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**A. Notes to the financial report for the fourth financial quarter ended 30 June 2022**

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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 2021 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021 respectively which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements 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 30 June 2021 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 real estate markets.

**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.

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**A. Notes to the financial report for the fourth financial quarter ended 30 June 2022**

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

As at 31 December 2021, the number of treasury shares held was 6,000,000 shares.

There were no issuance, repurchase and repayment of debts and equity securities during the current quarter and financial year-to-date ended 30 June 2022.

**7. Dividend Paid**

There were no dividend paid for the quarter under review. (30.6.2021 : 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.
- Pharmaceutical & Healthcare - Wholesale and retail sale of pharmaceutical and all kinds of healthcare products
- Other operating segments – Include property letting, hostel/hotel operation and money lending.

**A. Notes to the financial report for the fourth financial quarter ended 30 June 2022**

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

Year ended 30.6.2022	Manufacturing	Property Development	Pharmaceutical	Other Operating Segments	Unallocated Non-Operating Segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	241,895	24,120	86,223	2,030	-	-	354,268
Intersegment revenue	59,270	7,199	17,122	1,342	34,061	(118,993)	-
Interest income	453	92	13	265	614		1,437
Interest expense	768	234	76	79	354	-	1,511
Depreciation and amortisation	7,854	166	1,307	1,771	126	136	11,361
Tax expense	14,021	1,164	2,547	331	1,015	-	19,078
Reportable segment profit after taxation	47,871	6,397	8,011	(180)	9,127	(18,374)	52,851
Reportable segment assets	254,588	134,346	34,748	75,671	296,393	(226,115)	569,630
Expenditure for non-current assets	56,793	1,668	934	47,850	251	-	107,496
Reportable segment liabilities	92,012	46,984	10,885	28,205	24,700	(11,230)	191,555

**A. Notes to the financial report for the fourth financial quarter ended 30 June 2022**

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

Year ended 30.6.2021	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	140,811	14,050	2,124	6	-	156,991
Intersegment revenue	28,724	5,004	1,327	74,577	(109,632)	-
Interest income	405	251	247	375	(12)	1,265
Interest expense	1,013	47	12	47	(12)	1,107
Depreciation and amortisation	6,608	190	620	114	21	7,553
Tax expense	7,174	845	397	34	-	8,450
Reportable segment profit after taxation	25,950	2,568	834	30,968	(33,388)	26,933
Reportable segment assets	148,927	96,045	24,833	170,826	(147,353)	293,278
Expenditure for non-current assets	3,923	13	2,908	28	(2,432)	4,439
Reportable segment liabilities	58,925	15,100	4,043	10,207	(5,022)	83,253

**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>30.6.2022</b>	30.6.2021
	<b>RM'000</b>	RM'000
Malaysia	<b>275,127</b>	107,676
Singapore	<b>29,703</b>	21,967
United States of America	<b>16,926</b>	14,623
China	<b>23,103</b>	3,975
Others	<b>9,409</b>	8,750
	<b>354,268</b>	156,991

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**A. Notes to the financial report for the fourth financial quarter ended 30 June 2022**

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

**Information about major customer**

For the financial period ended 30 June 2022, there was one major customer of the manufacturing segment that contributed 10% or more of the Group's total revenues (30.6.2021: 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**

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 other major changes in the composition of the Group during the period ended 30 June 2022.

**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 RM90.1 million of which RM55.6 million has been utilized as at 30 June 2022.

**13. Material related party transaction**

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year ended 30 June 2022.

**14. Capital Commitments**

Authorised capital commitments not recognised in the interim financial statement as at 30 June 2022 were as follows: -

	<b>30.6.2022</b>	30.6.2021
	<b>RM'000</b>	RM'000
<b>Contracted but not provided for :-</b>		
Property, Plant and Equipment	<b>18,341</b>	40,367
Development land	<b>10,030</b>	-
	<b>28,371</b>	40,367

