

**Banking Facilities accepted by Kobay Group**

Pursuant to Chapter 9.04(e) of the Listing Requirements, the Board of Directors of Kobay Technology Bhd. [(Registration No. 199401022600 (308279-A)] ("Kobay" or "the Company") wishes to announce that on 7 October 2022, Kobay UA Sdn. Bhd. [(Registration No. 201801046422/(1308454-A)] ("KUA"), the wholly owned subsidiary company of Kobay, have accepted the following banking facilities offered by Messrs. OCBC Bank (Malaysia) Berhad (199401009721/295400-W) ("the Bank") to part finance the renovation cost of a single storey warehouse building 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 bearing assessment address 3016, Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Seberang Perai Tengah, Penang ("the Security Property").

Bank	Banking Facilities ["the Facility/(ies)"]	Facility Amount, Interest Rate & Tenure	Securities
OCBC Bank (Malaysia) Berhad	10 years Term Loan 2	RM 7,000,000-00 Effective Cost of Fund ("COF") + 0.5% pa, Shall be repaid within 10 years by 119 equal monthly instalments of RM58,333-00 each plus one (1) last instalment of RM58,373-00. The first instalment shall commence 1 month from the date of first drawdown.	1) Existing Facilities Agreement 2) All monies Charge registered on 26 January 2022 over the Security Property Fixed Charge over Security Property for all monies owing or payable under Facility(ies) registered in the name of KUA for all monies owing or payable under Facility(ies) 3) All monies received under the Assignment of Contract Proceeds dated 17 December 2021 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 RM7,000,000-00 together with interest thereon.
		RM7,000,000-00	

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 7 October 2022.