

**KOBAY TECHNOLOGY BHD. (199401022600 (308279-A))**

Subject:

**Proposed Disposal of 65.00% Equity Interest in Leapcode Sdn. Bhd.**

**1. INTRODUCTION**

The Board of Directors of Kobay Technology Bhd. ("**Kobay**") ("**Board**") wishes to announce that its wholly owned subsidiary company, Kobay Industries Sdn. Bhd. ("**KI**"), had on 13 January 2025 disposed its 65.00% equity interest consisting of 65,000 ordinary shares in Leapcode Sdn. Bhd. (Registration No.: 202101041679 (1441979-X) ("**Leapcode**" or "the Company") at total cash consideration of RM100,000-00 (Ringgit Malaysia: One Hundred Thousand Only) to an individual (hereinafter referred to as "Proposed Disposal").

Further details of the Proposed Disposal are set out in the ensuing sections.

**2. BACKGROUND INFORMATION AND RATIONALE OF THE PROPOSED DISPOSAL**

The Board of Directors of Kobay Technology Bhd. ("**Kobay**") ("**Board**") had on 15 July 2024 announced that its wholly owned subsidiary company, Kobay Industries Sdn. Bhd. ("**KI**") acquired 65.00% equity interest in Leapcode from an individual with reference to the announcement number GA1-15072024-00053.

Further to the acquisition of Leapcode, the intended project to be undertaken has not kicked off and the 35% shareholder of Leapcode, Ms. Ooi Ruey Yng, NRIC No. 841108-02-5178 has an intention to takeover the Company at the initial consideration sum of RM100,000-00 (Ringgit Malaysia: One Hundred Thousand Only) (hereinafter referred to as "Sale Proceed").

The Sale Proceed was arrived on a willing-buyer-willing-seller basis.

**3. BASIS OF VALUATION, RISK AND LIABILITIES ASSUMED BY KI**

The Sale Proceed was arrived at a willing buyer and willing seller basis as stated in item 2 above.

There is no risk associated with the Proposed Disposal.

**4. EFFECTS OF THE PROPOSED DISPOSAL**

The Proposed Disposal will not have any effect on the share capital and the substantial shareholdings of Kobay or KI and the Proposed Disposal is not expected to have any material effect on the earnings and EPS of the Group for the financial year ending 30 June 2025.

**5. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the Transaction pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Securities is negligible.

**6. COMPLETION DATE**

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed within seven (7) days from the date of this announcement.

**7. APPROVAL SOUGHT**

The Proposed Disposal is not subject to any approval of the shareholders of Kobay or any regulatory authorities.

**8. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the directors and major shareholders of Kobay group and/or any persons connected to them (as defined in Section 197(2)(a) of the Companies Act 2016) have any direct or indirect interests in the Proposed Disposal.

**9. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Proposed Disposal, including but not limited to the basis and justification of the Sale Proceed, rationale, effects of the Proposed Disposal and the risks involved, is of the opinion that the Proposed Disposal are in the best interests of the Company.

This announcement is dated 13 January 2025.