	4,977
Other comprehensive income :-				
Currency translation differences for foreign operations	(9)	(19)	105	172
Total comprehensive income for the period	1,194	2,633	4,967	5,149
Profit for the period attributable to :-				
Owners of the parent	1,173	2,142	4,739	4,458
Non-controlling interest	30	510	123	519
	1,203	2,652	4,862	4,977
Total comprehensive income attributable to :				
Owners of the parent	1,165	2,130	4,844	4,561
Non-controlling interest	30	503	123	588
	1,194	2,633	4,967	5,149
Basic earning per share (sen)	1.15	2.10	4.65	4.38

(The Condensed Consolidated Statement of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2016)

KOBAY TECHNOLOGY BHD.

(Co. No. 308279-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	(Unaudited) As at current financial period 30/6/2017 RM '000	(Audited) As at preceding financial period 30/06/2016 RM '000
Assets		
Non-Current Assets		
Property, plant and equipment	57,958	60,460
Investment Properties	2,000	2,025
Land held for property development	41,073	37,699
Intangible assets	93	281
	101,124	100,465
Current Assets		
Property development cost	13,289	10,388
Inventories	14,888	14,589
Trade and other receivables	33,750	27,244
Financial assets at fair value through profit or loss	-	11
Tax assets	491	213
Cash & cash equivalents	27,700	29,344
	90,119	81,789
Total Assets	191,243	182,254
Equity		
Share capital	102,094	68,081
Reserves		
Treasury shares	(67)	(221)
Share premium	-	2,345
Capital reserve	1,550	1,550
Currency translation reserve	498	236
Retained profits	41,680	68,334
	43,660	72,244
Equity attributable to owners of the Company	145,755	140,325
Non-controlling interests	437	1,667
Total Equity	146,192	141,992
Non-Current Liabilities		
Loans and borrowings	8,774	9,378
Deferred tax liabilities	4,293	4,342
Deferred income on government grant	1,630	1,977
	14,697	15,697
Current Liabilities		
Trade and other payables	26,303	20,887
Loans and borrowings	3,434	2,046
Progress billings	370	1,400
Tax liabilities	246	232
	30,354	24,565
Total Liabilities	45,051	40,262
Total Equity and Liabilities	191,243	182,254
Net assets per ordinary share attributable to owners of the Parent(RM)	1.43 #	2.07

Decrease in net assets per share is mainly due to the increase in the number of ordinary share from 68,080,750 to 102,093,601

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2016)

KOBAY TECHNOLOGY BHD.

(Co. No. 308279-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED ENDED 30 JUNE 2017**

Group	Attributable to owners of the Parent							Sub-total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Non-distributable						Distributable			
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Fair Value reserve RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profit RM'000			
CURRENT PERIOD										
As at 1 July, 2016	68,081	(221)	2,345	-	1,550	236	68,334	140,325	1,667	141,992
Resale of treasury shares	-	154	-	-	-	-	-	154	-	154
Issurance of Bonus shares	34,013	-	(2,324)	-	-	-	(31,689)	-	-	0
Share issue expenses	-	-	(21)	-	-	-	-	(21)	-	(21)
Dividends to Non- controlling interests	-	-	-	-	-	-	-	-	(368)	(368)
Change in ownership interest in subsidiary	-	-	-	-	-	157	296	453	(985)	(532)
Total comprehensive income for the period	-	-	-	-	-	105	4,739	4,844	123	4,967
Balance as at 30 June, 2017	102,094	(67)	-	-	1,550	498	41,680	145,755	437	146,192

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 30 JUNE 2016**

Group	Attributable to owners of the Parent							Sub-total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Non-distributable						Distributable			
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Fair Value reserve RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profit RM'000			
CURRENT PERIOD										
As at 1 July, 2015	68,081	(888)	1,680	-	1,550	133	65,907	136,463	1,139	137,602
Resale of treasury shares	-	667	665	-	-	-	-	1,332	-	1,332
Dividend paid to non-controlling interest	-	-	-	-	-	-	(2,031)	(2,031)	(60)	(2,091)
Total comprehensive income for the period	-	-	-	-	-	103	4,458	4,561	588	5,149
Balance as at 30 June, 2016	68,081	(221)	2,345	-	1,550	236	68,334	140,325	1,667	141,992

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30th June 2016)

KOBAY TECHNOLOGY BHD.