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

**1. Review of performance**

	<u>CURRENT PERIOD</u>			<u>CUMULATIVE PERIOD</u>		
	Current quarter ended 30.6.2022	Preceding year corresponding quarter 30.6.2021	Var	Current Year todate 30.6.2022	Preceding year 30.6.2021	Var
<u>Operating Segment</u>	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue:-</b>						
Manufacturing	63,774	44,198	44%	241,895	140,811	72%
Property Development	9,933	2,178	356%	24,120	14,050	72%
Pharmaceutical	21,023	-	-	86,223	-	-
Other operating segments	502	492	2%	2,030	2,124	-4%
Unallocated non-operating segments	-	6	-	-	6	-
	<b>95,232</b>	<b>46,874</b>	<b>103%</b>	<b>354,268</b>	<b>156,991</b>	<b>126%</b>
<b>Profit before tax:-</b>						
Manufacturing	10,782	10,944	-1%	61,891	33,124	87%
Property Development	4,786	1,473	225%	7,560	3,413	122%
Pharmaceutical	3,145	-	-	10,558	-	-
Other operating segments	462	215	115%	151	1,232	-88%
Unallocated non-operating segments	1,646	4,566	-64%	10,142	31,002	-67%
	<b>20,820</b>	<b>17,198</b>		<b>90,303</b>	<b>68,771</b>	
Consolidation adjustments and eliminations	(5,131)	(5,430)		(18,375)	(33,388)	
	<b>15,690</b>	<b>11,768</b>	<b>33%</b>	<b>71,929</b>	<b>35,383</b>	<b>103%</b>

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

The Group reported revenue and profit before tax ("PBT") of RM95.23 million and RM15.69 million respectively for current quarter, representing a growth of 103% and 33% compared to previous year corresponding quarter.

For year-to-date, the Group achieved higher revenue of RM354.26 million, an increase of RM197.27 million or 126% as compared to preceding year attributable to the higher demand from electrical and electronics industry and contribution from the newly acquired pharmaceutical business. With higher revenues attained, the Group has recorded profit before tax of RM71.92 million as compared to preceding year of RM35.38 million.

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

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**1. Review of performance (cont'd)**

**1.1 Segmental Analysis**

**Manufacturing**

The manufacturing division continue to be the major contributor for Group's performance, reported a revenue of RM63.77 million and PBT of RM10.78 million for current quarter and revenue of RM241.89 million and PBT of 61.89 million for current year to-date.

Despite increase in revenue for current quarter as compared to preceding year's corresponding period, PBT shown a slight decrease mainly due to pre-operation cost incurred in certain manufacturing companies.

However for current YTD, the division has delivered a strong performance compared to preceding year's corresponding year, driven by the demand from semiconductor, electrical and electronics ("E&E") industries.

**Property Development**

The property division reported better performance for current quarter and current YTD compared to preceding year's corresponding quarter/year due to pick up in progress billing for current ongoing project.

**Pharmaceutical & Healthcare**

The newly acquired pharmaceutical and healthcare products division has further improved the group's performance by delivered a PBT of RM3.14 million for current quarter and RM10.55 million for current YTD.

**Other segment**

Other operating segment which mainly involved in property lettings businesses, reported lower PBT for current YTD mainly due to depreciation cost incurred on a newly acquired factory building.

On top of the above, the Group has also charged out an inventory cost of RM1.79 million under the Group consolidation, being assets acquired at fair value during business combination and sold subsequently during Qtr 4 FY2022.

**B. Additional information required by the Listing Requirements of Bursa Securities****2. Comparison with preceding quarter's results**

<b><u>Operating Segment</u></b>	<b>Current Year quarter ended 30.6.2022 RM'000</b>	<b>Preceding quarter ended 31.3.2022 RM'000</b>	<b>Var %</b>
<b>Revenue:-</b>			
Manufacturing	<b>63,774</b>	66,964	-4.8%
Property Development	<b>9,933</b>	5,643	76.0%
Pharmaceutical	<b>21,023</b>	26,959	-22.0%
Other operating segments	<b>502</b>	502	0.0%
Unallocated non-operating segments	-	-	0.0%
	<b>95,232</b>	<b>100,067</b>	<b>-4.8%</b>
<b>Profit before tax:-</b>			
Manufacturing	<b>10,782</b>	19,505	-44.7%
Property Development	<b>4,786</b>	1,211	295.3%
Pharmaceutical	<b>3,145</b>	2,910	8.0%
Other operating segments	<b>462</b>	(783)	-159.0%
Unallocated non-operating segments	<b>1,646</b>	3,235	-49.1%
	<b>20,820</b>	<b>26,078</b>	
Consolidation adjustments and eliminations	<b>(5,131)</b>	(5,167)	
	<b>15,690</b>	<b>20,911</b>	<b>-25.0%</b>

The Group's reported revenue of RM95.23 million and PBT of RM15.69 million, representing a dropped of 4.8% in revenue and 25 % in PBT as compared to Q3 FY2022.

