

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 MARCH 2021  
(The figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter Ended 31/3/2021 RM '000	Preceding Year Corresponding Quarter 31/3/2020 RM '000	Current Year To Date 31/3/2021 RM '000	Preceding Year Corresponding Period 31/3/2020 RM '000
Revenue	35,218	48,089	110,117	148,974
Cost of sales	(22,061)	(32,754)	(71,578)	(102,762)
Gross profit	13,157	15,336	38,539	46,213
Operating expenses	(5,587)	(7,293)	(18,914)	(23,216)
Finance cost	(201)	(287)	(585)	(722)
Other income	1,407	1,050	4,575	3,027
Profit before tax	8,776	8,806	23,615	25,302
Tax expense	(1,674)	(2,324)	(5,242)	(7,439)
Profit for the period	7,102	6,482	18,373	17,863
Other comprehensive income	-	-	-	(87)
Total comprehensive income for the period	7,102	6,482	18,373	17,776
Profit for the period attributable to :-				
Owners of the parent	7,066	6,447	18,250	17,699
Non-controlling interest	36	107	123	163
	7,102	6,555	18,373	17,863
Total comprehensive income attributable to :				
Owners of the parent	7,066	6,374	18,250	17,612
Non-controlling interest	36	107	123	163
	7,102	6,482	18,373	17,776
Basic earning per share (sen)	6.92	6.31	17.87	17.33

(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 30.6.2020 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 31 MARCH 2021**

	(Unaudited) As at current financial period 31/3/2021 RM '000	(Audited) As at preceding financial period 30/6/2020 RM '000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	66,360	69,294
Investment properties	4,840	4,840
Right-of-use assets	12,922	13,252
Land held for development	40,412	40,134
Intangible assets	99	99
Investment in joint venture	751	751
Other investments	1,194	2
Loan receivables	4,364	2,872
	<b>130,943</b>	<b>131,244</b>
<b>Current Assets</b>		
Inventories (Properties)	28,581	27,179
Inventories (Manufacturing)	16,308	11,128
Trade and other receivables	45,669	65,907
Loan receivables	384	143
Contract assets	561	-
Derivatives	-	-
Tax assets	3,732	1,630
Cash & cash equivalents	71,865	48,819
	<b>167,100</b>	<b>154,806</b>
<b>Total Assets</b>	<b>298,042</b>	<b>286,049</b>
<b>Equity</b>		
Share capital	102,104	102,104
Reserves		
Capital reserve	1,550	1,550
Retained profits	106,778	94,653
	<b>108,328</b>	<b>96,203</b>
Equity attributable to owners of the Company	<b>210,432</b>	198,307
Non-controlling interests	586	568
<b>Total Equity</b>	<b>211,018</b>	<b>198,875</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	31,471	22,709
Deferred tax liabilities	4,337	4,369
Deferred income on government grant	827	862
	<b>36,635</b>	<b>27,941</b>
<b>Current Liabilities</b>		
Trade and other payables	31,645	34,661
Derivatives	81	71
Loans and borrowings	11,087	19,546
Contract liabilities	4,420	2,097
Tax liabilities	3,156	2,858
	<b>50,390</b>	<b>59,234</b>
<b>Total Liabilities</b>	<b>87,025</b>	<b>87,174</b>
<b>Total Equity and Liabilities</b>	<b>298,042</b>	<b>286,049</b>
Net assets per ordinary share attributable to owners of the Parent(RM)	<b>2.06</b>	1.94

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the FYE 30.6.2020 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 THIRD QUARTER ENDED 31 MARCH 2021**

Group	← Attributable to owners of the Parent →				Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share capital RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profits RM'000			
<b>CURRENT PERIOD</b>							
<b>As at 1 July, 2020</b>	102,104	1,550	-	94,653	198,307	568	198,875
Total comprehensive income	-	-	-	18,250	18,250	123	18,373
Transactions with owners : -							
Dividend paid to non-controlling interest	-	-	-	(6,126)	(6,126)	-	(6,126)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(93)	(93)
	-	-	-	-	-	(13)	(13)
<b>Balance as at 31, March 2021</b>	<b>102,104</b>	<b>1,550</b>	<b>-</b>	<b>106,778</b>	<b>210,432</b>	<b>586</b>	<b>211,018</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 MARCH 2020**

