

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019  
(The figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year quarter ended 30/6/2019 RM '000	Preceding Year Ended 30/6/2018 RM '000 (Restated)	Current Year Ended 30/6/2019 RM '000	Preceding Year Ended 30/6/2018 RM '000 (Restated)
Revenue	<b>49,752</b>	44,420	<b>169,127</b>	156,610
Cost of sales	<b>(35,439)</b>	(31,741)	<b>(121,993)</b>	(114,232)
Gross profit	<b>14,313</b>	12,679	<b>47,134</b>	42,378
Operating expenses	<b>(8,355)</b>	(6,457)	<b>(27,047)</b>	(26,916)
Finance cost	<b>(167)</b>	(59)	<b>(465)</b>	(215)
Other income	<b>1,241</b>	1,282	<b>5,557</b>	3,611
Profit before tax	<b>7,032</b>	7,445	<b>25,179</b>	18,858
Tax expense	<b>(2,129)</b>	(1,884)	<b>(6,384)</b>	(5,465)
Profit for the period	<b>4,903</b>	5,561	<b>18,795</b>	13,393
Other comprehensive income :-				
Currency translation differences for foreign operations	<b>(87)</b>	-	<b>(80)</b>	(22)
Reclassification adjustments on dissolution of foreign operation	-	(395)	-	(395)
Total comprehensive income for the period	<b>4,816</b>	5,166	<b>18,715</b>	12,976
Profit for the period attributable to :-				
Owners of the parent	<b>4,872</b>	5,487	<b>18,657</b>	13,184
Non-controlling interest	<b>31</b>	74	<b>138</b>	209
	<b>4,903</b>	5,561	<b>18,795</b>	13,393
Total comprehensive income attributable to :				
Owners of the parent	<b>4,785</b>	5,093	<b>18,577</b>	12,767
Non-controlling interest	<b>31</b>	74	<b>138</b>	209
	<b>4,816</b>	5,167	<b>18,715</b>	12,976
Basic earning per share (sen)	<b>4.77</b>	5.38	<b>18.27</b>	12.92

(The Condensed Consolidated Statement of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Statements for the FYE 30.6.2018 and the accompanying explanatory notes attached to this interim financial statements)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	(Unaudited) As at current financial period 30/6/2019 RM '000	(Audited) As at preceding financial period 30/6/2018 RM '000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	68,657	56,514
Investment Properties	477	-
Deferred tax asset	-	289
Land Held For Development	41,282	39,151
Intangible assets	99	79
Investment in joint venture	746	-
Other investment	2	-
Loan receivables	661	-
	<b>111,924</b>	<b>96,033</b>
<b>Current Assets</b>		
Inventories (Properties)	25,923	19,164
Inventories (Manufacturing)	18,453	15,125
Trade and other receivables	40,285	35,670
Loan receivables	101	-
Contract Assets	7,678	-
Assets held for sale	21	1,976
Tax assets	932	135
Cash & cash equivalents	39,217	41,815
	<b>132,610</b>	<b>113,885</b>
<b>Total Assets</b>	<b>244,534</b>	<b>209,918</b>
<b>Equity</b>		
Share capital	102,104	102,104
Reserves		
Capital reserve	1,550	1,550
Currency translation reserve	-	80
Retained profits	73,523	54,866
	<b>75,073</b>	<b>56,496</b>
Equity attributable to owners of the Company	<b>177,177</b>	<b>158,600</b>
Non-controlling interests	507	484
<b>Total Equity</b>	<b>177,684</b>	<b>159,084</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	17,078	7,326
Deferred tax liabilities	4,416	4,473
Deferred income on government grant	1,299	1,735
	<b>22,793</b>	<b>13,534</b>
<b>Current Liabilities</b>		
Trade and other payables	38,115	28,215
Derivatives	4	51
Loans and borrowings	4,986	4,693
Contract liabilities	-	3,255
Tax liabilities	952	1,086
	<b>44,057</b>	<b>37,300</b>
<b>Total Liabilities</b>	<b>66,850</b>	<b>50,834</b>
<b>Total Equity and Liabilities</b>	<b>244,534</b>	<b>209,918</b>
Net assets per ordinary share attributable to owners of the Parent(RM)	1.74	1.55

