

### **Banking Facilities accepted by Kobay Group**

Pursuant to Chapter 9.04(e) of the Listing Requirements, the Board of Directors of Kobay Technology Bhd. ("Kobay" or "the Company") wishes to announce that on 20 September 2021, Kobay UA Sdn. Bhd. (Registration No. 199401022600 (308279-A) ("KUA"), the wholly owned subsidiary company of Kobay, have accepted the following credit facilities offered by Messrs. OCBC Bank (Malaysia) Berhad and Messrs. OCBC Al-Amin Bank Berhad (200801017151/ 818444-T) ("the Bank") to finance the working capital and land acquisition of all those piece of land measuring approximately 15.13 acres (658,971.3778 square feet) in area held under two (2) separate land titles identified as HS(D) 27773 (PT1358) and PN 12029 (Lot 6584) (formerly HS(D) 27774 (PT1360)), Mukim 1, District of Seberang Perai Tengah, State of Penang together with a single storey warehouse building bearing assessment address 3016, Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Seberang Perai Tengah, Penang and other buildings erected thereon by KUA as per our announcement dated 20 May 2021 with reference number GA1-20052021-00059.

<b>Company</b>	<b>Banking Facilities ["the Facility/(ies)"]</b>	<b>Facility Amount, Interest Rate &amp; Tenure</b>	<b>Security(ies)</b>
KUA	(1) OCBC Bank (Malaysia) Berhad Credit Facility(ies) 10 years Term Loan	RM 13,000,000-00 Effective Cost of Fund ("COF") + 0.75% pa, 119 equal monthly instalments of RM108,334.00 each and one (1) last instalment of RM108,254.00.00, the first instalment to commence 1 month from the date of the first drawdown.	1) Fixed Charge over Security Property registered in the name of KUA for all monies owing or payable under Facility(ies) 2) An assignment of all rights, title and interest in and to all monies paid under or proceeds derived from the Tenancy Agreement executed or to be executed between KUA and any current or future tenant(s) in favour of the Bank for all monies owing or payable under the Facility(ies) 3) Joint and several guarantee from Kobay Technology Bhd. for RM13,000,000.00 together with interest thereon
		RM13,000,000-00	
KUA	(1) OCBC Al-Amin Bank Berhad Credit Facility(ies): Revolving Credit Facility-I (RCF-i) Commodity Murabahah	RM 12,000,000-00 ICOF + 0.75% pa Tenure of 1, 3 or 6 months up to maximum of 12 months or such period where the customer may select and approved by the bank with option to roll-over	1) Facilities Agreement 2) Fixed Charge over Security Property registered in the name of KUA for all monies owing or payable under Facility(ies) 3) An assignment of all rights, title and interest in and to all monies paid under or proceeds derived from the Tenancy Agreement executed or to be executed between KUA and any current or future tenant(s) in favour of the Bank for all monies owing or payable under the Facility(ies) 4) Joint and several guarantee from Kobay Technology Bhd. for all monies due and owing under the facility(ies)
		RM12,000,000-00	

Risks associated with the above banking facilities are Interest Rate Risk, Credit Risk and Liquidity Risk. The Group is subject to Interest Rate Risk when interest rates change which may affect the Group bottom line. The credit risk is, in part, determined by its debt to equity ratio as rising borrowing will increase the overall credit risk of the Company, which, in turn, causes bankers to raise interest rates on new borrowings. Liquidity risk is the risk to the Group's financial condition arising from its inability to meet its contractual obligations. The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby banking facilities.

This announcement is dated 22 September 2021.