

OTHERS Expansion Of Product Portfolio - Ventilator In Medical/Healthcare Industry

K-ONE TECHNOLOGY BERHAD

Type	Announcement
Subject	OTHERS
Description	Expansion Of Product Portfolio - Ventilator In Medical/Healthcare Industry

1.Introduction

The World Health Organization (“WHO”) finally declared the Covid-19 outbreak a pandemic on 11 March 2020. It has wreaked havoc in the healthcare system, caused untold misery in the lives of people all over the world and severely disrupted the global economy. K-One Technology Bhd. (“K-One Tech” or “Company”) which has been transforming its Original Design Manufacturer (“ODM”) and Electronic Manufacturing Service (“EMS”) businesses over the last few years had been focusing increasingly in the medical/healthcare industry, exemplified by it being ISO 13485 certified since 2016. In the wake of Covid-19, it had been playing its part in supplying essential medical/healthcare goods in the likes of infusion pump (for dialysis and intravenous (IV) therapy) and thermal scanner systems for supply to hospitals. In this regard, the Company intends to further expand its product portfolio in the medical/healthcare industry in this hour of crisis, both from the business sustainability and corporate social responsibility angles.

Hence, the Board of Directors is pleased to announce that the Company will expand its medical/healthcare product portfolio and intends to venture into the manufacturing of ventilators for supply to hospitals (hereinafter referred to as “Product Portfolio Expansion”). In light of the Covid-19 outbreak, ventilators are in short supply in many parts of the world for use in hospitals to save lives, particularly Covid-19 patients with chronic respiratory illness.

2.Scope Of Work

The Company with its expertise in Design & Development (“D&D”) and vast experience in manufacturing multifarious devices from various business segments, which includes medical/healthcare devices or equipment have recently obtained open source design files of a ventilator model released to interested parties by a multinational in the medical/healthcare industry. The Company is studying the ventilator design and intends to build a prototype and expects to commence manufacturing as soon as permissible, targeting 3Q’20, subject to getting the necessary approvals from the relevant authorities and for Malaysia, amongst which, would include the Medical Device Authority (MDA) under the Ministry of Health, Malaysia.

The ventilator design details is one of a series of models which is marketed by the multinational for a number of years. It is because of the acute shortage of ventilators in the global market and the multinational’s intense sense of corporate social responsibility that it had decided to release the design of this model to interested parties for production under third party name via permissive license to meet the high demand globally. The Company, under its group with ISO 13485 certification specifically meant for medical device manufacturing and Class 10k cleanroom facilities is in a good position to undertake the Product Portfolio Expansion.

3.Financial Effects

The Product Portfolio Expansion is expected to have a positive impact on the earnings and net asset per share of the Company for the financial year ending 31 December 2020 subject to obtaining the necessary approvals from the relevant authorities. The Product Portfolio Expansion will be funded through internally generated funds.

4.Risk Factors

The risks related to the Product Portfolio Expansion includes special expertise and the associated execution risks. Notwithstanding, the Company has over the years established a successful track record in delivering D&D and electronic manufacturing services which would help to mitigate the risks.

5.Directors'And Substantial Shareholders' Interests

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any direct or indirect interest in the Product Portfolio Expansion.

6.Directors' Statement

The Board is of the view that the Product Portfolio Expansion is an extension of its existing coverage of products in the Medical/Healthcare space whilst at the same time, it is able to step up its efforts in the fight against the Covid-19 outbreak by addressing the shortage of ventilators in the medical/healthcare ecosystem.

This announcement is dated 13 April 2020.

Announcement Info

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