

OTHERS K-ONE TECHNOLOGY BERHAD ("K-ONE TECH" OR "THE COMPANY") ACQUISITION OF 30% EQUITY INTEREST OF AHM CONSULTANCY & SECURITY SERVICES SDN. BHD. ("AHM") FOR CASH CONSIDERATION OF RM8.7 MILLION ("PROPOSAL")

K-ONE TECHNOLOGY BERHAD

Type	Announcement
Subject	OTHERS
Description	K-ONE TECHNOLOGY BERHAD ("K-ONE TECH" OR "THE COMPANY") ACQUISITION OF 30% EQUITY INTEREST OF AHM CONSULTANCY & SECURITY SERVICES SDN. BHD. ("AHM") FOR CASH CONSIDERATION OF RM8.7 MILLION ("PROPOSAL")

K-ONE TECHNOLOGY BERHAD ("K-One Tech" or "the Company")

(Company No. 539757-K)

(Incorporated in Malaysia)

1. INTRODUCTION

On behalf of the Board of Directors of the Company, we are pleased to announce that K-One Tech ("Purchaser") has on 17 March 2017 entered into a Share Sale Agreement ("SSA") with the Vendors; namely Datin Sri Fuziah binti Mohd Nor (NRIC No. 540225-05-5254), Dato' Mohammad Fadzlee bin Mustapa (NRIC No. 791221-10-5409) and Mohammed Fadzlan bin Mustapa (NRIC No. 811112-10-5157) to acquire Four Million Five Hundred Thousand (4,500,000) ordinary shares of RM 1.00 each in the capital of AHM Consultancy & Security Services Sdn. Bhd. (Co. No. 328878-W) ("AHM"), representing thirty percent (30%) of the issued and paid-up capital of AHM for a purchase consideration of Ringgit Malaysia Eight Million and Seven Hundred Thousand (RM8,700,000) only.

2. BACKGROUND INFORMATION OF AHM

AHM was founded on 29 December 1994 by its majority shareholder, Dato' Sri Mustapa bin Ali, who is the current President of the Security Services Association of Malaysia (PPKKM) and also the current President of the Asian Professional Security Association (APSA) whose members include China, Japan, Korea, Singapore, Vietnam, amongst others. It has a paid-up capital of Ringgit Malaysia Fifteen Million (RM 15,000,000).

AHM specializes in the provision of security consultancy and services in the likes of static guarding, security patrol, cash-in-transit, armed escort, body guarding and private investigation. It's major customers comprise mainly of government agencies and GLCs.

It is headquartered at Wisma M&F, 27 Jalan USJ 21/11, USJ City Centre, UEP Subang Jaya, Selangor with 12 branches nationwide. It is one the most established and leading security services company in Malaysia.

3. RATIONALE FOR THE PROPOSAL

K-One Tech established in 2001, is a reputable technology solution provider. Its acquisition of AHM would provide synergistic effects and business potential to both parties.

K-One Tech will use its technology expertise to enhance and complement AHM's provision of security services to its customers. It will work with AHM to lace the conventional security service with technology

such as enhancing the monitoring of security guards and strengthening the security of the premises via hardware cum software applications to improve productivity and added safety.

In essence, K-One Tech will have new opportunities in the innovation, development and supply of security related devices and software applications to the security conscious customers through AHM. On the other hand, AHM's security service provision will be enhanced with the integration of technology which fulfils current and impending market demands.

4. SALIENT POINTS OF THE SSA

The purchase consideration is Ringgit Malaysia Eight Million Seven Hundred Thousand (RM 8,700,000) with Ringgit Malaysia Five Hundred Thousand (RM 500,000) to be paid upon signing of the SSA and the balance of Ringgit Malaysia Eight Million Two Hundred Thousand (RM 8,200,000) on completion.

The acquisition is expected to be completed four (4) months from the date of the SSA.

The Vendors have provided profit guarantee of Ringgit Malaysia Fourteen Million (RM 14,000,000) over a period of two (2) years commencing 1 January 2017 to 31 December 2018.

Additionally, K-One Tech has the right to nominate one (1) director to AHM's Board.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of K-One Tech and/or persons connected with them have any interests, direct or indirect in the Proposal.

6. FINANCIAL EFFECTS

The Proposal is expected to have immaterial impact to the earnings per share and the net assets per share of K-One Tech for the financial year ending 2017. There is no impact on the share capital and substantial shareholders' shareholdings in the company as the Proposal is a cash transaction. The purchase consideration will be funded by internally generated funds.

7. APPLICABLE PERCENTAGE RATIOS

Pursuant to Paragraph 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio of the Proposal is 10.2%.

8. APPROVALS REQUIRED

The Proposal does not require approval from the shareholders of K-One Tech or the relevant authorities.

9. DIRECTORS' STATEMENT

Having considered the rationale and the effects of the Proposal, the Board of K-One Tech is of the opinion that the Proposal is in the best interest of the company.

This announcement is dated 17 March 2017.

 **Announcement Info**

Company Name	K-ONE TECHNOLOGY BERHAD
Stock Name	K1
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