Group	← Attributable to owners of the Parent →				Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share capital RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profits RM'000			
<b>CURRENT PERIOD</b>							
<b>As at 1 July, 2019</b>	102,104	1,550	87	73,788	177,529	507	178,036
Total comprehensive income	-	-	(87)	17,699	17,612	163	17,776
Transactions with owners : -							
Dividend paid to owners of the Company	-	-	-	(3,063)	(3,063)	-	(3,063)
Dividend paid to non-controlling interest	-	-	-	-	-	(80)	(80)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(14)	(14)
<b>Balance as at 31, March 2020</b>	<b>102,104</b>	<b>1,550</b>	<b>-</b>	<b>88,424</b>	<b>192,078</b>	<b>576</b>	<b>192,655</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 30.6.20 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 CASH FLOWS  
FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

	(Unaudited) Period Ended 31/3/2021 RM '000	(Unaudited) Period Ended 31/3/2020 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax :	23,615	25,302
Adjustments for:		
- Non-cash items	5,346	4,678
- Non-operating items	(216)	(177)
Operating profit before changes in working capital	<u>28,745</u>	29,803
Changes in working capital:		
- Net change in current assets	11,362	(12,354)
- Net change in current liabilities	(6,429)	(2,024)
Net cash from operating activities	<u>33,678</u>	15,425
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	802	781
Proceeds from disposal of property, plant and equipment	149	-
Additions to land held for property development	(230)	(2,423)
Purchase of financial assets through profit or loss	(1,094)	-
Purchase of property, plant and equipment	(3,760)	(20,215)
Net cash used in investing activities	<u>(4,133)</u>	(21,857)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Acquisition of shares from non-controlling interests	-	(14)
Dividend paid to non-controlling interest	(93)	(80)
Dividend paid to owners of the Company	(6,126)	(3,063)
Increase in loans and borrowings	302	15,231
Interest paid	(585)	(722)
Net cash generated from financing activities	<u>(6,502)</u>	11,352
Currency translation differences	-	-
Net Change in Cash & Cash Equivalents	<u>23,043</u>	4,920
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>45,552</u>	36,179
<b>CASH &amp; CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	<u><u>68,595</u></u>	41,099
<b>CASH &amp; CASH EQUIVALENTS AS AT END OF THE PERIOD</b>		
Highly Liquid Investments	39,835	4,047
Deposits not pledged	4,479	1,098
Cash & bank balances	<u>24,281</u>	35,954
	<u><u>68,595</u></u>	41,099

Deposits amounting to RM3.27 million (30.6.2020: RM3.27 million) have been pledged to local banks for bank guarantee facilities obtained by the Group as at 30 June 2020. 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 30.6.2020 and the accompanying explanatory notes attached to this interim financial statements)

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**A. Notes to the financial report for the third financial quarter ended 31 March 2021**

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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 2020 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 2020, except for the adoption of the following amendments to MFRS:

<u>Title</u>	<u>Effective Date</u>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 9, Interest Rate Benchmark Reform MFRS 139 and MFRS 7	1 January 2020
Amendments to MFRS 16 Covid-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020

The adoption of the above amendments to MFRSs do not have any significant financial impact on the results and the financial position of the Group for the current quarter.

**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 2020 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 third financial quarter ended 31 March 2021**

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**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.

