

K-ONE TECHNOLOGY BERHAD

(Company No. 539757 - K)

(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting (“EGM”) of the Company held at Greens II, Level 1, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Wednesday, 27 February 2019 at 10.00 a.m.

- Present : Shareholders
As per Attendance List
- Directors
Ir. Edwin Lim Beng Fook - Chairman
Dato’ Martin Lim Soon Seng - Chief Executive Officer
Mr Loi Kim Fah - Independent Non-Executive Director
Mr Goh Chong Chuang - Independent Non- Executive Director
Ms Anita Chew Cheng Im - Independent Non-Executive Director
Dato’ Azlam Shah bin Alias - Independent Non-Executive Director
- Absent with Apologies : Mr Bjorn Braten - Non-Independent Non-Executive Director
- Invitation : As per Attendance List
- In Attendance : Ms Elaine Sin May Peng - Representing the Company Secretary, Ms Wong Youn Kim

1. CHAIRMAN, QUORUM AND NOTICE OF MEETING

The meeting was convened with Ir. Edwin Lim Beng Fook in the Chair.

Upon confirmation by Ms Elaine Sin, representative of the Company Secretary that a quorum was present, the Chairman called the meeting to order and declared the meeting duly convened as the Notice of the EGM dated 12 February 2019 had been circulated to all members of the Company in accordance with the Company’s Articles of Association.

Upon the proposal by the Chairman and seconded by Mr New Jen Kok, the Notice of the meeting was taken as read.

Before proceeding with the Agenda of the EGM, the representative of the Company Secretary was called upon to explain the proceedings of the meeting and voting procedures to the shareholders.

She informed the shareholders that the businesses to be transacted in the EGM involved the moving and passing of three (3) proposed Ordinary Resolutions which required the approval of a simple majority of the members or their proxies present and voting at the meeting.

She said each of the three (3) proposed Ordinary Resolutions would require one proposer and a seconder before the motions were put to the floor to vote; and that pursuant to Paragraph 8.31A of the Listing Requirements of Bursa Malaysia, any resolution set out in the notice of any general meeting or notice of resolution must be voted by way of poll.

The meeting was informed that in order to have smooth proceedings, the meeting would proceed with the questions and answers session first and after having each of the motions properly proposed and seconded accordingly, the poll voting would commence immediately thereafter.

2. **PROPOSED ACQUISITION BY K-ONE TECHNOLOGY BERHAD OF 60% EQUITY INTEREST IN G-ASIAPACIFIC SDN BHD (“GAP”) COLLECTIVELY HELD BY GOH KIANG KIAT, GOH KIANG KIAN AND CHEN KAK TOONG (COLLECTIVELY, “VENDORS”) FOR A TOTAL PURCHASE CONSIDERATION OF RM20,400,000 WHICH WILL BE FULLY SATISFIED IN CASH (“PROPOSED ACQUISITION”)**

Ordinary Resolution 1 – Proposed Acquisition was tabled before the meeting.

The Chairman asked whether there were any questions the shareholders wished to raise regarding the Proposed Acquisition.

The question raised by Mdm Wong Lai Chan, a shareholder, and answer provided in response to the question is as stated below :-

Q1. What is the rationale and objective of the Proposed Acquisition?

A1. The Chairman explained that the Group’s strategy is to diversify into other synergistic technology-based business under the Industry 4.0 ecosystem. With the Proposed Acquisition, the Group would be able to diversify its activities into cloud computing solutions (and development of mobile applications) which is one of 9 “pillars” of Industry 4.0. There are lots of opportunities in cloud computing, as the Group’s primary OEM/ODM business had witnessed an increasing shift towards products which are IoT enabled over the past 2 years which require connectivity through the cloud. Electronic products are increasingly designed with built-in smart sensors which need to be connected through the internet with data stored in the cloud.

The Proposed Acquisition would accelerate the Group’s digital transformation process in order to stay relevant for sustainable growth.

Upon Ordinary Resolution 1 being duly proposed and seconded by Mr Quek Ann Chuan and Mr Loh Wai Keong respectively, the motion to approve the Proposed Acquisition as set out in the notice of meeting would be voted by way of poll.

