

K-ONE TECHNOLOGY BERHAD

(Company No. 539757 - K)

(Incorporated in Malaysia)

Minutes of the Twentieth Annual General Meeting of the Company held fully virtual via online meeting platform in accordance with the Guidance Note issued by the Securities Commission of Malaysia, from the Broadcast Venue at Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur on Monday, 24 May 2021 at 9.00 a.m.

Present online : Shareholders

Present at Broadcast Venue : Ir. Edwin Lim Beng Fook - Executive Chairman
Mr Choi Keng Mun - Finance Director

Present online : Dato' Martin Lim Soon Seng - Chief Executive Officer
Mr Loi Kim Fah - Independent Non-Executive Director
Mr Goh Chong Chuang - Independent Non- Executive Director
Ms Anita Chew Cheng Im - Independent Non-Executive Director
Dato' Azlam Shah bin Alias - Independent Non-Executive Director
Mr Bjorn Braten - Non-Independent Non-Executive Director
Mr Goo Kok Khian - Chief Operating Officer ("COO")
Mr Andrew Choong - External Auditor from Messrs Baker Tilly Monteiro Heng PLT

In Attendance at Broadcast Venue : Ms Wong Youn Kim - Company Secretary

1. CHAIRMAN, QUORUM AND NOTICE OF MEETING

The meeting was convened with Ir. Edwin Lim Beng Fook in the Chair who welcomed everyone to the Twentieth Annual General Meeting ("AGM") of the Company.

Upon confirmation by Ms Wong Youn Kim, the Company Secretary that a quorum was present at the commencement of the meeting pursuant to Clause 67 of the Company's Constitution, the Chairman called the meeting to order and declared the meeting duly convened as the Notice of the AGM dated 23 April 2021 had been announced on 22 April 2021 and circulated to all members of the Company in accordance with the Company's Constitution.

The Chairman then declared that the Notice of the meeting was taken as read and proceeded to introduce the Board of Directors, Finance Director, COO, Company Secretary and External Auditor.

Before proceeding with the Agenda of the AGM, the Company Secretary was called upon to explain the proceedings of the meeting and online voting procedures to the shareholders.

She informed the shareholders that the businesses to be transacted in the AGM involved the moving and passing of 8 proposed Ordinary Resolutions and that each of the proposed Ordinary Resolution would require the approval of a simple majority of the members or their proxies present and voting in the meeting.

She said each motion would require one proposer and a seconder before the motions were put forward for poll voting, and that in order to facilitate the flow of the meeting, the Chairman who is a member and also proxy holder and Mr Choi Keng Mun who is a member of the Company have offered themselves to be the Proposer and Seconder for all the motions.

She informed that the Company has appointed HMC Corporate Services Sdn Bhd as the Poll Administrator to conduct the polling process and USearch Management Services as the Independent Scrutineer to verify the poll results.

Shareholders were encouraged to participate at the AGM by submitting typed questions in real time and that in order to have smooth proceedings, the Q&A session would be conducted after the polling.

2. AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Chairman informed the meeting that the provision of Section 340(1)(a) of the Companies Act 2016 requires the Audited Financial Statements for the financial year ended 31 December 2020 together with and the Reports of the Directors and Auditors thereon be laid before the Company at the AGM. As such, the agenda was for discussion only and not a business that would require a resolution to be put to vote by members.

The Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' and Auditors Reports were taken as laid before the shareholders pursuant to Section 340(1)(a) of the Companies Act 2016.

3. PAYMENTS OF AGGREGATE DIRECTORS' FEES AND ALLOWANCES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM280,000 FROM 25 MAY 2021 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY, TO BE PAID MONTHLY IN ARREARS AFTER EACH MONTH OF COMPLETED SERVICE

Ordinary Resolution 1 – Approval of payments of aggregate Directors' fees and allowances to the Non-Executive Directors of up to RM280,000 from 25 May 2021 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service ("Payment of Aggregate Directors' fees and allowance") was tabled before the meeting.

Upon Ordinary Resolution 1 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to approve the Payment of Aggregate Directors' fees and allowance of up to RM280,000 would be voted by way of poll.

It was noted that all the Non-Executive Directors, being the interested parties in this resolution, had abstained from deliberation and voting on the resolution.