(Co. No. 308279-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2017**

	(Unaudited) Period Ended 30/6/2017 RM '000	(Audited) Period Ended 30/6/2016 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax :	7,627	7,580
Adjustments for:		
- Non-cash items	6,329	5,796
- Non-operating items	(790)	834
Operating profit before changes in working capital	<u>13,166</u>	14,210
Changes in working capital:		
- Net change in current assets	(6,905)	(7,067)
- Net change in current liabilities	1,204	26
Net cash from operating activities	<u>7,465</u>	7,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	(532)	(8)
Interest received	296	331
Proceeds from disposal of property, plant and equipment	265	7,460
Grants received	-	2,186
Additions to land held for property development	(5,692)	(6,565)
Purchase of property, plant and equipment	(4,028)	(9,129)
Net cash used in investing activities	<u>(9,691)</u>	(5,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	(368)	(60)
Dividend paid to owners of the Company	-	(2,031)
Reissued of treasury shares	196	1,332
Increase in loans and borrowings	713	681
Interest paid	(102)	(179)
Short term deposits pledged as security value	(6)	(1,856)
Net cash (used in)/ from financing activities	<u>433</u>	(2,113)
Currency translation differences	143	138
Net Change in Cash & Cash Equivalents	<u>(1,650)</u>	(531)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>26,747</u>	27,278
CASH & CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>25,097</u>	26,747
CASH & CASH EQUIVALENTS AS AT END OF THE PERIOD		
Highly Liquid Investments	1,532	3,307
Deposits not pledged	861	500
Cash & bank balances	<u>22,704</u>	22,940
	<u>25,097</u>	26,747

Note: Deposits amounting to RM2,603,372 (30.6.2016: RM2,596,880) have been pledged to local banks for bank guarantee facilities obtained by the Group as at 30 June 2017. 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 2016)

A. Notes to the financial report for the fourth financial quarter ended 30 June 2017

1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2016.

Malaysia Financial Reporting Standards

In November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The issuance was made in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework is a fully IFRS-compliant framework and equivalent to IFRSs.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*, including their parents, significant investors and joint venturers ("Transitioning Entities"). As announced by the Malaysian Accounting Standards on 28 October 2015, Transitioning Entities are allowed to defer the adoption of the Malaysian Financial Reporting Standards to annual periods beginning on or after 1 January 2018.

Being a Transitioning Entity involved in property development, the Group continues to prepare its financial statements for the financial year ended 30 June 2017 in accordance with Financial Reporting Standards ("FRSs") and will first present the financial statements in accordance with the MFRS Framework for the financial year ending 30 June 2019. Management is currently examining the financial impacts of transition to the MFRS Framework.

2. Audit report of preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 30th June 2016 was not subject to any qualification.

3. Seasonal or cyclical operations

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

A. Notes to the financial report for the fourth financial quarter ended 30 June 2017

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

5. 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 the estimates that have a material effect in the current quarter and current financial year.

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

There were no issuance, cancellations, repurchase and repayments of debts and equity securities during the current quarter under review.

7. Dividend Paid

There were no dividend paid for the quarter and financial year under review. (30.6.2016 : Nil)

8. Segment Information

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

The Group's reportable operating segments are as follows:

- Manufacturing – Manufacture of precision machined components, precision stamping, sheet metal parts, surface treatment, precision molds, tooling & dies, semiconductor assembly and testing equipment, metal works and structures, modules and parts for oil and gas production and extraction equipment.
- Property Development
- Other operating segments – Include small operations related to property letting, hotel operation, money lending and supply of engineering parts.

A. Notes to the financial report for the fourth financial quarter ended 30 June 2017

8. Segment Information (cont'd)

Current Year ended 30.6.2017	Manufacturing	Property Development	Other Operating Segments	Unallocated Non-Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	118,646	2,271	4,513	-	-	125,430
Intersegment revenue	-	-	427	9,088	(9,515)	-
Interest income	202	9	47	1,011	(973)	296
Interest expense	63	464	-	47	(472)	102
Depreciation and amortisation	5,254	227	501	99		6,081
Tax expense	2,417	-	207	141	-	2,765
Reportable segment profit/(loss) after taxation	9,489	(2,337)	663	6,705	(9,658)	4,862
Reportable segment assets	105,952	60,044	17,236	124,129	(116,118)	191,243
Expenditure for non-current assets	3,553	6,030	84	53	-	9,720
Reportable segment liabilities	30,292	24,512	2,264	14,679	(26,696)	45,051