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the FYE 30.6.2018 and the accompanying explanatory notes attached to this interim financial statements)

**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 2019**

Group	← Attributable to owners of the Parent →						Non-controlling Interest RM'000	Total Equity RM'000
	Non-distributable				Distributable			
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profit RM'000	Sub-total RM'000		
<b>CURRENT PERIOD</b>								
As at 1 July, 2018	102,104	-	1,550	80	54,866	158,600	484	159,084
Total comprehensive income	-	-	-	(80)	18,657	18,577	138	18,715
Transactions with owners :-								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(115)	(115)
<b>Balance as at 30, June 2019</b>	<b>102,104</b>	<b>-</b>	<b>1,550</b>	<b>-</b>	<b>73,523</b>	<b>177,177</b>	<b>507</b>	<b>177,684</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED ENDED 30 JUNE 2018**

Group	← Attributable to owners of the Parent →						Non-controlling Interest RM'000	Total Equity RM'000
	Non-distributable				Distributable			
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profit RM'000	Sub-total RM'000		
<b>CURRENT PERIOD</b>								
As at 1 July, 2017	102,094	(67)	1,550	497	41,681	145,755	437	146,192
Total comprehensive income	-	-	-	(22)	13,184	13,162	209	13,371
Transactions with owners :-								
Resale of treasury shares	10	67	-	-	-	77	-	77
Dividend paid to non-controlling interest	-	-	-	-	-	-	(93)	(93)
Changes in ownership interests in subsidiaries	-	-	-	(395)	1	(394)	(69)	(463)
<b>Balance as at 30 June, 2018</b>	<b>102,104</b>	<b>-</b>	<b>1,550</b>	<b>80</b>	<b>54,866</b>	<b>158,600</b>	<b>484</b>	<b>159,084</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 30.6.18 and the accompanying explanatory notes attached to this interim financial statement)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019**

	(Unaudited) Year Ended 30/6/2019 RM '000	(Audited) Year Ended 30/6//2018 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax :	25,179	18,858
Adjustments for:		
- Non-cash items	7,322	7,075
- Non-operating items	1,488	(478)
Operating profit before changes in working capital	<u>33,989</u>	25,455
Changes in working capital:		
- Net change in current assets	(24,191)	(3,836)
- Net change in current liabilities	(961)	402
Net cash from operating activities	<u>8,837</u>	22,021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in joint venture	(750)	-
Interest received	894	489
Proceeds from disposal of property, plant and equipment	2,795	237
Grants received	-	515
Additions to land held for property development	(2,048)	(3,419)
Additions to intangible assets	-	(6)
Purchase of property, plant and equipment	(19,797)	(5,171)
Net cash used in investing activities	<u>(18,906)</u>	(7,355)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Acquisition of shares from non-controlling interests	-	(66)
Dividend paid to non-controlling interest	(115)	(93)
Reissue of treasury shares	-	77
Increase in loans and borrowings	10,045	(2,179)
Interest paid	(465)	(340)
Short-term deposits released/(pledged) as security value	1,776	(3,587)
Net cash generated/(used in) financing activities	<u>11,241</u>	(6,188)
Currency translation differences	-	57
Net Change in Cash & Cash Equivalents	1,172	8,535
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>33,620</u>	25,085
<b>CASH &amp; CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	<u>34,792</u>	33,620
<b>CASH &amp; CASH EQUIVALENTS AS AT END OF THE PERIOD</b>		
Highly Liquid Investments	4,673	2,792
Deposits not pledged	-	850
Cash & bank balances	<u>30,119</u>	29,978
	<u>34,792</u>	33,620

Deposits amounting to RM4,425,422 (30.6.2018: RM6,201,370) have been pledged to local banks for bank guarantee facilities obtained by the Group as at 30 June 2019. 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 FYE 30.6.2018 and the accompanying explanatory notes attached to this interim financial statements)

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**A. Notes to the financial report for the fourth financial quarter ended 30 June 2019**

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**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 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board 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 2018 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted by the Group in the audited financial statements for the year ended 30 June 2018, except for the adoption of new Malaysian Financial Reporting Standards ("MFRS"), namely MFRS 1, MFRS 9 and MFRS 15 which are effective for the financial period beginning on or after 1<sup>st</sup> July 2018. The adoption of new MFRSs did not result in any significant changes in the accounting policies of the Group.

