

MALAYSIA CORPORATE

Hot Stock

K-One active, jumps 37% on venture into ventilators production

Wong Ee Lin / theedgemarkets.com

April 14, 2020 11:18 am +08



KUALA LUMPUR (April 14): Interest in shares of K-One Technology Bhd surged following the company's announcement yesterday on its venture into making products that are essential in the fight against the Covid-19 pandemic.

The counter rose some 37% earlier this morning before paring gains and was up 4.5 sen or 33.33% at 18 sen at 10.32am. Trading volume in the stock also spiked to 25.41 million, compared with its 200-day average volume of 1.97 million.

On Bursa Malaysia, it is currently the sixth most actively traded counter.

In a filing yesterday, the original design manufacturer and electronic manufacturing service group noted that it had been focusing increasingly on the medical and healthcare industry in the last few years.

The board has decided to expand its product portfolio in the medical and healthcare industry through venturing into the manufacturing of ventilators to supply to hospitals, in view of the shortage of the product, the company added.

K-One has also recently obtained open source design files of a ventilator model released to interested parties by a multinational in the industry, said the company, adding that it is studying the ventilator design and intends to build a prototype and expects to commence manufacturing as soon as permissible, targeting the third quarter of 2020.

For the financial year ended Dec 31, 2019 (FY19), its net profit was up 31.6% to RM6.23 million, from RM5.69 million the previous year, on higher revenue. Its topline grew 10% to RM97.08 million, from RM73.78 million.

Its net profit for the quarter (4Q), however, was down 40.6% to RM1.26 million, from RM2.12 million in the previous year, despite a 42.4% higher revenue at RM26.7 million, from RM18.76 million.

The company explained that the lower profit was due to a RM500,000 one-off loss of its 30% stake in an associate company AHM Consultancy & Security Services Sdn Bhd as well as lower gross profit margin from its electronics manufacturing services (EMS) business, no thanks to the lower margin from the IoT gadgets, weakening of the US dollar in the 4QFY19 and continuous intense marketing exercises overseas.

Read also: K-One ventures into ventilator production amid Covid-19 pandemic