

OTHERS Contract Agreement To Provide AWS Cloud Service Between G-AsiaPacific (S) Pte Ltd ("G-AsiaPac Spore") And New Customer Based In Singapore

K-ONE TECHNOLOGY BERHAD

Type	Announcement
Subject	OTHERS
Description	Contract Agreement To Provide AWS Cloud Service Between G-AsiaPacific (S) Pte Ltd ("G-AsiaPac Spore") And New Customer Based In Singapore

1. Introduction

The Board of Directors of K-One Technology Berhad ("K-One Tech" or "the Company" or "the Group") is pleased to announce that on 13 November 2020, G-AsiaPacific (S) Pte Ltd ("G-AsiaPac S'pore") a wholly owned subsidiary of G-AsiaPacific Sdn Bhd, which in turn is wholly owned by K-One Tech, has entered into an agreement to provide Amazon Web Services' ("AWS") cloud services ("Agreement") to a new customer based in Singapore ("Customer") with minimum average contract value of approximately RM10 million per year for 3 years i.e. total of RM30 million, commencing 01 December 2020 till 30 November 2023.

2. Information On G-AsiaPac S'pore & New Customer Based In S'pore

2.1 G-AsiaPac S'pore

G-AsiaPac S'pore is a wholly owned subsidiary of G-AsiaPacific Sdn Bhd, which in turn is wholly owned by K-One Tech. It was incorporated in Singapore on 13 May 2020. Its principal business activity is to provide Cloud technology which comprises infrastructure as a service ("IAAS"), platform as a service ("PAAS"), cloud consultancy and related services and design of software and mobile applications development.

2.2 Customer Based In S'pore

The new customer is based in Singapore. This customer or company, together with its affiliates is one of the world's largest digital stock image agency with an evenly distributed footprint globally.

3. Salient Details Of Contract Agreement To Provide AWS Cloud Services To Customer

The salient points of the Agreement are as follows:

a) Contract Duration and Spend Commitment

The contract is for 3 years commencing 01 December 2020 and expiring on 30 November 2023. The Spend Commitment or value of the contract is approximately RM10 million per year i.e. total of RM30 million for 3 years.

b) Commitment

Customer will incur commitment-eligible fee during each contract year at least equal to the corresponding Spend Commitment. If the commitment-eligible fee incurred during a contract year is less than the corresponding Spend Commitment, Customer will pay G-AsiaPac S'pore a Spend Commitment shortfall payment.

c) Customer & Affiliates

Customer together with its affiliates will be using the services provided under this Agreement. Customer and all of the Affiliates will be jointly and severally liable for all of Customer's obligations under this Agreement.

4. Financial Effects

The Agreement will have immaterial impact on the net assets and gearing of K-One Tech for the financial year ending 31 December 2020 but is expected to contribute positively to the future earnings of the Group.

The execution of the Agreement will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholding in K-One Tech.

5. Risk Factors

K-One Tech does not expect any material risk arising from the Agreement other than the normal business and operational risks such as availability of technical expertise and foreign currency rates fluctuation. K-One Tech and its subsidiaries have established a successful track record in cloud computing and doing business locally and overseas which will help to mitigate such risks.

6. Approvals Required

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

7. Interests Of Directors, Major Shareholders And/Or Persons Connected With Them

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 Agreement.

8. Directors' Statement

The Board is of the opinion that the ratification of this Agreement which is of a substantial contract value of approximately RM10 million per year, for 3 years i.e. total of RM30 million is in the ordinary course of business and also in the best interest of the Group. As the Customer is a well known provider of stock image services worldwide, it will act as a good reference to facilitate the Group's further penetration into the fast growing and huge Cloud computing market in Singapore and South East Asia region.

Announcement Info

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