3. **PROPOSED GRANTING BY GOH KIANG KIAT, GOH KIANG KIAN AND CHEN KAK TOONG (COLLECTIVELY, “VENDORS”) OF A CALL OPTION (“CALL OPTION”) FOR K-ONE TECHNOLOGY BERHAD (“K-ONE TECH”) TO ACQUIRE ALL THE REMAINING EQUITY INTEREST IN G-ASIAPACIFIC SDN BHD (“GAP”) HELD BY THE VENDORS (“OPTION SHARES”) TO K-ONE TECH AND THE GRANTING BY K-ONE TECH OF A PUT OPTION (“PUT OPTION”) FOR THE VENDORS TO SELL ALL THE REMAINING EQUITY INTEREST IN GAP TO K-ONE TECH (“PROPOSED CALL/PUT OPTIONS”)**

Ordinary Resolution 2 – Proposed Call/Put Options was tabled before the meeting.

The Chairman asked whether there were any questions the shareholders wished to raise regarding the Proposed Call/Put Options.

The questions raised by Mdm Wong Lai Chan, a shareholder, and answers provided in response to the questions are as stated below :-

Q1. Please explain the Proposed Call/Put Options?

A1. Mr Leong Siew Yean of Kenanga Investment Bank Berhad, the Principal Adviser for the Proposals explained that the Proposed Call/Put Options is the exercise of the right to acquire the remaining 40% of the equity interest in GAP from the Vendors. Mr Leong Siew Yean said the details of the Proposed Call/Put Options is stated in Section 2 of the Circular to Shareholders dated 12 February 2019 where the Proposed Call Option/Put Option period and price are stated.

Q2. Why is the acquisition of GAP split into 2 phases, i.e. 60% and 40%?

A2. The Chairman explained that the main reason was that the Group wished to familiarise itself with GAP and vice versa before committing fully.

Upon Ordinary Resolution 2 being duly proposed and seconded by Mr Wilson Tham Mun Sheng and Ms Lim Siew Yoon respectively, the motion to approve the Proposed Call/Put Options as set out in the notice of meeting would be voted by way of poll.

4. **PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF K-ONE TECHNOLOGY BERHAD AND ITS SUBSIDIARIES TO INCLUDE PROVISION OF CLOUD COMPUTING SOLUTIONS AND ITS RELATED SERVICES (“PROPOSED DIVERSIFICATION”)**

Ordinary Resolution 3 – Proposed Diversification was tabled before the meeting.

The Chairman asked whether there were any questions the shareholders wished to raise regarding the Proposed Free Warrants Issue.

There were no questions raised.

Upon Ordinary Resolution 3 being duly proposed and seconded by Mr Lim Eng Eng and Mr Goh Hoe Zhe respectively, the motion to approve the Proposed Diversification as set out in the notice of meeting would be voted by way of poll.

The Chairman informed the shareholders that the meeting would proceed with the poll for the Ordinary Resolutions as set out in the Notice of EGM and called upon the representative of the Company Secretary to brief the shareholders on the polling procedures.

5. **BRIEFING BY COMPANY SECRETARY ON POLLING**

The representative of the Company Secretary informed the shareholders that Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn. Bhd.) would conduct the poll and Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd) has been appointed the Scrutineer to verify the poll results.

She then briefed all present at the meeting on the voting procedures which would be conducted manually and said polling would commence immediately after the briefing.

6. **ADJOURNMENT OF MEETING FOR POLL VOTING**

The meeting was adjourned at 10.20 a.m. for the poll voting to commence immediately.

7. **RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS**

The meeting re-convened at 10.35 a.m. for the announcement of the results of the poll voting by the Chairman which is as follows :-

Resolutions	Votes For/Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 Proposed Acquisition	260,644,520	100.00	0	0
Ordinary Resolution 2 Proposed Call/Put Options	260,644,520	100.00	0	0
Ordinary Resolution 3 Proposed Diversification	260,644,520	100.00	0	0

The Chairman declared that the three (3) Ordinary Resolutions were approved by the shareholders.

