

OTHERS Setting Up Of New Company In Singapore To Do Cloud Business

K-ONE TECHNOLOGY BERHAD

Type	Announcement
Subject	OTHERS
Description	Setting Up Of New Company In Singapore To Do Cloud Business

1. Introduction

The Board of Directors of K-One Technology Berhad (“K-One Tech” or “Company”) wishes to announce that its 60% owned subsidiary, G-AsiaPacific Sdn. Bhd. (“G-Asia M’sia”) has on 13 May 2020 set up a wholly-owned new company in Singapore by the name of G-AsiaPacific (S) Pte. Ltd. (Registration No. 202013441R) (“G-Asia S’pore”). The issued and paid-up capital of G-Asia S’pore is S\$1,000 and its principal business activity is to provide Cloud technology which comprises infrastructure as a service (“IAAS”), platform as a service (“PAAS”), cloud consultancy and design, software and mobile applications development and Cloud management related services.

2. Rationale For Incorporation Of Company In Singapore

The setting up of the new company in Singapore is to use it as a legal entity to engage with key customer(s) based in Singapore. At the same time, it will also be used as the platform to pitch for other new customers primarily based in Singapore. Recently, it has been observed that the Covid-19 pandemic has catalyzed the multiplying of the number of companies expressing interest to migrate to the Cloud. This phenomena is visible in Singapore, Malaysia and other countries as the Covid-19 has caused an internet boom and high Cloud usage due to a surge in e-meetings, e-commerce, e-learning, e-entertainment and e-games. Many enterprises have resorted to migrating to the Cloud, (if they have not) and for existing customers, increasing their Cloud capacity or bandwidth to cope with increased internet traffic and memory storage, mainly attributed to employees working from home (“WFH”) partaking in e-meetings and remote communication. There is also an upsurge in Cloud usage and demand from the internet based businesses such as e-commerce, e-learning, e-entertainment and e-games as consumer dynamics change to adapt with lockdowns.

G-Asia S’pore and G-Asia M’sia are in good position to take advantage of the new business opportunities presented by the Covid-19 pandemic and the acceptance of the new normal whereby employees and employers alike adjust to home-based working, which is likely to be adopted to some extent moving forward. The Covid-19 pandemic is accelerating the digitalization process for enterprises both large and small, which undeniably is the way forward for business sustainability.

The expansion into Singapore is part of G-Asia M’sia’s overseas business expansion drive following its venture into Indonesia last year. G-Asia M’sia is expected to reach outwards to other ASEAN countries when the opportunity arises in the near future. The 5G roll out and digitalization programs of enterprises in the impending future in ASEAN and Asia in general will see increased speed of Cloud adoption and in-depth use for those already signed up and enjoying its benefits.

3. Financial Effects

The incorporation of G-Asia S’pore will not have any material impact on the issued share capital and net assets of the Company for the financial year ending 31 December 2020 but its subsequent anticipated business is expected to contribute positively to the earnings of the K-One Group. The capital injection in G-Asia S’pore will be funded by G-Asia M’sia via its internal generated funds.

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4. Risk Factors

The incorporation of G-Asia S'pore and its conduct of business will be subjected to the usual business risks. Notwithstanding, the Company has established a successful track record in doing business overseas which will help to mitigate such risks.

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 G-Asia M'sia and/or persons connected with them have any interests, direct or indirect in G-Asia S'pore.

6. Approvals Required

The incorporation of G-Asia S'pore does not require approval from shareholders of the Company or the relevant authorities.

7. Directors' Statement

The Board of K-One Tech is of the opinion that the setting up of G-Asia S'pore is in the best interest of the K-One Group, especially in enabling G-Asia M'sia to continue its overseas expansion drive into the ASEAN region. This move reaffirms G-Asia M'sia's overseas business foray, with its maiden overseas expansion last year in Indonesia and now followed by Singapore.

This announcement is dated 14 May 2020.

Announcement Info

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