**7. Dividend Paid**

A first and final single tier exempt dividend of 6.0 sen per ordinary share in respect of financial year ended 30.6.20 was paid on 20 January 2021. (31.3.2020 : 3.0 sen)

**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 and money lending.

**A. Notes to the financial report for the third financial quarter ended 31 March 2021**

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

Current period ended 31.3.2021	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	96,613	11,872	1,632	-	-	110,117
Intersegment revenue	19,523	4,445	328	60,208	(84,504)	-
Interest income	304	74	183	241	-	802
Interest expense	519	37	-	29	-	585
Depreciation and amortisation	5,022	138	371	83	-	5,614
Tax expense	4,294	656	256	36	-	5,242
Reportable segment profit after taxation	17,886	1,284	761	26,400	(27,958)	18,373
Reportable segment assets	140,011	100,308	21,853	178,677	(142,807)	298,042
Expenditure for non-current assets	3,735	234	-	21	-	3,990
Reportable segment liabilities	55,860	34,555	3,335	11,946	(18,671)	87,025

**A. Notes to the financial report for the third financial quarter ended 31 March 2021**

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

Current period ended 31.3.2020	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	132,715	14,834	1,425	-	-	148,974
Intersegment revenue	17,277	5,758	2,165	26,171	(51,371)	-
Interest income	397	190	38	156	-	781
Interest expense	590	49	-	83	-	722
Depreciation and amortisation	4,422	218	369	73	-	5,082
Tax expense	6,918	514	36	(29)	-	7,439
Reportable segment profit after taxation	21,408	54	140	20,446	(24,185)	17,863
Reportable segment assets	163,570	91,310	21,250	149,298	(146,362)	279,066
Expenditure for non-current assets	20,004	2,616	-	18	-	22,638
Reportable segment liabilities	65,553	27,993	8,953	13,683	(29,770)	86,412

**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>31.3.2021</b>	31.3.2020
	<b>RM'000</b>	RM'000
Malaysia	<b>72,980</b>	96,069
Singapore	<b>17,819</b>	22,269
United States of America	<b>9,064</b>	16,468
Others	<b>10,254</b>	14,168
	<b>110,117</b>	148,974

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**A. Notes to the financial report for the third financial quarter ended 31 March 2021**

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

**Information about major customer**

For the financial period ended 31 March 2021, there was one major customer of the manufacturing segment that contributed 10% or more of the Group's total revenues (31.3.2020: 1).

**10. 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.

**11. Subsequent events**

On 2 April 2021, Kobay had acquired the remaining 50% of equity interest in Kobay UA Sdn. Bhd. ("Kobay UA") from Mr. Koay Wei Keong, consisting of 750,000 ordinary shares for a cash consideration of RM750,000. Upon the completion of the acquisition, Kobay UA became a 100% wholly-owned subsidiary of Kobay.

On 20 May 2021, Kobay UA had entered into a Sale & Purchase Agreement to purchase all those piece of land measuring approximately 15.13 acres held under two (2) separate land titles identified as HS(D) 27773 (PT1358) and PN 12029 (Lot 6584), Mukim 1 District of Seberang Perai Tengah, Penang together with a single storey warehouse building and other buildings erected thereon from Southern Steel Bhd. for a purchase price of RM33.088 million.

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**

Further to Kobay's announcement made on 14 May 2019 in connection with the Members' Voluntary Winding-up of Wirama Progresif Sdn. Bhd. ("WP"), a 70% owned subsidiary, WP had held its Final Meeting on 27 November 2020 and was dissolved on 3 March 2021.

Other than the above, there were no other major changes in the composition of the Group during the period ended 31.3.2021.

**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 RM52.0 million of which RM30.4 million has been utilized as at 31.3.2021.

**13. Material related party transaction**

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

**KOBAY TECHNOLOGY BHD (Co. No. 308279-A)**
**14. Capital Commitments**

Authorised capital commitments not recognised in the interim financial statement as at 31 March 2021 were as follows: -

	<b>31.3.2021</b>	31.3.2020
	<b>RM'000</b>	RM'000
<b>Authorised but not contracted for :-</b>		
Property, Plant and Equipment	<b>3,133</b>	-
<b>Contracted but not provided for :-</b>		
Property, Plant and Equipment	<b>743</b>	2,444
Development land	<b>490</b>	790
Landowners' entitlement for joint development projects	-	12,985
	<b>1,233</b>	16,219