A. Notes to the financial report for the fourth financial quarter ended 30 June 2017

8. Segment Information (cont'd)

Corresponding Period ended 30.6.2016	Manufacturing	Property Development	Other Operating Segments	Unallocated Non-Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	102,096	-	2,654	-	-	104,750
Intersegment revenue	909	-	1,320	15,379	(17,608)	-
Interest income	225	11	55	375	(335)	331
Interest expense	79	328	-	115	(343)	179
Depreciation and amortisation	5,153	36	496	102	24	5,811
Tax expense	2,317	-	255	7	24	2,603
Reportable segment profit/(loss) after taxation	11,081	(2,437)	662	20,659	(24,988)	4,977
Reportable segment assets	99,945	53,643	17,436	116,787	(105,557)	182,254
Expenditure for non-current assets	7,567	7,492	63	422	-	15,544
Reportable segment liabilities	26,023	15,774	2,277	14,617	(18,429)	40,262

Segment information by geographical regions

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

	Current Year to date 30.6.2017 RM'000	Preceding Year 30.6.2016 RM'000
Malaysia	81,265	56,802
United States of America	20,931	19,245
Singapore	13,684	18,983
Other Foreign Countries	9,550	9,720
	125,430	104,750

A. Notes to the financial report for the fourth financial quarter ended 30 June 2017

8. Segment Information (cont'd)

Information about major customer

For the financial year ended 30 June 2017, there was one major customer (30.6.2016 : Nil) of manufacturing segment who contributed 17% of the Group's total revenues and the total revenue generated from this major customer amounted to RM21.8 million for the financial year under review.

9. Valuation of property, plant and equipment

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

10. Subsequent events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

11. Changes in the composition of the group

There were no major changes in the composition of the Group during the financial year ended 30 June 2017.

12. Contingent assets and contingent liabilities

There were no contingent assets or liabilities for the Group as at the date of the report. (30.6.2016 : RM: Nil).

13. Material related party transaction

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

14. Capital Commitments

Authorised capital commitments not recognised in the interim financial statement as at 30 June 2017 were as follows: -

	30.6.2017	30.6.2016
	RM'000	RM'000
Contracted but not provided for :-		
- Property, Plant and Equipment	261	159
- Investment properties	-	450
	<hr/>	<hr/>
- Landowners' entitlement for joint development projects	10,255	12,688
	<hr/> <hr/>	<hr/> <hr/>

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

Operating Segment	Current Year	Preceding Year	Variance	Current	Preceding Year	Variance
	quarter ended	Corresponding		Year	Year	
	30.6.2017	30.6.2016		30.6.2017	30.6.2016	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue:-						
Manufacturing	36,162	30,069	20.3%	118,646	102,096	16.2%
Property Development	785	-	100%	2,271	-	100%
Other operating segments	1,644	586	180.5%	4,513	2,654	70.0%
Unallocated non-operating segments	-	-		-	-	
	38,591	30,655	25.9%	125,430	104,750	19.7%
Profit/(loss) before tax:-						
Manufacturing	3,155	3,190	-1.1%	11,906	13,398	-11.1%
Property Development	(733)	(985)	25.6%	(2,337)	(2,437)	4.1%
Other operating segments	297	54	450.0%	870	917	-5.1%
Unallocated non-operating segments	2,380	19,104 ^(a)	-87.5%	6,846	20,666 ^(b)	-66.9%
	5,099	21,363		17,285	32,544	
Consolidation adjustments and eliminations	(3,407)	(17,804)		(9,658)	(24,964)	
	1,692	3,559	-52.5%	7,627	7,580	0.6%

(a) Inclusive of a gain of RM2.4 million on disposal of a factory building and RM13.9 million on intra-group disposal of investment which is eliminated in the group's consolidated accounts.

(b) Inclusive of impairment loss on receivables of RM3.4 million and the gain/losses as mentioned in (a) above.

The Group recorded higher revenue at RM38.59 million in the current quarter as compared to RM30.65 million in the preceding corresponding quarter, representing an increase of 25.9% on the back of better performance from manufacturing segment. However, a lower profit before tax of RM1.69 million was recorded in current quarter as the preceding corresponding quarter's result was inclusive of a gain of RM2.40 million on disposal of a factory building. In addition, lower profit recorded by manufacturing segment due to unfavorable product mix and production inefficiencies which yielded lower profit margin.