**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 2018 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 electronics industries and volatility of property market.

**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, repurchase and repayments of debts and equity securities during the current quarter under review.

**A. Notes to the financial report for the fourth financial quarter ended 30 June 2019**
**7. Dividend Paid**

There were no dividend paid for the quarter under review. (30.6.2018 : 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 moulds, tooling & dies, semiconductor assembly and testing equipment, metal works and structures, modules and parts for oil and gas production and extraction equipment.
- Property Development - Property development and property management.
- Other operating segments – Include small operations related to property letting, hotel operation, money lending and supply of engineering parts.

Current period ended 30.6.2019	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	129,292	34,560	5,275	-	-	169,127
Intersegment revenue	-	-	2,596	34,237	(36,833)	-
Interest income	505	151	61	177	-	894
Interest expense	280	3	-	182	-	465
Depreciation and amortisation	5,565	304	484	51	-	6,404
Tax expense	4,860	1,016	402	106	-	6,384
Reportable segment profit after taxation	17,368	2,426	808	15,760	(17,567)	18,795
Reportable segment assets	124,286	90,973	14,933	146,361	(132,019)	244,534
Expenditure for non-current assets	19,565	2,200	32	48	-	21,845
Reportable segment liabilities	39,832	27,959	2,575	13,769	(17,285)	66,850

**A. Notes to the financial report for the fourth financial quarter ended 30 June 2019**

**8. Segment Information (cont'd)**

Current year ended 30.6.2018	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	140,402	12,138	4,070	-	-	156,610
Intersegment revenue	-	-	1,487	25,590	(27,077)	-
Interest income	320	9	56	1,107	(1,003)	489
Interest expense	39	548	-	223	(595)	215
Depreciation and amortisation	5,329	246	508	74		6,157
Tax expense	5,322	(287)	212	218	-	5,465
Reportable segment profit/(loss) after taxation	17,598	(1,261)	506	6,740	(10,190)	13,393
Reportable segment assets	111,560	72,640	16,731	133,020	(124,033)	209,918
Expenditure for non-current assets	4,675	4,836	47	12	(973)	8,597
Reportable segment liabilities	22,525	13,551	2,325	22,418	(9,985)	50,834

**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 :

	<b>30.6.2019</b>	30.6.2018
	<b>RM'000</b>	RM'000
Malaysia	<b>112,894</b>	103,551
Singapore	<b>22,899</b>	25,272
United States of America	<b>14,243</b>	20,735
Others	<b>19,091</b>	7,052
	<b>169,127</b>	156,610

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**A. Notes to the financial report for the fourth financial quarter ended 30 June 2019**

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**8. Segment Information (cont'd)**

**Information about major customer**

For the financial year ended 30 June 2019, there was no customer who contributed more than 10% of the Group's total revenues for the year under review (30.6.2018: 1 ).

**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**

On 4<sup>th</sup> July 2019, the wholly owned subsidiary, Kobay SCM (S) Pte Ltd has submitted an application to ACRA to strike of its name off the Register pursuant to Section 344 of Singapore Companies Act, Chapter 50. The said application is still subject to ACRA's approval as at the date of this report.

On 5<sup>th</sup> July 2019, Kobay has increased its equity interest in The 12 Avenue Sdn Bhd from 70% to 100% by acquiring an additional 30% from an individual shareholder for a cash consideration of RM12,000.00.

Other than the above, 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 period ended 30 June 2019.

**12. Contingent assets and contingent liabilities**

The Group has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM38.27 million of which RM14.35 million has been utilized as at 30.6.2019.

