

## **KOBAY TECHNOLOGY BHD (“KOBAY” OR THE “COMPANY”)**

### **EXTENSION OF TIME FOR UTILISATION OF PROCEEDS RAISED FROM THE PRIVATE PLACEMENT OF ORDINARY SHARES IN THE COMPANY**

*(For the purpose of this announcement, the latest practicable date is 31 March 2024 (“LPD”)).*

#### **INTRODUCTION**

We refer the announcements dated 5 November 2021, 8 November 2021, 11 November 2021, 16 November 2021, 25 November 2021, 26 November 2021, 26 April 2022, 5 May 2022 and 9 November 2022 in relation to the Private Placement.

Pursuant to the Private Placement, the Company had raised total gross proceeds of approximately RM110.445 million. The Board of Directors of the Company (“the Board”) wishes to inform that as at 25 June 2024, the Company has yet to fully utilise the proceeds raised from the 10% Private Placement and the Board requires additional time to utilise the balance proceeds amounting to approximately RM20.738 million for setting up new aluminium manufacturing plant for the Group's manufacturing division (“Extension of Time”). The Board has resolved to extend the time frame for the utilisation of the said proceeds for another eighteen (18) months period from 26 June 2024 to 25 February 2026 (“Revised Time Frame”) to provide additional time for the Group to utilise the balance of proceeds for the manufacturing division. The details of the Revised Time Frame are as follows:-

#### **DETAILS OF THE UTILISATION AND TIME FRAME**

The utilisation of Private Placement Proceeds and its time frame are as follows:

Utilisation Purposes	Item	Original Utilisation (RM'000)	Amount utilised as at LPD (RM'000)	Balance unutilised (RM'000)	Original timeframe for utilisation of proceeds	Proposed Revised Time Frame
Setting up new aluminium manufacturing plant for the Group's manufacturing division	1	59,995	39,259	20,738	Within 24 months (*)	Within 18 months
Partial repayment of bank borrowings	2	50,000	50,000	-	-	-
Estimated expenses in relation to the Proposed Private Placement	3	450	450	-	-	-
Total		110,445	89,709	20,738		

\* from date of listing 26 November 2021

As at the LPD, the Group plans to allocate the fund to install new equipments and machineries such as aluminium extrusion machines and accessories and ageing furnace machines are not fully utilised within 24 months. Therefore, the Group intends to utilise the remaining RM20.738 million within 18 months from the date of this announcement for its rapidly growing manufacturing division .

## **RATIONALE FOR THE EXTENSION OF TIME AND REVISED TIME FRAME**

The primary rationale for this proposal is to ensure that the Company can sustain and support the accelerated growth of its manufacturing division to:

- Ensure Steady Supply Chain: Secure a consistent supply of raw materials necessary to meet increasing production demands.
- Enhance Operational Efficiency: Improve the efficiency of manufacturing operations by reducing potential delays or disruptions caused by raw material shortages.
- Support Business Expansion: Enable the Company to capitalize on new business opportunities and meet the heightened demand for its products.
- Strengthen Market Position: Enhance the Company's competitive edge by maintaining the capability to fulfil larger orders and meet customer expectations promptly.

## **EFFECTS OF THE EXTENSION OF TIME AND REVISED TIME FRAME**

The Extension will not affect the issued share capital, substantial shareholders' shareholdings, earnings, or earnings per share of the Group. However, it is anticipated that the Variation will contribute positively to the Group's future earnings as the benefits of the revised utilization of the Private Placement proceeds are realized.

## **APPROVAL REQUIRED**

The Extension of Time and Revised Time Frame is not subject to the approval of the shareholders of the Company or any regulatory authorities as the Private Placement was undertaken pursuant to the General Mandate. Nevertheless, the Board shall continue to be prudent in managing the Private Placement Proceeds and would disclose the status of the utilisation of Private Placement Proceeds in its quarterly results and annual reports until its full utilisation.

## **DIRECTORS' STATEMENT**

The Board having taken into consideration all aspects including but not limited to the rationale and effects of the Extension of Time, is of the opinion that the Revised Time Frame is in the best interest of the Company and Group.

This announcement is dated 25 June 2024.