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

	<u>INDIVIDUAL PERIOD</u>			<u>CUMULATIVE PERIOD</u>		
	<b>Current quarter</b>	Preceding	Var	<b>Current</b>	Preceding	Var
	<b>ended</b>	year		<b>Year to date</b>	year	
	31.3.2021	31.3.2020		31.3.2021	31.3.2020	
<u>Operating Segment</u>	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue:-</b>						
Manufacturing	<b>32,296</b>	42,490	-24.0%	<b>96,613</b>	132,715	-27.2%
Property Development	<b>2,534</b>	5,262	-51.8%	<b>11,872</b>	14,834	-20.0%
Other operating segments	<b>388</b>	337	15.1%	<b>1,632</b>	1,425	14.5%
Unallocated non-operating segments	-	-	0.0%	-	-	0.0%
	<b>35,218</b>	48,089	-26.8%	<b>110,117</b>	148,974	-26.1%
<b>Profit before tax:-</b>						
Manufacturing	<b>8,236</b>	8,789	-6.3%	<b>22,180</b>	28,326	-21.7%
Property Development	<b>734</b>	2,342	-68.7%	<b>1,940</b>	568	241.5%
Other operating segments	<b>304</b>	36	744.4%	<b>1,017</b>	176	477.8%
Unallocated non-operating segments	<b>57</b>	9,048	-99.4%	<b>26,436</b>	20,417	29.5%
	<b>9,331</b>	20,215		<b>51,573</b>	49,487	
Consolidation adjustments and eliminations	<b>(555)</b>	(11,409)		<b>(27,958)</b>	(24,185)	
	<b>8,776</b>	8,806	-0.3%	<b>23,615</b>	25,302	-6.7%

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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 RM35.21 million for current quarter and RM110.11 million for current year-to-date, represented a decrease of 26.8% and 26.1% respectively as compared to preceding year's corresponding quarter/period, mainly attributed to lower contribution across the divisions.

Corresponding to the drop in revenue, profit before tax for current period and current year-to-date decreased by 0.3% and 6.7% respectively.

**1.1 Segmental Analysis**

**Manufacturing**

The manufacturing division reported revenue of RM32.2 million for current quarter and RM96.6 million for current year to-date, showing a decline of 24.0% and 27.2% respectively as compared to preceding year's corresponding quarter/period mainly due to drop in orders from aerospace and oil and gas industries. Corresponding to the drop in revenue, the division's profit before tax decreased by 6.3% and 21.7% respectively.

Despite the drop in revenue and profit before tax, the division reported a better profit margin of 26% and 23% respectively for current quarter/period as compared to preceding year quarter/period of 21%, mainly due to better product mix.

**Property Development**

The property division's performance was affected by the imposition of the Conditional Movement Control Order ("CMCO") where interstate/international travel are restricted since Q2 FY2021. Buying and selling property will have to leverage through digital means which led to lower conversion rates. Thus, the division encountered a drop in revenue by 51.8% and profit before tax by 68.7% as compared to preceding year's corresponding quarter.

For current year to-date, the division reported lower revenue of RM11.8 million and profit before tax of RM1.9 million. Excluding the written off of RM1.75 development cost recorded in Q1 FY2020, current year-to-date profit before tax dropped by 16% as compared to preceding year corresponding period.

**Other segment**

Revenue from other segment which mainly consist of property letting also delivered a better results in current period and current year to-date compared to preceding year's corresponding period, mainly due to the letting out of property to new tenant. However, the profit generating from property letting had partially set off with the losses reported from hotel operations.

