

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25th) 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 Thursday, 21 November 2019 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 2019 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of first and final single tier dividend of 3.0 sen in respect of the financial year ended 30 June 2019. Resolution 1
3. To retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director in accordance with Malaysian Code on Corporate Governance 2017. Resolution 2
4. To retain Mr. Khaw Eng Peng as Senior Independent and Non-executive Director in accordance with Malaysian Code on Corporate Governance 2017. Resolution 3
5. To re-elect Dato' Seri Koay Hean Eng as Company Director, who retires in accordance with Article 95 of the Company's Constitution ("Articles of Association"). Resolution 4
6. To re-elect Mr. Lim Swee Chuan as Company Director, who retires in accordance with Article 95 of the Company's Constitution ("Articles of Association"). Resolution 5
7. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorize the Directors to fix their remuneration. Resolution 6

SPECIAL BUSINESS

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

8. **ORDINARY RESOLUTION**
PAYMENT OF DIRECTORS' FEES
"THAT the payment of Directors' fees totaling Ringgit Malaysia Twenty Two Thousand Five Hundred (RM22,500) only to the Non-executive Directors for the financial year ended 30 June 2019 be and is hereby approved." Resolution 7
9. **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES IN ACCORDANCE TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016
"THAT subject always to the Companies Act, 2016 ("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 75 and 76 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 8
10. **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 Constitution ("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 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 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 account of the Company." Resolution 9

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:-

- a. 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
 - b. the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to sections 340(1) & (2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act, 2016); or
 - c. 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."

11. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE Resolution 10

"THAT pursuant to paragraph 10.09 of the Listing Requirements of Bursa Securities, a mandate of the shareholders be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature ("RRPTs"), which are necessary for the day-to-day operations of the Company and/or its subsidiary companies ("Kobay Group"), to be entered into by the Kobay Group in the ordinary course of business, PROVIDED THAT such transactions are entered into at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, the particulars of such transactions are set out in Section 2.4 of the Circular to Shareholders of Kobay dated 30 October 2019 ("Proposed Shareholders' Mandate");

THAT the authority conferred by this resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be in force until:-

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company, 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
 - b. the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to sections 340(1) & (2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act, 2016); or
 - c. revoked or varied by resolution passed by the shareholders in a general meeting,
- whichever is earlier.

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to give effect to the Proposed Shareholders' Mandate with full powers to deal with all matters relating thereto and to complete and do all acts and things (including executing such documents as may be required) in connection with the Proposed Shareholders' Mandate."

12. **SPECIAL RESOLUTION**
PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY Resolution 11
"THAT the Proposed Adoption of New Constitution as set out in Appendix II of this Circular, be and is hereby approved.

AND THAT the Directors and Secretary of the Company be and are hereby authorised to do all such acts, deeds and things to execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, variations and alterations as may be imposed or permitted by the relevant authorities."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twenty-Fifth (25th) Annual General Meeting, the first and final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2019 will be paid on 20 January 2020 to depositors registered in the Records of Depositors on 31 December 2019.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a) Shares transferred into the depositor's securities account before 4.00 p.m. on 31 December 2019 in respect of ordinary transfers;
- b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

BY ORDER OF THE BOARD

CHAN MUN SHEE (MAICSA 7003071)
WONG MEE CHOON (MACS 01562)
Company Secretaries
Penang, 30 October 2019

NOTES :

1. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting the Record of Depositors as at 5.00 p.m. on 13 November 2019. Only a depositor whose name appears on the Record of Depositors as at 5.00 p.m. on 13 November 2019 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy/(ies) to attend and vote on his stead.
3. The instrument of appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or the appointor is a corporation, either under the corporation's seal, or under the hand of the attorney or duly authorized officer.
4. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage off his shareholding to be represented by each proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 3rd Floor, Wisma Kobay, No.42-B, Jalan Rangoon, 10400 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post or fax to 04-2261363. In the case where the member is a corporation and the proxy form is delivered by fax, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES :

Resolution 2

In accordance with Malaysian Code on Corporate Governance 2017, 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 12 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 in two (2) tier voting 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 3

In accordance with Malaysian Code on Corporate Governance 2017, the Nominating Committee has assessed the independency of Mr. Khaw Eng Peng, who has served as Senior Independent and Non-executive Director for a cumulative term of 9 years, and recommended to Board of Directors to retain Mr. Khaw Eng Peng as Senior Independent and Non-executive Director whereby the Board recommends and proposes to the shareholders' approval in one (1) tier voting to retain Mr. Khaw Eng Peng 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 7

The proposed Ordinary Resolution under item 8 is to obtain shareholders' approval for the payment of Directors' fees totalling Ringgit Malaysia Twenty Two Thousand Five Hundred (RM22,500) only to three (3) Non-executive Directors for the financial year ended 30 June 2019 as required under Article 103 of the Company's Constitution ("Articles of Association").

Resolution 8

A mandate was sought and approved by the members during the Twenty-Third (24th) AGM held on 22 November 2018. 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 (of which is not inter-conditional with the other corporate exercise carried out by the Group) 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 9

The proposed Ordinary Resolution under item 10 is of renewal and if passed, will allow the Company to purchase up to ten per cent (10%) of the issued share capital of 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 Circular/Statement to Shareholders dated 30 October 2019.

Resolution 10

The proposed Ordinary Resolution under item 11, if passed, will allow the Group to enter into recurrent related parties transactions of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of the Bursa Malaysia Securities Berhad's Listing Requirements. The details of this proposal are set out in the Circular/Statement to Shareholders dated 30 October 2019.

Resolution 11

The proposed Ordinary Resolution under item 12, if passed, will bring the Company's Constitution ("Articles of Association") in line with the enforcement of the Companies Act 2016, which came into force on 31 January 2017 and the updated provisions of the Main Market Listing Requirements of Bursa Securities. The Proposed Adoption is set out in Part C of the Circular to Shareholders dated 30 October 2019 which is dispatched together with the Company's Annual Report 2019.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The profile of the Directors who are standing for retirement and re-election (as per Resolution 2 - 5 as stated in the Notice of Annual General Meeting) at the Twenty-Fifth (25th) 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 Thursday, 21 November 2019 at 2.30 p.m., are stated on page 9 & 10 of the Annual Report 2019.

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