

KOBAY TECHNOLOGY BHD. (308279-A)

Subject: RELATED PARTY TRANSACTION

Disposal of properties by LD Global Sdn Bhd (wholly-owned subsidiary of Kobay Technology Bhd. to Mr. Koay Wei Keong (Related Party)

1. INTRODUCTION

The Board of Directors of Kobay Technology Bhd. ("Kobay") wishes to announce that its wholly-owned subsidiary, LD Global Sdn Bhd ("LD Global") had entered into a Sale and Purchase Agreement ("the SPA") in respect of the related party transaction (referred to as "the Transaction"), the details of which are as set out below :-

wholly-owned subsidiary company	Purchaser (Related party)	Nature of relationship	Description of the transaction	Selling price (RM)
LD Global	Mr. Koay Wei Keong ("Mr. Koay WK")	Mr. Koay WK is son of Dato' Seri Koay Hean Eng. Dato' Seri Koay Hean Eng is a Director of Kobay. He is deemed interested by virtual of his indirect interest of 34.06% in Kobay via Kobay Holdings Sdn. Bhd., the major shareholder of Kobay.	SPA stamped on 26 April 2022 for the sale of 1 unit Serviced Apartment (Type SS1), Lavanya Residences, Langkawi, Kedah.	631,000

2. BACKGROUND INFORMATION

2.1 Information on LD Global

LD Global was incorporated in Malaysia on 3 July 2000. It is a wholly subsidiary of Kobay with paid-up capital of RM19,900,000-00 (Ringgit Malaysia : Nineteen Million and Nine Hundred Thousand Only).

LD Global is a property development company.

2.2 Information on Mr. Koay Wei Keong

Mr. Koay Wei Keong is the son of Dato' Seri Koay Hean Eng, a Chief Executive Officer and a director of Kobay.

3. SALIENT TERMS OF THE SPA

The consideration for the Transaction shall be paid in the following manner :-

- a) A payment equivalent to 10% of the Selling Price had been paid upon execution of the SPA;
- b) The balance of 90% shall be paid according to the stages of work completed.

LD Global agreed to sell and the Related Party agreed to purchase the abovementioned property with vacant possession free from encumbrances and subject to the terms and conditions therein stipulated in the SPA which are standard and applicable to all purchasers.

4. RATIONALE AND PROSPECT OF THE PROPOSED ACQUISITION

The Transaction as described above is incurred in the ordinary course of business of LD Global. There is no liability to be assumed arising from the Transaction.

5. BASIS OF ARRIVIG AT THE SELLING PRICE

The Transaction is entered into at arm length based on the standard terms and pricing applicable to general public and is not more favourable than those generally offered to LD Global customers and not to the detriment of the minority shareholders of the Company.

6 FINANCIAL EFFECT OF THE TRANSACTION

- (a) On earnings and earnings per share
The SPA is not expected to have any material effects on the earnings of Kobay Group for the financial year ending 30 June 2022.
- (b) On net assets and gearing
The SPA does not have any effect on net assets and gearing of Kobay Group for the financial year ending 30 June 2022.
- (c) On share capital and substantial shareholders' shareholdings
The SPA does not have any effect on the share capital and substantial shareholders' shareholdings of Kobay.

7 HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the SPA pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Securities is 0.3%.

8 APPROVAL REQUIRED

The Transaction is not subject to the approval from the shareholders of Kobay, Securities Commission, Foreign Investment Committee and other regulatory authorities.

9 COMPLETION DATE

The estimated timeframe required to fulfill the conditions stated in the SPA.

10 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS INTERESTS

Saved as disclosed above, none of the other Directors and/or major shareholders of Kobay and/or persons connected with them have any interest, direct or indirect in the Transaction.

11 COMPLIANCE WITH THE SECURITIES COMMISSION'S POLICIES AND GUIDELINES ON ISSUE/OFFER OF SECURITIES

The Transaction is not subjected to the approval of the Securities Commission and does not fall under the Securities Commission's Policies and Guidelines on the issue/offer of Securities or any amendment thereof.

12 DIRECTORS' STATEMENT

The Directors are of the opinion that the Transaction is in the best interest of the Company and it is fair and reasonable and is not detrimental to the Company and its Shareholders.

13 DOCUMENT FOR INSPECTION

Copy of the following document/(s) will be made available for inspection at the registered office of the Company at 3rd Floor, Wisma Kobay, No. 42-B Jalan Rangoon, 10400 Georgetown, Penang during normal working hours for a period of three (3) months from the date of this announcement.

- 1) The SPA
- 2) The Audited Financial Statements for Kobay and LD Global for the year/(s) ended 30 June 2020 and 30 June 2021

This announcement is dated 29 April 2022.

Approved for announcement by :-

Dato' Seri Koay Hean Eng

Chan Mun Shee
Company Secretary