For year-to-date, the Group recorded an increase in revenue by RM20.68 million. Profit before tax stood at RM7.62 million, at par with FYE2016. However, should the gain on disposal of factory building and impairment loss on receivables be excluded from last year's comparative, current year reported lower profit before tax due to the unfavorable product mix and production inefficiencies in manufacturing segment.

B. Additional information required by the Listing Requirements of Bursa Securities

Manufacturing

Manufacturing business has posted an intense growth on the back of strong demand from electronics and aerospace customers. The ramping in demand has boosted the segment's revenue in Q3 & Q4 of FYE2017. Despite of higher revenue contribution from aerospace business, the segment reported lower profit before tax and lower margin due to the products mix that were "high mix-low volume" in nature which caused production inefficiencies and output did not reach the expected optimum level. In addition, the segment's oil & gas business unit suffered accumulated loss of RM1.9 million due to weak market demand.

Property Development

Following the commencement of our development project in Langkawi, the segment posted a revenue of 0.78 million for current quarter and RM2.27 million for year-to-date. However, the segment encountered losses of RM0.73 million and RM2.3 million for current quarter and year to-date as the revenue generated from a partly launched project was unable to offset the overhead costs of other projects that are yet to kick off.

Other Operating Segments

The increase in revenue and profit before tax for the segment was mainly driven by the final billing of one engineering project.

B. Additional information required by the Listing Requirements of Bursa Securities

2. Comparison with preceding quarter's results

<u>Operating Segment</u>	Current Year quarter ended 30.6.2017 RM'000	Preceding quarter ended 31.3.2017 RM'000	Variance %
Revenue:-			
Manufacturing	36,162	29,784	21.4%
Property Development	785	545	44.0%
Other operating segments	1,644	787	108.9%
Unallocated non- operating segments	-	-	
	38,591	31,116	24.0%
Profit/(loss) before tax:-			
Manufacturing	3,155	3,809	-17.2%
Property Development	(733)	(514)	-42.6%
Other operating segments	297	171	73.7%
Unallocated non- operating segments	2,380	445	434.8%
	5,099	3,911	
Consolidation adjustments and eliminations	(3,407)	(1,070)	
	1,692	2,841	-40.4%

The Group reported a revenue of RM38.59 million and profit before tax of RM1.69 million for current quarter, compared to revenue of RM31.11 million and profit before tax of RM2.84 million in Qtr 3 2017.

Manufacturing

Revenue of the manufacturing segment surged by 21.4% in Q4 2017, mainly driven by the upturn of orders from electronic and aerospace customers. However, lower profit was recorded due to production inefficiencies and higher yield loss during the quarter.

Property Development

The property development segment continued to suffer losses as the revenue still unable to cover fixed operating costs.

Other Operating Segments

The increase in revenue and profit before tax for the segment was mainly driven by the improvement in performance of supply chain business.

B. Additional information required by the Listing Requirements of Bursa Securities

3. Commentary on the prospects of the Group

The manufacturing segment is expected to remain profitable for FYE 2018 tapping on the surging of demand for electronics and aerospace products. While preserving electronics as our core business, the segment shall continue to focus on expanding its business in aerospace sector focusing on improving its capacity and production efficiency. On the other hand, we shall impose overall cost cutting and re-gearing for new markets for oil & gas business unit to cushion out the negative impact to the Group.

The property development segment is actively engaging in promotional and marketing activities to stimulate revenue for coming quarters. However, the growth rate for property development segment is likely to be slow in coming quarters in view of the soft market condition.

We shall continue to ride on the electronics market that has grown at an impressive rate and intensity our growth in aerospace business to strike for a positive result for the new financial year.

4. Variance on forecast profit/profit guarantee

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

5. Profit for the period

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year quarter ended 30.6.2017	Preceding Year Corresponding quarter ended 30.6.2016	Current Year to date 30.6.2017	Preceding Year 30.6.2016
Group	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after (crediting)/charging :-				
Interest income	(120)	(84)	(296)	(331)
Interest expenses	38	73	102	179
Depreciation of Property, plant and equipment	1,577	1,562	6,081	5,811
Impairment loss on loan and receivable	-	200	-	3,600
Gain on disposal of property, plant and equipment	(115)	(2,412)	(258)	(2,405)
Property, plant and equipment written off	6	3	68	12
Loss/(gain) on foreign exchange	505	630	(412)	(680)

Save as disclosed above, other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

B. Additional information required by the Listing Requirements of Bursa Securities

6. Taxation

Taxation comprises the following:-

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year quarter ended 30.6.2017 RM'000	Preceding Year Corresponding quarter ended 30.6.2016 RM'000	Current Year todate 30.6.2017 RM'000	Preceding Year 30.6.2016 RM'000
Current tax	(692)	(892)	(2,814)	(2,527)
Deferred tax	203	(15)	49	(76)
	(489)	(907)	(2,765)	(2,603)

The effective tax rates for the current quarter and cumulative period are higher than the statutory tax rate mainly due to the losses of certain subsidiaries cannot be set off against taxable profits made by other subsidiaries.

