

OTHERS K-ONE TECHNOLOGY BERHAD ("K-ONE TECH" OR "THE COMPANY") - ESTABLISHMENT OF JOINT VENTURE ("JV") IN INDONESIA

K-ONE TECHNOLOGY BERHAD

Type	Announcement
Subject	OTHERS
Description	K-ONE TECHNOLOGY BERHAD ("K-ONE TECH" OR "THE COMPANY") - ESTABLISHMENT OF JOINT VENTURE ("JV") IN INDONESIA

1. INTRODUCTION

K-One Tech is pleased to announce that the Company, through its 60% owned subsidiary, G-AsiaPacific Sdn. Bhd. (Company No. 836845-H) ("GAP Malaysia"), subscribed 15% equity interest in a newly incorporated company in Indonesia known as P.T. GAsia Pasific Indo. (Company No. 9120608721886) ("GAP Indo") on 4 September 2019. GAP Indo is a private company limited by shares incorporated under the Indonesian Company Law, with its registered office situated at Jalan Raden Saleh Raya Number 46A, RT.1/RW.2, Cikini, Kec. Menteng, Kota Jakarta Pusat, Daerah Khusus Ibukota Jakarta 10310, Indonesia.

GAP Indo was incorporated for the purpose of forging a joint venture ("JV") cooperation between GAP Malaysia, Mr. Ian Frederick and Mr. Andree Santoso to promote cloud computing solutions in Indonesia.

2. BACKGROUND INFORMATION OF GAP INDO & ITS MAJORITY SHAREHOLDERS

GAP Indo was incorporated in Indonesia on 18 July 2019 with a registered and paid-up capital of Rp10 billion (approximately RM3 million) and Rp2.5 billion (approximately RM0.75 million) respectively. Its shareholding is 15% owned by GAP Malaysia, 50% by Mr. Ian Frederick and the balance of 35% by Mr. Andree Santoso.

GAP Malaysia, a leading cloud solutions provider in Malaysia is a subsidiary of K-One Technology Bhd which has 60% equity ownership with the balance being owned by Goh Kiang Kiat (22%), Goh Kiang Kian (9%) and Chen Kak Toong (9%).

Mr. Ian Frederick, an Indonesian is a serial entrepreneur who co-founded PT Witami Tunai Mandiri, a fledgling Indonesian based e-money and remittance licenced provider in 2013, which is approved by Bank Indonesia. It is the first and the only e-money service with Syariah Certificate in Indonesia. He exited the business through an M&A exercise in 2016 while maintaining his other IT based business. He holds a Bachelor of Honours in Civil Engineering from the University of Sydney, Australia.

Mr. Andree Santoso, an Indonesian has about 20 years of experience in the IT industry. His last position was the Managing Director of Ingenico International Indonesia from 2013 to 2019. He graduated with a BE in Electrical Engineering from Trisakti University, Indonesia and a Master of Management in Information Systems from Bina Nusantara University, Indonesia.

The JV shall serve as a vehicle for GAP Malaysia to promote Amazon, Google and Microsoft's cloud computing solutions in Indonesia. On 7 August 2019, GAP Indo has entered into a Cloud Partner Advantage Program Agreement with Google LLC, US.

3. RATIONALE FOR THE JV

Indonesia is a potentially huge market for cloud computing spurred by the swift growth in internet users and the insatiable appetite for business to embrace digital transformation. GAP Malaysia is a leading cloud technology solution provider in Malaysia which was awarded the Partner of the Year Award for Malaysia in 2018 by Amazon Web Services.

With the vast potential of the cloud market in ASEAN, GAP Malaysia is prepared and has the ability to replicate its success in other countries, targeting its first foray out of Malaysia to be Indonesia. The JV is in line with the business strategy of GAP Malaysia to deliver business expansion both locally and in ASEAN.

4. 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 JV.

5. FINANCIAL EFFECTS

The subscription for the 15% equity interest in the newly incorporated company i.e. GAP Indo is translated to approximately RM 116,280. The JV 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 31 December 2019. The capital injection to subscribe shares in GAP Indo will be funded by GAP Malaysia via its internally generated funds.

6. APPROVALS REQUIRED

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

7. DIRECTORS' STATEMENT

The Board of K-One Tech is of the opinion that the JV is in the best interest of K-One Tech.

This announcement is dated 5 September 2019.

Announcement Info

Company Name	K-ONE TECHNOLOGY BERHAD
Stock Name	K1
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