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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**

<u>Operating Segment</u>	<b>Current Year quarter ended 31.3.2021 RM'000</b>	Preceding quarter ended 31.12.2020 RM'000	Var %
<b>Revenue:-</b>			
Manufacturing	<b>32,296</b>	29,934	7.9%
Property Development	<b>2,534</b>	5,259	-51.8%
Other operating segments	<b>388</b>	603	-35.7%
Unallocated non-operating segments	-	-	0.0%
	<b>35,218</b>	35,796	-1.6%
<b>Profit before tax:-</b>			
Manufacturing	<b>8,236</b>	6,262	31.5%
Property Development	<b>734</b>	679	8.1%
Other operating segments	<b>304</b>	360	-15.6%
Unallocated non-operating segments	<b>57</b>	25,426	-99.8%
	<b>9,331</b>	32,727	
Consolidation adjustments and eliminations	<b>(555)</b>	(25,646)	
	<b>8,776</b>	7,081	23.9%

The Group's reported revenue of RM35.2 million, at par with preceding quarter. However, profit before tax reported at 23% higher than preceding quarter mainly attributed by better performance from its manufacturing division.

**Manufacturing**

The division's revenue and profit before tax increased by 7.9% and 31.5% respectively as compared to preceding quarter. Incoming orders from oil & gas and aerospace customers dropped significantly. Nevertheless the pick-up of orders from semiconductor industry which carried better product margin has cushioned the negative impact, and the division remains the main contributor to the Group's performance during the quarter under review.

**Property Development**

The division reported lower revenue by 51.8% mainly affected by the extended Conditional Movement Control Order ("CMCO") with interstate/international travel restriction since Q2 FY2021. Despite lower revenue, profit before tax reported at 8.1% higher than preceding quarter mainly due to pick-up on construction progress for Phase 2 high rise building at Langkawi and certain cost saving activities.

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

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

The management anticipated that the overall operating environment for the Group remains challenging for the remaining quarter as a result of the emergence of new Covid-19 variant globally, leading to the re-implementation of tighter containment measures which would subsequently affect global economic growth.

**Manufacturing**

Manufacturing division foresees to remain the key profit contributor for the remaining quarter of FY 2021, in view of rising demand for servers and electronic products in the wake of the Covid-19 pandemic.

**Property Development**

Property market is expected to remain challenging in view of weak sentiment amid the economic instability generated by Covid-19 pandemic. While there are signs of recovery following the rollout of vaccination programs, the recovery pace is expected to be gradual and bumpy. Nonetheless, the management is optimistic that by adjusting business strategy to a more aggressive approach to digital marketing platforms, acceleration in progress billings and managing its cash flow, the division's results shall remain positive for the remaining quarter.

In overall, the management will continue to seek opportunities to strengthen our businesses and to improve the Group's profitability.

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

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

**5. Profit for the period**

	Current quarter 31.3.2021 RM'000	Cumulative period 31.3.2021 RM'000
<b><u>Group</u></b>		
Profit for the period is arrived at after (crediting)/charging of :-		
Depreciation of property,plant and equipment	1,870	5,239
Depreciation of right-of-use assets	107	375
Interest expenses	201	585
Loss on foreign exchange	57	143
Amortisation of deferred income on government grants	(101)	(353)
Fair value loss/(gain) on financial instrument	64	(183)
Fair value loss/(gain) on other investment	48	(100)
Gain on disposal of property,plant & equipment	-	(71)
Interest income	(311)	(802)

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</u>		<u>CUMULATIVE PERIOD</u>	
	<b>Current Year quarter ended</b>	Preceding year corresponding quarter	<b>Current Year to date</b>	Preceding corresponding year
	<b>31.3.2021</b>	31.3.2020	<b>31.3.2021</b>	31.3.2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Current tax	<b>(5,274)</b>	(2,787)	<b>(5,274)</b>	(7,923)
Deferred tax	<b>1,145</b>	463	<b>32</b>	484
	<b>(4,129)</b>	(2,324)	<b>(5,242)</b>	(7,439)

**7. Status of corporate proposals**

- (i) Refer to Kobay's announcements dated 5 January 2021, 19 February 2021, 25 February 2021, 12 April 2021, 20 April 2021, 23 April 2021, 12 May 2021 and 18 May 2021 on the proposal for:-

a) An exemption under Para. 4.15(1) of the Rules of Take-overs, Mergers and Compulsory Acquisition to Kobay Holdings Sdn Bhd and person acting in concert with it from obligation to undertake a mandatory take-over offer for all the remaining ordinary shares in Kobay not already owned by them arising from the purchase by Kobay of its own Shares pursuant to its share buy-back authority