**13. Material related party transaction**

Significant transactions with related parties during the year ended 30 June 2019 are as follows:

	<b>30.6.19</b>
	<b>RM'000</b>
Sale of property development units <sup>(a)</sup>	<b><u>1,368</u></b>

<sup>(a)</sup> Being a close family members of a director

**A. Notes to the financial report for the fourth financial quarter ended 30 June 2019**

**14. Capital Commitments**

Authorised capital commitments not recognised in the interim financial statement as at 30 June 2019 were as follows: -

	<b>30.6.2019</b> RM'000	30.6.2018 RM'000
<b>Authorised but not contracted for :-</b>		
Property, Plant and Equipment	<b>31</b>	14,400
<b>Contracted but not provided for :-</b>		
Development land	<b>2,850</b>	-
Landowners' entitlement for joint development projects	<b>12,985</b>	13,090
	<b>15,835</b>	13,090

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

**1. Review of performance**

	<u>INDIVIDUAL PERIOD</u>			<u>CUMULATIVE PERIOD</u>		
	Current Year quarter ended 30.6.2019 RM'000	Preceding corresponding quarter 30.6.2018 RM'000	Variance %	Current Year to date 30.6.2019 RM'000	Preceding corresponding year 30.6.2018 RM'000	Variance %
<b><u>Operating Segment</u></b>						
<b>Revenue:-</b>						
Manufacturing	<b>35,380</b>	37,986	-6.9%	<b>129,292</b>	140,402	-7.9%
Property Development	<b>13,003</b>	5,534	135.0%	<b>34,560</b>	12,138	184.7%
Other operating segments	<b>1,369</b>	900	-52.1%	<b>5,275</b>	4,070	29.6%
Unallocated non-operating segments	-	-		-	-	
	<b>49,752</b>	44,420	12.0%	<b>169,127</b>	156,610	8.0%
<b>Profit before tax:-</b>						
Manufacturing	<b>5,364</b>	8,080	-33.6%	<b>22,228</b>	22,920	-3.0%
Property Development	<b>2,092</b>	731	186.2%	<b>3,442</b>	(1,548)	322.4%
Other operating segments	<b>30</b>	117	74.4%	<b>1,210</b>	718	68.5%
Unallocated non-operating segments	<b>5,248</b>	2,059	154.9%	<b>15,866</b>	6,958	128.0%
	<b>12,734</b>	10,987		<b>42,746</b>	29,048	
Consolidation adjustments and eliminations	<b>(5,702)</b>	(3,542)		<b>(17,567)</b>	(10,190)	
	<b>7,032</b>	7,445	-5.5%	<b>25,179</b>	18,858	33.5%

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

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**Statement of Profit & Loss and Other Comprehensive Income**

The Group reported a revenue of RM49.75 million for current quarter and RM169.12 million for Year to-date, representing an increase of 12% and 8.0% respectively compared to preceding year's corresponding quarter and period mainly due to higher revenue contribution from property development division, offset by a slight decrease in manufacturing division.

Profit before tax for current period dropped by 5.5% while current year-to-date increased by 33.5%. The less favourable performance for current quarter was mainly due to decrease in revenue and the impairment loss on machineries of RM0.83 million in manufacturing division. However, for year-to-date, the turnaround of property development division, coupled with reversal of impairment loss on receivables of RM1.16 million under the unallocated non-operating segment has boosted up the performance by 33.5%. Apart from that, included in the preceding year's profit before tax were an impairment loss on receivables of RM1.19 million, loss on foreign currency of RM1.60 million and written off of renovation cost of RM0.4 million.

**Statement of Financial Position**

The Group's total assets stood at RM244.53 million and total liabilities stood at RM66.85 million as at 30.6.2019. Higher property, plant and equipment and bank borrowings were reported due to completion of factory acquisition by a wholly owned subsidiary with acquisition cost of RM16.0 million and bank borrowings of RM13.6 million. Shareholders' equity increased by RM18.57 million mainly contributed by the profits generated from the year.

**Statement of Cash Flow**

The Group's cash and cash equivalents stood at RM34.79 million as at 30.6.2019. Net cash flow from operating activities amounted to at RM8.83 million as compared to the preceding year's corresponding period of RM22.02 million due to increase in payment of property development construction cost. Capital investments for current period amounted to RM 21.84 million, mainly for acquisition of a factory building amounted to RM16 million and machinery acquisition.