7. Status of corporate proposals

There were no corporate proposals announced as at the date of this interim report but pending completion.

8. Trade receivables

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 days terms.

The ageing analysis of the trade receivables not impaired is as follows:

	30.6.2017 RM'000
Not past due	23,142
Past due 1 to 30 days	5,315
Past due 31 to 120 days	2,008
Past due more than 120 days	999
	31,464

As at 30.6.17, trade receivables of RM8.32 million were past due but no impaired. They relate to a number of independent customers from whom with no recent history of default.

B. Additional information required by the Listing Requirements of Bursa Securities

9. Group borrowings and debts securities

	30.6.2017	30.6.2016
	RM'000	RM'000
Secured :-		
Term loans ^(a)	10,276	9,413
Unsecured :-		
Term loans	-	1,035
Revolving credit	1,932	976
	12,208	11,424
Disclosed as :-		
Current liabilities	3,434	2,046
Non-current liabilities	8,774	9,378
	12,208	11,424
Currency Profile :-		
Ringgit Malaysia	10,276	10,448
US Dollar	1,932	976
	12,208	11,424

^(a) Included herein is a term loan of RM8.58 million (30.6.2016: RM9.41 million) which carries no finance cost as the loan is offset with equivalent cash deposit that is available in the facility account.

Secured term loans are secured against certain freehold land and property, plant and equipment.

The effective interest rate of loans and borrowings as at 30 June 2017 ranged from 3.45% to 7.65% per annum (2016 : 2.50% to 5.25%).

10. Derivative Financial Instrument

There were no derivative financial instruments as at the date of this quarterly report.

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

B. Additional information required by the Listing Requirements of Bursa Securities

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

	30.6.2017	30.6.2016
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	63,400	88,851
- Unrealised	(1,961)	(1,923)
	61,439	86,928
Consolidation adjustments and eliminations	(19,759)	(18,593)
	41,680	68,334

13. Material litigation

a) Non-repayment of stakeholder sum by stakeholder

Further to the announcement dated 27 May 2016 and 31 May 2016 on the impairment loss in relation to the non-repayment of Stakeholder Sum by the Stakeholder, on 7 October 2016, the Company had initiated civil suit against Miss Jaswinder Kaur and the partner of Messrs. Jaswinder Kaur Gill & Associates to claim for refund of Stakeholder sum of RM3.4 million.

On 21st July 2017, the Court awarded summary judgement in favour of the Company against Miss Jaswinder Kaur for RM3.4 million plus interest at 5% per annum. On 17th August 2017, Miss Jaswinder Kaur filed in her appeal to the Court of Appeal on the said Summary Judgement.

b) Bend Weld Engineering Sdn Bhd vs NGLTech Sdn Bhd

As disclosed in announcement dated 11th July 2017, Bend weld Engineering Sdn Bhd ("BWE"), a wholly owned subsidiary, involved in a legal suit with NGLTech Sdn Bhd ("NGL") for a fabrication work done by BWE. BWE had claimed RM1.46 million against NGL for its work done and NGL claimed RM2.85 million against BWE. Both Parties had filed their respective claims, replies and defences in the Kuala Lumpur High Court and the cases have been fixed for case management on 8 September 2017.

Other than the above, there was no pending material litigation as at the date of this report.

14. Dividend

The Board of Directors does not recommend any dividend for the financial quarter ended 30 June 2017. (30.6.2016 : Nil).

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15. Earnings Per Share ("EPS")

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year quarter ended 30.6.2017 RM'000	Preceding Year Corresponding quarter ended 30.6.2016 RM'000	Current Year to date 30.6.2017 RM'000	(Restated) Preceding Year 30.6.2016 RM'000
Profit attributable to ordinary equity holders of the parent	1,173	2,142	4,739	4,458
Weighted average number of ordinary shares in issue ('000)	101,979	101,802	101,979	101,802
Earnings per Share (sen)	1.15	2.10	4.65	4.38

Diluted earnings per share are not disclosed herein as it is not applicable to the Group.