

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second (22nd) Annual General Meeting ("AGM") of Kobay Technology Bhd. will be held at 4th Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Wednesday, 14 December 2016 at 2.30 p.m. for the following purposes :-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 and the Reports of the Directors and Auditors thereon.
2. To re-appoint Dr. Mohamad Zabdi Bin Zamrod as Company Director, who has attained age over seventy years old pursuant to Section 129(6) of the Companies Act 1965 and to retain him as Independent and Non-executive Director in accordance with Malaysian Code of Corporate Governance 2012. Resolution 1
3. To re-appoint Mr. Koay Ah Bah @ Koay Cheng Hock as Company Director, who has attained age over seventy years old pursuant to Section 129(6) of the Companies Act 1965. Resolution 2
4. To re-elect Dato' Koay Hean Eng as Company Director, who retires in accordance with Article 95 of the Company's Articles of Association. Resolution 3
5. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration. Resolution 4

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions :

6. **ORDINARY RESOLUTION**
PAYMENT OF DIRECTORS' FEES
"THAT the payment of Directors' fees totaling Ringgit Malaysia Fifteen Thousand (RM15,000) only to the Non-executive Directors for the financial year ended 30 June 2016 be and is hereby approved." Resolution 5
7. **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES IN ACCORDANCE TO SECTION 132D OF THE COMPANIES ACT, 1965
"THAT subject always to the Companies Act, 1965 ("the Act") and the approvals from the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Act, to issue and allot shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit PROVIDED THAT the aggregate number of shares to be issued (inclusive employee share option scheme exercised by the employees, if any) pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company." Resolution 6
8. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY
"THAT subject to the compliance by the Company with all applicable laws, regulations and guidelines pursuant to the Act, the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant authorities, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares of RM1.00 each in the Company ("shares") as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company PROVIDED THAT the maximum number of shares purchased and/or held pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at any given point in time and that the maximum amount of fund allocated by the Company for the purpose of purchasing the shares shall not exceed the retained profits and/or the share premium accounts of the Company." Resolution 7

THAT authority be and is hereby given to the Directors to treat the shares so purchased by the Company pursuant to this Proposed Share Buy-back in accordance with the provision of the Act, which allows a Company that has purchased its own shares to either retain part of or entire shares as treasury shares or cancel part of or entire shares, or a combination of both. The shares so retained as treasury shares by the Company may, either be distributed as share dividends to shareholders or resell on Bursa Securities or in any manner pursuant to the Act, Bursa Securities Listing Requirements or any other relevant authority for the time being in force.

THAT such authority from the shareholders would be effective immediately upon passing of this resolution and would continue to be in force until :-

- (i) the conclusion of the next AGM of the Company following the AGM at which such resolution was passed, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT authority be and is hereby given to the Directors to take all such steps as are necessary or expedient to implement or to give effect of the Proposed Share Buy-back Authority with full powers to assent to any conditions, modifications, re-valuations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time."

9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

CHAN MUN SHEE (MAICSA 7003071)
WONG MEE CHOON (MACS 01562)
Company Secretaries

Penang, 28 October 2016

NOTES :

1. A proxy may but need not be a member or a qualified legal practitioner, or an approved company auditor or a person approved by the Registrar and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, this form, duly completed must be deposited with the registered office of the Company, at 3rd Floor, Wisma Kobay, No. 42-B Jalan Rangoon, 10400 Georgetown, Penang not less than forty eight (48) hours before the time for holding the meeting provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. If the appointor is a corporation this form must be executed under the corporation's common seal, or under the hand of an officer or attorney duly authorized.
6. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 5 December 2016 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES :

Resolution 1
Dr. Mohamad Zabdi Bin Zamrod who has attained the age above 70 years old last year has been re-appointed as Director of the Company under Section 129(6) of the Companies Act, 1965 and his tenure of service shall be ended in the forthcoming AGM. In accordance with Malaysian Code of Corporate Governance 2012, the Nominating Committee has assessed the independency of Dr. Mohamad Zabdi Bin Zamrod, who has served as Independent and Non-executive Director for a cumulative term of more than 9 years, and recommended to Board of Directors to retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director whereby the Board recommends and proposes to the shareholders' approval to retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director of the Company on the following justifications :-

- 1) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad thus enable him to perform a check and balance role in the Board;
- 2) He has performed his duty diligently and in the best interest of the Company with his experience and independent view from a different perspective of the management; and
- 3) He does not hold any shares in the Company, no relationship with other Board members nor having any business dealing or transaction with the Company or the Group before his appointment till to-date.

Resolution 2
Mr. Koay Ah Bah @ Koay Cheng Hock who has attained the age above 70 years old prior to the date of this meeting under Section 129(6) of the Companies Act, 1965 and his tenure of service shall be ended in the forthcoming AGM. Mr. Koay has offered himself to be re-appointed and the Nominating Committee has assessed his performance and was in the opinion that his experience in property development is vital to the Company's property development venture at this infant stage. If re-appointed, his term of service will be expire in the next AGM.

Resolution 5
The proposed Ordinary Resolution under item 6 is to obtain shareholders' approval for the payment of Directors' fees totalling Ringgit Malaysia Fifteen Thousand (RM15,000) only to the three (3) Non-executive Directors for the financial year ended 30 June 2016 as required under Article 103 of the Company's Articles of Association.

Resolution 6
A mandate was sought and approved by the members during the Twenty-First (21st) AGM held on 9 December 2015. No new shares were issued and no proceeds were raised from the previous mandate.

If the proposed Ordinary Resolution is passed, the Directors will be empowered to issue and allot shares in the Company at any time and for such purposes as the Directors consider would be in the interests of the Company up to an aggregate not exceeding 10% of the Company's issued capital (inclusive Employees' Shares Option Scheme ("ESOS") exercised by the employees, if any) without the need to convene separate general meetings to obtain its shareholders' approval so as to avoid incurring additional cost and time. This authority unless revoked or varied at the general meeting, will expire at the next AGM.

The mandate will provide flexibility to the Company for any possible fund raising exercises including but not limited to placing of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s) and such other application as the Directors may deem fit and in the best interest of the Company.

Resolution 7
The proposed Ordinary Resolution under item 8 is of renewal and if passed, will allow the Company to purchase up to ten per cent (10%) of the total issued and paid-up share capital of the Company, excluding treasury shares retained by the Company at any given point in time. This authority unless revoked or varied at the general meeting, will expire at the next AGM. The details of this proposal are set out in the Statement to Shareholders dated 28 October 2016.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The profile of the Directors who are standing for re-appointment and re-election (as per Resolution 1-3 as stated in the Notice of Annual General Meeting) at the Twenty-Second (22nd) Annual General Meeting of Kobay Technology Bhd. which will be held at 4th Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Wednesday, 14 December 2016 at 2.30 p.m., are stated on page 7 & 8 of the Annual Report 2016.

There is no individual standing for election as new Director (excluding Directors standing for re-election) at this forthcoming Annual General Meeting.