**1.1 Segmental Analysis**

**Manufacturing**

The manufacturing segment reported revenue of RM35.38 million for current quarter, showed a decline of 6.9% compared to preceding year's corresponding quarter, mainly due to lower incoming orders for precision components business. Corresponded to the dropped in revenue, coupled with an impairment loss on machineries of RM0.83 million, the division's profit before tax decreased by 33.6% to RM5.36 million for current quarter.

For year to-date, the division recorded revenue of RM129.29 million, with a profit before tax of RM22.23 million. Despite the negative variance of 7.9% in revenue, profit before tax for current year to-date drop marginally by 3% mainly due to recovery of the oil and gas business which turned to profit compared to last year's loss position.

## KOBAY TECHNOLOGY BHD (Co. No. 308279-A)

### Property Development

The property development division recorded a revenue of RM13.0 million for current quarter and RM34.56 million for current year to-date, while profit before tax reported at RM2.09 million for current quarter and RM3.44 million for year to-date.

The segment delivered positive contribution to Group's results with increase in billings on construction progress and units sold for its Phase 1 landed properties at Lavanya Langkawi.

### Other operating segments

Other segment delivered lower profit in current quarter due to unfavorable performance of engineering supply chain business. For year to-date, the segment reported profit before tax of RM1.21 million, mainly due to a gain on disposal of investment factory building of RM0.4 million.

## 2. Comparison with preceding quarter's results

<u>Operating Segment</u>	<b>Current Year quarter ended 30.6.2019 RM'000</b>	Preceding quarter ended 31.3.2019 RM'000	Variance %
<b>Revenue:-</b>			
Manufacturing	<b>35,380</b>	30,509	16.0%
Property Development	<b>13,003</b>	6,594	97.2%
Other operating segments	<b>1,369</b>	1,601	-14.5%
Unallocated non-operating segments	-	-	
	<b>49,752</b>	38,704	28.5%
<b>Profit before tax:-</b>			
Manufacturing	<b>5,364</b>	5,080	5.6%
Property Development	<b>2,092</b>	372	462.4%
Other operating segments	<b>30</b>	195	-84.6%
Unallocated non-operating segments	<b>5,248</b>	6,563	-20.0%
	<b>12,734</b>	12,210	
Consolidation adjustments and eliminations	<b>(5,702)</b>	(6,339)	
	<b>7,032</b>	5,871	19.8%

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

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**2. Comparison with preceding quarter's results (cont'd)**

The Group reported a revenue of RM49.75 million and profit before tax of RM7.03 million for current quarter, compared to revenue of RM38.70 million and profit before tax of RM5.87 million in Q3 FYE2019.

**Manufacturing**

The segment showed a pick-up in revenue by 16% compared to Q3 FY2019, contributed by higher delivery from oil and gas and semiconductor equipment business unit. However, the profit before tax did not increase equitably due to the impairment loss on property, plant and equipment of RM0.83 million for current period.

**Property Development**

The division reported upsurge in revenue and profit before tax for current quarter mainly due to increase in progress billings as the project is moving into completion stages.

**3. Commentary on the prospects of the Group**

**Manufacturing**

The management anticipates that the performance for manufacturing segment will remain positive for the new financial year in view of the promising backlog of oil and gas business unit. Besides, the segment shall continue to uplift contribution from aerospace business to mitigate the drop from electronics industries.

**Property Development**

The management is expecting the housing market to remain challenging in the coming financial year. However, the management shall continue to strategies on the marketing mix to uphold the soft high end residential property market.

In overall, barring any unforeseen circumstances, the management is of the view that the performance of the Group shall remain positive for the coming financial year.

