

### **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 25 November 2022, Innospec Sdn. Bhd. [(Registration No. 201801031607/(1061436-A)] ("Innospec"), the wholly owned subsidiary company of Kobay, have accepted the following banking facilities offered by Messrs. Hong Leong Bank Berhad (193401000023/97141-X) ("the Bank") to part finance the purchase of machineries/equipments.

<b>Bank</b>	<b>Banking Facilities ["the Facility/(ies)"]</b>	<b>Facility Amount, Interest Rate &amp; Tenure</b>	<b>Securities</b>
Hong Leong Bank Berhad	<p><b>(a) USD Fixed Term Loan (USD Fixed TL)</b></p> <p>Purpose : To part finance 90% investment cost or USD7,700,000-00 whichever is lower of machinery/equipment purchase.</p>	<p><b>USD 6,000,000-00</b></p> <p>Foreign Currency ECOF plus 1.00% on monthly rest. The ECOF rate is based on the contracted period of one (1) month.</p> <p>The Availability Period of this Facility shall be twelve (12) months from the date of its first release.</p> <p>To be repaid over a period of seven (7) years by eight four (84) monthly instalments of USD71,429-00 each for 83 months and the final instalment of USD71,393-00.</p>	<p>1) A Facilities Agreement to secure repayment of the principal sum of USD11,550,000-00 together with interest thereon and all monies due and payable.</p> <p>2) A specific debenture incorporating a fixed charge over the machinery/equipment to be financed under USD Fixed Term Loan and USD Revolving Credit to secure the repayment of the principal sum of USD7,700,000-00 together with interest thereon and all monies due and payable.</p> <p>3) Corporate Guarantee of Kobay for the principal sum of USD11,550,000-00 plus interest thereon and all other monies owing under or in respect of the Facilities and the relevant documents.</p>
	<p><b>(b) Ad-Hoc Letters of Credit (Ad-Hoc LC)</b></p> <p>Purpose : To facilitate the importation of the machinery/equipment related to Innospec's business and to be financed under USD Fixed TL.</p> <p>*(a) &amp; (b) combined limit is USD6,000,000-00</p>	<p><b>(USD 6,000,000-00)</b></p> <p>0.10% per month or part thereof or such other rate/minimum amount as may be decided by the Bank to be paid upfront for the duration of the LC and the usance period of the bill.</p> <p>Sight or usance period of up to 120 days.</p>	
	<p><b>(c) USD Revolving Credit (USD RC)</b></p> <p>Purpose : To part finance 90% investment cost or USD7,700,000-00 whichever is lower of machinery/equipment purchase and thereafter for working capital</p>	<p><b>USD 2,500,000-00</b></p> <p>Foreign currency effective cost of funds (FC ECOF) plus 1.25% per annum.</p> <p>Each interest period shall be for a period of one (1), two (2), three (3) or six (6) months at the Company's option or any other period as mutually agreed between the Bank and Innospec.</p>	

Bank	Banking Facilities [“the Facility/(ies)”]	Facility Amount, Interest Rate & Tenure	Securities
	<p><b>(d) USD Combined Trade USD Letters of Credit (USD LC)</b></p> <p>Purpose : To issue irrevocable sight/usance letters of credit for the local purchase/import of raw materials/trading goods</p> <p><b>(e) USD Onshore Foreign Currency Loan (USD OFCL)</b></p> <p>Purpose : To finance imports/local purchase (for export purpose only or with Forward Exchange Contract (“FEC”) facility of goods</p> <p>* (d) &amp; (e) combined limit is USD3,000,000-00</p>	<p><b>USD 3,000,000-00 (USD 3,000,000-00)</b></p> <p>0.10% per month or part thereof or such other rate/minimum amount as may be decided by the Bank to be paid upfront for the duration of the LC and the usance period of the bill.</p> <p>Sight or usance period of up to 120 days.</p> <p><b>(USD 3,000,000-00)</b></p> <p>Foreign currency effective cost of funds (FC ECOF) plus 1.25% per annum.</p> <p>Up to 120 days.</p>	
	<p><b>USD Forward Exchange Contract (USD FEC)</b></p> <p>Purpose : To hedge forward exchange exposure</p>	<p>USD50,000-00</p> <p>Limit of USD1,428,000-00 which is to be secured by 3.50% risk factor which is subject to change at the Bank’s discretion from time to time.</p> <p>The USD FEC facility tenure is twelve (12) months</p>	
Total :		USD11,550,000-00	

Risks associated with the above banking facilities are Interest Rate Risk, Credit Risk and Liquidity Risk. Kobay 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 Kobay Group’s financial condition arising from its inability to meet its contractual obligations. Kobay 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 25 November 2022.