

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 3 April 2024, Avelon Healthcare Sdn. Bhd. [Registration No. 201301020687(1050517-A)] ("AHSB"), a 70% owned subsidiary company of Kobay, have accepted the following banking facilities amounting to RM21,000,000-00 offered by Messrs. CIMB Islamic Bank Berhad ("the Bank") with provision of corporate guarantee by Kobay amounting to RM21,000,000-00.

Banking Facilities ["the Facility/(ies)"]	Facility Amount, Interest Rate & Tenure	Securities
(1) Revolving Credit-I (RC-i) Purpose : For acquisition of company and thereafter for working capital purpose.	RM15,000,000-00 Effective Profit Rate ("EPR") Is Cost of Funds ("COF") for the relevant tenure plus 1.50% per annum. The Murabahah Period (the period for payment of the Bank's Sale Price for each Tawarruq transaction under the RC-i Facility. Tenure is 1 or 2 or 3 months	Including but not limited to the following : a) Corporate Guarantee in favour of the Bank by Kobay (b) Open Charge under the National Land Code 1965/Land Code of Sarawak (Cap. 81 (1958 Ed.)/Sabah Land Ordinance (Chapter 68) over the property held under individual title GM6869 & 7481 Lot 57375 & 57100, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur by AHSB in favour of the Bank.
(2) Multi Option Line-i (MOL-i) (a) Accepted Bills-i (AB-i) (b) Bank Guarantee-i (BG-i) (c) Documentary Credit-i (DC-i) (d) Trust Receipt-i (TR/TRC-i) (e) Multi Currency Trade Financing-i (MCTF-i) Purpose : Working capital	RM5,000,000-00 (a) 1.5% p.a. from the date of each AB-i up to the maturity date Tenure is up to 90 days inclusive of supplier's credit (b) 1.5% p.a. on each BG-i issued Tenure shall not exceed 24 months (c) 1.5% p.a. on each DC-i issued Tenure is max 90 days (d) COF+1.5% p.a. Tenure is max 90 days inclusive of supplier's credit (e) Bank's RM COF/COF of prevailing foreign currency+1.5% p.a. Tenure is up to 90 days inclusive of supplier's credit	
(3) Cash Line-I (CL-i) Purpose : Working capital	RM1,000,000-00 EPR shall be charged in the following manner : (i) Base Financing Rate (BFR) plus 1.00% per annum calculated on the Utilised Portion	

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 3 April 2024.