**Manufacturing**

The division reported adverse results in Q4 FY2022 as compared to Q3 FY2022 mainly due to the underperformed oil & gas business segments, unfavorable product mix and high set up cost for new manufacturing plant which yet to generate revenue.

**Property Development**

The property division reported better performance for current quarter due to pick up in progress billing for current ongoing project.



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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)**

**Pharmaceutical & Healthcare**

The division reported a dropped in revenue of 22% compared to preceding quarter as the demand for Covid-19 self-test kits has fallen in Q4 FY 2022. However, PBT increased by 8% mainly due better margin sales mix.

**Other segment**

Other operating segments shown a better performance in Q4 FY2022 as the newly acquired factory has commenced its rental collection in current quarter.

On top of the above, the Group has also charged out an inventory cost of RM1.79 million under the Group consolidation, being assets acquired at fair value during business combination and sold subsequently during the quarter.

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

**Manufacturing**

The management anticipates that the manufacturing division shall deliver positive results for in the new financial year. While maintaining the existing demand from customers in E&E industry, the division are in the final stage of preparation work for its' venturing into the manufacturing of aluminum frames for solar panels for renewable energy-related businesses, further expand the clientele exposure and ultimately elevate the performance of the division.

**Property Development**

The management anticipates that the division's performance shall recover gradually on the back of the completion of Langkawi Projects by end of Year 2022.

In view of the escalating cost of building materials and increase in borrowing costs, the management will take measures to closely monitor its risk management regimes and to pace out new launches according to market demands.

**Pharmaceutical & Healthcare**

The division shall continue to work on widening its product range, along with cost control efforts to improve its profitability and market competitiveness.

The management anticipates that the demand for pharmaceutical and healthcare products will remain strong underpinned by the increase in awareness for health and wellness and the swing from treatment to prevention mindset in the overall community.

Barring unforeseen circumstances, the management is of the view that the Group's performance are expected to remain positive for the new financial year. The management will continue to adopt prudent approach in its business operations to stay resilient in addressing the increasing inflationary pressures across the world.

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

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

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

**5. Profit for the period**

<u>Group</u>	Current quarter 30.6.2022 RM'000	Current Year 30.6.2022 RM'000
Profit for the period is arrived at after (crediting)/charging of : -		
Depreciation of property, plant and equipment	2,387	8,667
Depreciation of right-of-use assets	773	2,558
Amortisation of intangible assets	136	136
Interest expenses	360	1,511
Lease expenses	20	106
Fair value loss on other investment	949	945
Fair value loss on financial instrument	330	237
Loss on foreign exchange	105	283
Amortisation of deferred income on government grants	(61)	(263)
Gain on disposal of property, plant & equipment	(7)	(137)
Interest income	(488)	(1,437)

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</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year quarter ended 30.6.2022 RM'000	Preceding year corresponding quarter 30.6.2021 RM'000	Current Year to date 30.6.2022 RM'000	Preceding corresponding year 30.6.2021 RM'000
Current tax	1,243	(3,290)	(12,613)	(8,564)
Deferred tax	(5,172)	82	(6,465)	114
	<u>(3,929)</u>	<u>(3,208)</u>	<u>(19,078)</u>	<u>(8,450)</u>

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

**7. Status of corporate proposals**

On 5 November 2021, the Company has announced a private placement of up to 30,628,080 ordinary shares (“Placement Shares”), representing approximately 10% of the total number of issued shares of Kobay (excluding treasury shares) and the additional listing application to Bursa Securities has been approved on 10 November 2021. Further on 16 November 2021 and 25 November 2021, the issue price for the first tranche has been fixed at RM5.55 per Placement Share and comprise of 19,900,000 Placement Shares.

On 26 November 2021, the First Tranche of the Private Placement comprising 19,900,000 Placement Shares has been completed following the listing and quotation of 19,900,000 Placement Shares on the Main Market of Bursa Securities. The net proceeds derived from the Private Placement was RM110 million after deducting transactions costs pursuant to the Private Placement.