4. ELECTION OF DIRECTORS

Ordinary Resolution 2 – Re-election of Dato' Lim Soon Seng was tabled before the meeting.

Upon Ordinary Resolution 2 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to re-elect Dato' Lim Soon Seng who was retiring pursuant to Clause 106 of the Company's Constitution would be voted by way of poll.

Ordinary Resolution 3 – Re-election of Mr Goh Chong Chuang was tabled before the meeting.

Upon Ordinary Resolution 3 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to re-elect Mr Goh Chong Chuang who was retiring pursuant to Clause 106 of the Company's Constitution would be voted by way of poll.

Ordinary Resolution 4 – Re-election of Ms Anita Chew Cheng Im was tabled before the meeting.

Upon Ordinary Resolution 3 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to re-elect Ms Anita Chew Cheng Im who was retiring pursuant to Clause 106 of the Company's Constitution would be voted by way of poll.

5. RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 5 – Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration was tabled before the meeting.

Upon Ordinary Resolution 5 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to re-appoint Messrs Baker Tilly Monteiro Heng PLT who have indicated their willingness to continue in office as Auditors of the Company for the financial year ending 31 December 2021 at a remuneration to be fixed by the Directors would be voted by way of poll.

SPECIAL BUSINESS

6. Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 6 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 was tabled before the meeting.

Upon Ordinary Resolution 6 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to authorise the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 as set out in the notice of meeting would be voted by way of poll.

7. Authority for Mr Goh Chong Chuang to Continue in Office as Independent Non-Executive Director

Ordinary Resolution 7 – Authority for Mr Goh Chong Chuang to continue in office as Independent Non-Executive Director of the Company was tabled before the meeting.

Upon Ordinary Resolution 7 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to allow Mr Goh Chong Chuang to continue in office as Independent Non-Executive Director of the Company as set out in the notice of meeting would be voted by way of poll.

8. Authority for Mr Loi Kim Fah to Continue in Office as Independent Non-Executive Director

Ordinary Resolution 8 – Authority for Mr Loi Kim Fah to continue in office as Independent Non-Executive Director of the Company was tabled before the meeting.

Upon Ordinary Resolution 8 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to allow Mr Loi Kim Fah to continue in office as Independent Non-Executive Director of the Company as set out in the notice of meeting would be voted by way of poll.

The Chairman informed the shareholders that as the Company did not receive any notice to transact any other business, the meeting would proceed with the poll for all Ordinary Resolutions as set out in the Notice of AGM and that submission of votes would close at 9.30 a.m.

9. QUESTIONS AND ANSWERS SESSION (“Q&A SESSION”)

The meeting then proceeded with the Q&A Session.

The questions posed by shareholders/proxyholders at the AGM and answers provided by the Chairman in response to those questions are as stated below :-

Q1. Please provide update on the progress of ventilator since the last announcement?

A1. Will give the big picture and then answer the question specifically.

The Company recorded a profit in 1Q’21 while it made a loss in the previous financial year (“FY2020”). Hopefully, the momentum would be maintained. You may refer to the Abridged Annual Report 2020 and note that there are 2 anchor driving engines, i.e. (i) EMS with focus on medical and healthcare products and (ii) Cloud. In 2020, the quarter-to-quarter sales from both anchor driving engines have been on an increasing trend.

As for the EMS business, sales growth momentum is expected to spill over to 2021. With the rollout of COVID-19 vaccines, the global economy is expected to grow although it will be a little uneven and K-One shall be riding on that anticipated uneven growth.

Regarding the Cloud business, it has been increasing in 2 angles, i.e. firstly, recurring business as customers have maintained the “work-from-home” (“WFH”) mode which required them to log-on to Cloud more frequently than normal and secondly, the public are engaging in more online buying/shopping, hence, escalating cloud usage in the e-commerce sector. The increase in Cloud sales is expected to continue moving forward in 2021.

The 3rd engine which is the emerging engine that is going to drive the overall business would be the Company’s own brand of products in the medical devices space which is highly regulated in nature. The groundwork to establish the Company’s own brand of medical devices, which included the nasal/oral swabs and ventilators which took a long time had been mostly done.

The nasal and oral swabs have been approved by MDA for local sale in Malaysia in December 2020. The NASA licensed ventilator is currently at the tail end of the MDA's approval process pending clinical trials and test reports. It is taking a while because it is undergoing the normal approval route which is more stringent than the Emergency Use Authorization ("EUA") or Special Access route.

