

## **KOBAY TECHNOLOGY BHD.**

General Announcement \_Material Litigation

### **ARBITRATION PROCEEDINGS COMMENCED BY KHOR KHYE HING CONSTRUCTIONS SDN. BHD. AGAINST LD GLOBAL SDN. BHD.**

#### **1. INTRODUCTION**

The Board of Directors of Kobay Technology Bhd. (“Kobay”) wishes to announce that Khor Khye Hing Construction Sdn. Bhd. [(Registration No. 199701009564 (425060-T)] (“KKH” or “the Claimant”) has filed Statement of Case in the Arbitration (“the Arbitration”) against LD Global Sdn. Bhd. (Registration No.200001016150 (518757-T)] (“LD Global” or “the Respondent”), a wholly-owned subsidiary of Kobay for the dispute between KKH and LD Global emanated from Letter of Award dated 7 July 2017 and PAM Contract 2006 (“the contract”) for the construction of Lavanya Langkawi Serviced Villa Project (“the Project”).

#### **2. BACKGROUND INFORMATION**

LD Global (“the Respondent”) is a wholly-owned subsidiary of Kobay, principally engaged in property development. As of the date hereof, its total issued and paid-up capital is RM35,000,000.

KKH (“the Claimant”) is a company incorporated under the laws of Malaysia. KKH is the main contractor of Lavanya Langkawi Serviced Villa Project.

The dispute between KKH and LD Global emanated from Letter of Award dated 7 July 2017 and PAM Contract 2006 for the construction of the Project.

KKH has claimed against LD Global for the alleged sum of RM2.3 million for the wrongful liquidated ascertained damages (“LAD”) deduction, claim for additional variation orders and second moiety retention sum. LD Global has denied all the purported claims by KKH. LD Global has counter claimed against KKH a sum of RM2.8 million which includes liquidated ascertained damages and costs of rectification of defects.

The hearing of the arbitration is scheduled on 13 December 2023 to 15 December 2023, 30 January 2024 to 1 February 2024.

#### **3. THE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE COMPANY IN RESPECT OF THE ARBITRATION**

LD Global is seeking the legal advice to explore further course of action to preserve and enforce all its rights and defense against this matter.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claim is necessary.

#### **4. THE FINANCIAL AND OPERATIONAL IMPACT OF THE ARBITRATION ON THE GROUP FOR THE CURRENT FINANCIAL YEAR**

The Arbitration proceeding is not expected to have any material impact on the financial and operational to the Group for the financial year ending 30 June 2024.

#### **5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of the directors and/or major shareholders of the Company, or persons connected with them have any interest, direct or indirect, in the arbitration proceeding.

Further announcement(s) to Bursa Malaysia Securities Berhad will be made as and where there is any material development on the above matter in due course.

This announcement is dated 25 October 2023.