Kobay had from 30 April 2021 to 11 May 2021 purchased a total of 2,000,000 Kobay Shares, representing approximately 1.96% of its issued share capital, pursuant to its Share Buy-Back Authority. In addition, Kobay had on 11 May 2021 decided to cease buying back its own Shares with effect from 12 May 2021. Pursuant thereto, the Exemption as stated is expired with effect from 12 May 2021 in accordance with Paragraph 4.15(3)(c) of the Rules.

b) An issuance of 204,187,202 new Kobay Shares on the basis of two (2) Bonus Shares for every one (1) existing Kobay Share held on 31 May 2021. The Bonus Shares will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 1 June 2021.

- (ii) On 26 February 2021, Kobay had entered into a memorandum of understanding ("MOU") with Mr. Lim Beng Cheong and Ms. Chong Huei Shin ("Vendors") in relation to the proposed acquisition of 70% equity interest in Galaxis Pharma Sdn Bhd, Galaxis Healthcare Sdn Bhd, Avelon Healthcare Sdn Bhd, Avelon Arise Sdn Bhd and Arise Healthcare Sdn Bhd.

Upon signing of the MOU, a due diligence review will be conducted. The execution of the Share Sale Agreement is subject to a satisfactory outcome on the due diligence performed by Kobay.

As at the date of this report, the Proposals are pending finalization of due diligence review.

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

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

**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>31.3.2021</b>
	<b>RM'000</b>
Not past due	<b>31,187</b>
Past due 1 to 30 days	<b>3,545</b>
Past due 31 to 120 days	<b>2,636</b>
Past due more than 120 days	<b>793</b>
	<b>38,161</b>

Trade receivables amounting to RM7.0 million that are past due and not impaired are creditworthy debtors.

**9. Group borrowings and debts securities**

	<b>31.3.2021</b>	31.3.2020
	<b>RM'000</b>	RM'000
<b>Secured :-</b>		
Term loans	<b>33,425</b>	27,683
Revolving credit	<b>8,952</b>	6,612
Bank Overdraft	-	3,000
Banker's Acceptance	<b>181</b>	-
	<b>42,558</b>	37,295
<b>Disclosed as :-</b>		
Current liabilities	<b>11,867</b>	12,421
Non-current liabilities	<b>31,471</b>	24,874
	<b>42,558</b>	37,295
<b>Currency Profile :-</b>		
Ringgit Malaysia	<b>38,590</b>	33,370
US Dollar	<b>3,968</b>	3,925
	<b>42,558</b>	37,295

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 31 March 2021 ranged from 2.5% to 5.67% per annum (31.3.2020: 3.9% to 6.67%).

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

**10. Derivative Financial Instrument**

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

	<b>31.3.2021</b>	31.3.2020
	<b>RM'000</b>	RM'000
Forward exchange contracts - at fair value		
- Current assets	<b>0</b>	205
- Current liabilities	<b>81</b>	-
	<b>81</b>	205

**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**

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

**13. Dividend**

The Board of Directors does not recommend any dividend for the financial quarter ended 31 March 2021 (31.3.2020 : Nil).

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

	INDIVIDUAL		CUMULATIVE PERIOD	
	Current Year quarter ended 31/3/2021 RM '000	Preceding Year Corresponding quarter 31/3/2020 RM '000	Current Year to date 31/3/2021 RM '000	Preceding Year Corresponding period 31/3/2020 RM '000
Profit attributable to ordinary equity holders of the Parent	<b>7,066</b>	6,447	<b>18,250</b>	17,699
Weighted average number of ordinary shares in issue ('000)	<b>102,104</b>	102,104	<b>102,104</b>	102,104
Basic earnings per share (sen)	<b>6.92</b>	6.31	<b>17.87</b>	17.33

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