On 29 April 2022, the Company has obtained the approval from Bursa Securities for an extension of time to complete the implementation of the Private Placement up to 9 November 2022.

On 1 July 2022, the Company has announced that its wholly owned subsidiary, Kobay Project Venture Sdn Bhd has entered into a sale & Purchase Agreement on 30 June 2022 to purchase two pieces of development lands from two individuals for a consideration sum of Ringgit Malaysia Eleven Million and Eight Hundred Thousand (RM11,800,000.00). The SPA is pending completion as at the date of this report.

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

**8. Status of Utilisation of Proceeds Raised from the Private Placement**

The status of utilization of proceeds raised from the Private Placement during the financial year ended 30 June 22 is as follow:-

	Purpose	Total Proposed Utilisation (RM'000)	Proceeds from 1st Tranche (RM'000)	Actual Utilisation (1st Tranche) (RM'000)	Balance Unutilised (1st Tranche) (RM'000)	Estimated timeframe for utilisation
1	Setting up new aluminium manufacturing plant for the Group's manufacturing division	60,000	59,995	(31,690)	28,305	Within 2 years
2	Partial repayment of bank borrowings	50,000	50,000	(50,000)	-	Within 6 months
3	Working capital for the Group's manufacturing division	39,690	-	-	-	Within 2 years
4	Estimated expenses in relation to the Proposed Private Placement	450	450	(450)	-	
	Total	150,140	110,445	(82,140)	28,305	

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

**9. 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>30.6.2022</b>
	<b>RM'000</b>
Not past due	<b>63,516</b>
Past due 1 to 30 days	<b>9,876</b>
Past due 31 to 120 days	<b>10,297</b>
Past due more than 120 days	<b>2,352</b>
	<b><u>86,041</u></b>

Trade receivables amounting to RM22.52 million that are past due and not impaired are creditworthy debtors.

**10. Group borrowings and debts securities**

	<b>30.6.2022</b>	30.6.2021
	<b>RM'000</b>	RM'000
<b>Secured :-</b>		
Term loans	<b>49,226</b>	28,592
Revolving credit	<b>14,202</b>	3,978
Bank overdraft	-	3,000
<b>Unsecured :-</b>		
Revolving credit	<b>5,137</b>	4,990
Banker's Acceptance	-	481
	<b><u>68,565</u></b>	<u>41,041</u>
<b>Disclosed as :-</b>		
Current liabilities	<b>32,330</b>	16,076
Non-current liabilities	<b>36,235</b>	24,965
	<b><u>68,565</u></b>	<u>41,041</u>
<b>Currency Profile :-</b>		
Ringgit Malaysia	<b>61,726</b>	34,573
US Dollar	<b>6,839</b>	6,468
	<b><u>68,565</u></b>	<u>41,041</u>

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 2022 ranged from 2.6% to 5.47% per annum (30.6.2021: 2.5% to 5.42%).

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

**11. Derivative Financial Instrument**

Derivatives consists of forward exchange contracts which are used to hedge the exposure to currency risk.

	<b>30.6.2022</b>	30.6.2021
	<b>RM'000</b>	RM'000
Forward exchange contracts - at fair value		
- Current assets	<b>1</b>	19
- Current liabilities	<b>(752)</b>	(97)

**12. 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.

**13. Material litigation**

There was no pending material litigation as at the date of this interim report.

**14. Dividend**

The Board of Directors recommend 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 2022. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. (30.6.2021 : 2.0 sen).

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

	INDIVIDUAL		CUMULATIVE PERIOD	
	Current Year quarter ended <b>30/6/2022</b> RM '000	Preceding Year Corresponding quarter 30/6/2021 RM '000	Current Year todate <b>30/6/2022</b> RM '000	Preceding Year Corresponding period 30/6/2021 RM '000
Profit attributable to ordinary equity holders of the Parent	<b>11,944</b>	8,511	<b>51,290</b>	26,761
Weighted average number of ordinary shares in issue ('000)	<b>312,112</b>	300,281	<b>312,112</b>	300,281
Basic earnings per share (sen)	<b>3.83</b>	2.83	<b>16.43</b>	8.91

The calculation of earnings per share for Q3 FY2021 has been adjusted retrospectively to reflect the bonus issue of 2 for every 1 existing ordinary share which was completed on 1 June 2021.

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