

OTHERS MANUFACTURING AGREEMENT

K-ONE TECHNOLOGY BERHAD

Type	Announcement
Subject	OTHERS
Description	MANUFACTURING AGREEMENT

1. Introduction

The Board of Directors of K-One Technology Berhad (“K-One Tech”) is pleased to announce that its wholly owned subsidiary company, K-One Resources Sdn. Bhd. (“K-One Res”) has ratified a manufacturing agreement (“Agreement”) with a new customer to manufacture certain model(s) of the customer’s dental water flosser for consumer use.

2. Background of Customer

The customer is part of a US based multinational with sales revenue of USD 3.8 billion in 2017. The customer’s dental water flosser is the no.1 dental water flosser brand in the US and is sold to about 80 countries in the world. The dental water flosser is used by consumers.

3. Financial Effects

Tooling is expected to commence in the first quarter of 2019 which will be followed by manufacturing of the products at the end of the subsequent quarter. The manufacturing of the said product is forecasted to generate sales averaging approximately RM10 million per year, commencing this year, for an initial period of 3 years. The Agreement announced herein will have no effect on the issued capital of the Company and is expected to contribute positively towards the earnings of the K-One Group for the financial year ending 31 December 2019.

4. Risk Factors

Risk factors affecting the Agreement include availability of skilled manpower and materials, changes in pricing, market demand volatility, competition and foreign currency rates fluctuation. Notwithstanding, the K-One Group has established a successful track record in undertaking electronics manufacturing services which would help in mitigating such risks. The Group has incidentally secured FDA (US Food & Drug Administration) approval which is required for manufacturing the said product.

5. Directors’ And Major 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 Agreement.

6. Directors’ Statement

The Board is of the opinion that the ratification of this Agreement is in the best interest of the Company.

This announcement is dated 22 January 2019.

Announcement Info

Company Name	K-ONE TECHNOLOGY BERHAD
Stock Name	K1
Date Announced	22 Jan 2019
Category	General Announcement for PLC
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