**4. Variance on forecast profit/profit guarantee**

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

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

**5. Profit for the period**

<u>Group</u>	Current quarter 30.6.2019 RM'000	Cumulative period ended 30.6.2019 RM'000
Profit for the period is arrived at after (crediting)/charging of :-		
Depreciation of property, plant and equipment	1,641	6,404
Interest expenses	167	465
Impairment loss on property, plant and equipment	835	835
Amortisation of deferred income on government grants	(109)	(436)
Bad debts recovered	-	(488)
Reversal of Impairment loss on receivables	(370)	(1,162)
Gain on foreign exchange	(32)	(198)
Gain on disposal of property, plant and equipment	(326)	(760)
Interest income	(155)	(894)

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

**6. Taxation**

Taxation comprises the following:-

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year quarter ended 30.6.2019 RM'000	Preceding corresponding quarter period 30.6.2018 RM'000	Current Year todate 30.6.2019 RM'000	Preceding corresponding year 30.6.2018 RM'000
Current tax	(2,430)	(1,991)	(6,362)	(5,574)
Deferred tax	301	107	56	109
Real property gain tax	-	-	(78)	-
	<b>(2,129)</b>	(1,884)	<b>(6,384)</b>	(5,465)

The effective tax rates for the current quarter 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.

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

**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: -

	<b>30.6.2019</b>
	<b>RM'000</b>
Not past due	<b>29,358</b>
Past due 1 to 30 days	<b>5,793</b>
Past due 31 to 120 days	<b>1,929</b>
Past due more than 120 days	-
	<b>37,080</b>

Trade receivables amounting to RM 7.72 million that are past due and not impaired are creditworthy debtors.

**9. Group borrowings and debts securities**

	<b>30.6.2019</b>	30.6.2018
	<b>RM'000</b>	RM'000
<b>Secured :-</b>		
Term loans (a)	<b>18,941</b>	7,823
Revolving credit	<b>3,123</b>	2,000
Bank Overdraft	-	1,994
<b>Unsecured :-</b>		
Revolving credit	-	202
	<b>22,064</b>	12,019
<b>Disclosed as :-</b>		
Current liabilities	<b>4,986</b>	4,693
Non-current liabilities	<b>17,078</b>	7,326
	<b>22,064</b>	12,019
<b>Currency Profile :-</b>		
Ringgit Malaysia	<b>19,741</b>	11,817
US Dollar	<b>2,323</b>	202
	<b>22,064</b>	12,019

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

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**9. Group borrowings and debts securities (cont'd)**

<sup>(a)</sup>Included herein is a term loan of RM7.83 million (30.6.2018: RM7.71 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 and leasehold land, property and plant and equipment of the Group.

The effective interest rate of loans and borrowings as at 30 June 2019 ranged from 3.90% to 5.07% per annum (30.6.2018: 4.20% to 6.92%).

**10. Derivative Financial Instrument**

Derivatives consists of forward exchange contracts which are used to hedge the exposure to currency risk. The details of forward exchange contract as at 30 June 2019 are as follows:-

<b>Forward Exchange Contract</b>	<b>Contract Value (RM'000)</b>	<b>Fair Value (RM'000)</b>
US Dollar - Less than 1 year	66	70

**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 current quarter.

**12. Material litigation****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 the defaulter Miss Jaswinder Kaur, the partner of Messrs. Jaswinder Kaur Gill & Associates to claim for refund of Stakeholder sum of RM3.4 million.

As of to date, with the closure of the case, the Company had collected RM1.15 million from its various recovery actions and the Company does not expect any material recovery on the balance debt.

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

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

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**13. Dividend**

The Board of Directors recommends for a first and final dividend of 3.0 sen per ordinary share under the single-tier system in respect of financial year ended 30 June 2019. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting (30.06.2018 : Nil).

**14. Earnings Per Share ("EPS")**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year quarter ended 30/6/2019 RM '000	Preceding Year Corresponding quarter ended 30/6/2018 RM '000	Current Year todate 30/6/2019 RM '000	Preceding Year Corresponding period 30/6/2018 RM '000
Profit attributable to ordinary equity holders of the Parent	<b>4,872</b>	5,487	<b>18,657</b>	13,184
Weighted average number of ordinary shares in issue ('000)	<b>102,104</b>	102,057	<b>102,104</b>	102,057
Basic earnings per share (sen)	<b>4.77</b>	5.38	<b>18.27</b>	12.92

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