

KOBAY TECHNOLOGY BHD.

General Announcement – Others

Subject : Proposed Disposal of entire equity interest in Gen Plus Technology Sdn. Bhd.

The Board of Directors of Kobay Technology Bhd. (“Kobay”) wishes to announce that the company had on 6 January 2023 entered into a Share Sales Agreement (“SSA”) with Mr. Lim Kean Lai (NRIC No. 770524-07-5937) (“the Purchaser”) to dispose off its 51% equity interest in Gen Plus Technologies Sdn. Bhd. Registration No. 202101000691 (1400989-H) (“Gen Plus”) comprising 51 ordinary shares for a total cash consideration of RM5,000/= (“Disposal Consideration”) (Proposed Disposal”).

Upon completion of the Proposed Disposal, Gen Plus shall cease to be subsidiary of Kobay.

1. INFORMATION ON GEN PLUS

Gen Plus was incorporated on 7 January 2021. Its current paid up capital is RM100/= comprising of 100 ordinary shares which have been issued and fully paid-up.

The intended principal activities of Gen Plus is to distribute and trade as agent of generator set that uses gas to generate electricity, to provide repair and maintenance as well as selling spare parts in related thereto and to build, manage and maintain in bulk or a number of generator set on behalf of any individual or body incorporated who invested for an intention to trade or sell the electricity generated by the generator to anybody including the authority in Malaysia or any other countries.

The Company is dormant since the incorporation.

2. INFORMATION ON PURCHASER

The Purchaser, Mr. Lim Kean Lai (NRIC No. 770524-07-5937) is a Malaysian Chinese, resides in Malaysia. He is also one of the directors in the Board of Directors of Gen Plus.

3. BASIS OF VALUATION, PAYMENT, RISK AND LIABILITIES TO BE ASSUMED BY KOBAY

(i) Basis of Valuation

The aggregate cost of investment in Gen Plus by Kobay is RM51. Based on the latest audited financial statements for financial year ended 30 June 2022, the net liabilities of Gen Plus was RM8,779/= and net loss was RM7,042/=.

The Disposal Consideration of the Proposed Disposal was arrived based on “willing buyer willing seller basis” and will be fully satisfied in cash.

There will be no material gain or loss arise from the Proposed Disposal for the Company and the Group.

(ii) Payment

The said consideration sum shall be paid upon execution of the transfer documents by Kobay and completing the documents pertaining to the Proposed Disposal.

(iii) Risk and Liabilities

The shares disposed are free from all liens, charges, pledges, mortgages and any encumbrances whatsoever and with all rights and advantages attaching thereto or accruing thereon.

Kobay does not anticipate any risk and liabilities from the Proposed Disposal.

4. PERCENTAGE RATIO

The percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements of Bursa Securities is negligible.

5. RATIONALE AND PROSPECT OF THE PROPOSED DISPOSAL

Gen Plus is dormant since its incorporation. As such, the management decided to divest its investment in Gen Plus and to redirect its resources to other subsidiaries. The Proposed Disposal is part of Kobay's operational and organizational restructuring to streamline and re-align entities within Kobay and its group of companies in order to create a leaner and efficient corporate structure.

6. FINANCIAL EFFECT OF THE TRANSACTIONS

(a) On earnings and earnings per share

The change of equity interest is not expected to have any material effects on the earnings of Kobay Group for the financial year ending 30 June 2023.

(b) On net assets and gearing

The change of equity interest does not have any effect on net assets and gearing of Kobay Group for the financial year ending 30 June 2023.

(c) On share capital and substantial shareholders' shareholdings

The change of equity interest does not have any effect on the paid up capital and substantial shareholders' shareholdings of Kobay.

7. SALIENT TERMS

In the SSA, upon the execution of this Agreement, Kobay shall cause the following documents to be delivered to the Purchaser :-

- (i) original share certificates in respect of the sale shares;
- (ii) duly executed resignation letter of our nominated directors of the Company; and
- (iii) duly executed transfer (Section 105 Form under the Companies Act, 2016) by Kobay in respect of the sale shares .

Upon successful registration of the sale shares in the name of the Purchaser, the Purchaser shall indemnify the Vendor against any claims, loss, liability, damages, course of action, suits, demands, judgments, awards, and awards and settlement costs, fees whatsoever and howsoever arising from or in connection with the Company.

8. APPROVAL REQUIRED

The Proposed Disposal does not require approval from the shareholders of Kobay or any regulatory authorities.

9. DEPARTURES FROM THE POLICIES AND GUIDELINES ON ISSUE/OFFER OF SECURITIES ISSUED BY THE SECURITIES COMMISSION ("SC")

The Proposed Disposal has not departed from the SC's Policies and Guidelines on Issue/Offer of Securities.

10. COMPLETION DATE

Completion of the Disposal shall take place within One (1) month after the Section 105 Form and/or such other instruments to effect the transfer of the shares under the Proposal Disposal being duly stamped and executed.

11. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS INTERESTS

None of the directors and/or substantial shareholder of Kobay or any person connected with them have any interest, direct or indirect, in the Proposed Disposal.

12. STATEMENT BY THE BOARD OF DIRECTORS

The Board, after due consideration of all aspects of the Proposed Disposal, is of the opinion that the sale consideration is reasonable and the Proposed Disposal is in the best interest of Kobay, fair and reasonable to the Company and is not to the detriment of the Company and its shareholders.

This announcement is dated 6 January 2023.