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY K-ONE TECHNOLOGY BERHAD OF 60% EQUITY INTEREST IN G-ASIAPACIFIC SDN BHD (“GAP”) COLLECTIVELY HELD BY GOH KIANG KIAT, GOH KIANG KIAN AND CHEN KAK TOONG (COLLECTIVELY, “VENDORS”) FOR A TOTAL PURCHASE CONSIDERATION OF RM20,400,000 WHICH WILL BE FULLY SATISFIED IN CASH (“PROPOSED ACQUISITION”)

It was resolved :

THAT subject to the passing of Ordinary Resolution 2 and Ordinary Resolution 3, the relevant conditions as stipulated in the Share Sale Agreement dated 27 August 2018 and supplemental Letter of Agreement dated 25 January 2019 (collectively, “SSA”) between the Company and the Vendors for the Proposed Acquisition being met or waived (as the case may be) and the approvals of all relevant parties and/or authorities being obtained (when required), authority be and is hereby given to the Board of Directors of K-One Technology Berhad (“**Board**”) to acquire from the Vendors, 600,000 ordinary shares in GAP (“**Sale Shares**”), representing 60% equity interest in GAP for a purchase consideration of RM20,400,000 to be fully satisfied in cash in accordance to the terms and conditions of the SSA including any modifications, variations, amendments and additions thereto from time to time in relation to the Proposed Acquisition;

AND THAT the Board be and is hereby authorised to do or procure all acts, deeds and things as are necessary and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect and to complete the Proposed Acquisition, with full power to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Acquisition.

ORDINARY RESOLUTION 2

PROPOSED GRANTING BY GOH KIANG KIAT, GOH KIANG KIAN AND CHEN KAK TOONG (COLLECTIVELY, “VENDORS”) OF A CALL OPTION (“CALL OPTION”) FOR K-ONE TECHNOLOGY BERHAD (“K-ONE TECH”) TO ACQUIRE ALL THE REMAINING EQUITY INTEREST IN G-ASIAPACIFIC SDN BHD (“GAP”) HELD BY THE VENDORS (“OPTION SHARES”) TO K-ONE TECH AND THE GRANTING BY K-ONE TECH OF A PUT OPTION (“PUT OPTION”) FOR THE VENDORS TO SELL ALL THE REMAINING EQUITY INTEREST IN GAP TO K-ONE TECH (“PROPOSED CALL/PUT OPTIONS”)

It was resolved :

THAT subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 3, and subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given for the following:

- (i) granting by K-One Technology Berhad (“**K-One Tech**”) of the Put Option to the Vendors to sell the Option Shares to K-One Tech;
- (ii) upon exercise of the Put Option by the Vendors, for K-One Tech to acquire the Option Shares from the Vendors; and
- (iii) K-One Tech to exercise the Call Option and acquire the Option Shares from the Vendors,

for cash and/or allotment and issuance of new ordinary shares in K-One Tech (“**K-One Tech Shares**” or “**Shares**”) (“**Option Consideration Shares**”) pursuant to the terms and conditions of the Call Option Agreement dated 27 August 2018 as supplemented by the Supplemental Letter of Agreement dated 25 January 2019 and the Put Option Agreement dated 27 August 2018 as supplemented by the Supplemental Letter of Agreement dated 25 January 2019 between K-One Tech and the Vendors;

THAT approval be and is hereby given for the allotment and issuance of the Option Consideration Shares to the Vendors to satisfy the purchase consideration for the acquisition of the Option Shares from the Vendors either in full or in part, where the number of Option Consideration Shares to be allotted and issued shall be determined by K-One Tech;

THAT the Option Consideration Shares shall upon allotment and issuance, rank equally in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the Option Consideration Shares;

AND THAT the Board be and is hereby authorised to do or procure all acts, deeds and things as are necessary and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect and to complete the Proposed Call/Put Options and the acquisition of the Option Shares, with full power to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Call/Put Options.

ORDINARY RESOLUTION 3

PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF K-ONE TECHNOLOGY BERHAD AND ITS SUBSIDIARIES TO INCLUDE PROVISION OF CLOUD COMPUTING SOLUTIONS AND ITS RELATED SERVICES (“PROPOSED DIVERSIFICATION”)

It was resolved :

THAT subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2 and subject to the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to K-One Technology Berhad and its subsidiaries to diversify its principal activities to include provision of cloud computing solution and its related services (“**Proposed Diversification**”);

AND THAT the Board be and is hereby authorised to do or procure all acts, deeds and things as are necessary and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect and to complete the Proposed Diversification, with full power to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Diversification.

8. **TERMINATION OF MEETING**

There being no other business, the meeting ended at 10.40 a.m. with a vote of thanks to the chair.

**CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THEREAT**

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IR. EDWIN LIM BENG FOOK
CHAIRMAN