For export to other countries, these medical devices would also require the approvals from the relevant health authorities of the respective countries where the devices are being sold. The investment community is requested to bear in mind that the Company's own brand of medical devices are considered as new business and therefore, would require time to mature as it is a highly regulated business. However, upon maturity, it is expected to be a long term, sustainable and attractive business. So, meanwhile, "do not miss the forest for the trees" but look at the overall business in a holistic nature, wherein the Company is presently anchored by its 2 primary growth engines; EMS with medical/healthcare bias and Cloud businesses.

Q2. When would shareholders be rewarded with dividend?

A2. The Company does not have a dividend policy. As at 31 December 2020 and even as at 31 March 2021, there was cash and cash equivalent combined (i.e. cash in unit trusts) amounting to approximately RM55 million. The management is glad that during this difficult time, the Group does not have borrowings.

Instead of paying dividend, the management intends to utilise the money to fuel organic growth. It expects sales momentum to escalate in the EMS and Cloud businesses. Although the market (economy) in general is not doing well, the management on the contrary, views it as a good opportunity for K-One to undertake mergers and acquisitions ("M&A") which would be synergistic to its 2 primary engines i.e. EMS and Cloud in the near future.

The Company would certainly revisit shareholders' request for dividend in the near future when the management deems it would be appropriate.

Q3. Could the Board please provide updates on the status of various ventures into medical aids business? Did these medical aids businesses generate any revenue and profits in FY2020? If not, when could these businesses be reasonably expected to generate revenue and profits?

A3. The first part of the question has been answered earlier. In terms of sales and profit from the key medical aids which include nasal/oral swabs and ventilators that were developed last year, there were no sales and profit contribution from these medical aids in FY2020. As explained earlier, the medical devices industry is highly regulated in nature and approvals from the health authorities of the respective countries would be required before they can be sold in the respective country.

In Malaysia, the approval for the nasal swabs was obtained from MDA in September 2020 but the said swab applicator and breakpoint were not suitable for the market in Malaysia as the length was too long and the head diameter was too big for Asians. Having learned from this experience, K-One had re-designed and re-submitted to MDA, 30 new designs with smaller heads and shorter applicators that are suitable for Malaysians and obtained MDA's approvals in December 2020. For your information,

nasal and oral swabs are classified as “Class A” medical devices. K-One could not sell the nasal or oral swabs in 2020 as the MDA approval was only obtained in December 2020.

As for the ventilator, it is a complex and sophisticated machine which K-One has been licensed by NASA-JPL to manufacture and distribute the FDA approved ventilators under EUA. However, the ventilators would still require the approval from the health authorities of the respective countries where the ventilators are to be sold. In Malaysia, the approval from MDA for the ventilator which is classified under “Class C” (i.e. a product which is semi-invasive with high moderate risk) is still pending. Quite a lot of clinical and laboratory tests on the ventilator were required to be conducted. Clinical and simulation tests in collaboration with laboratory to ensure the safety of the ventilator must also be submitted to MDA as safety is paramount.

Although K-One has working ventilators made since last year, it could not launch in the Malaysian market as yet, as approval from MDA is still pending to-date. The management has taken the normal route in the MDA approval application which is a very stringent and tedious process as the ventilator needs to undergo and pass various clinical tests. Be patient as the ventilators, nasal and oral swabs could be used not only for COVID-19 but other diseases during normal times. Business would always be there, although it would have been nice if K-One could sell the ventilators during the pandemic. But the management must ensure that it is done in a proper manner as safety is paramount.

K-One is driven by 2 primary anchor businesses besides its own brand of medical devices which is emerging. K-One’s EMS business has quite a number of medical devices such as infusion pumps systems and dental flossers which are doing well. Now is also exciting time for the Cloud business. So “do not miss the forest for the trees”. Nevertheless, it expects the nasal and oral swabs to turn in revenue this year.

- Q4. Should the Group consider applying for Emergency Use Authorisation (“EUA”) first on order to manufacture and sell the ventilators to capture the recent high demand from countries with high COVID-19 cases?
- A5. This is a good point. Yes, the management has considered it and been looking into this “shorter” route, i.e. the “special access” or “emergency use” approval. The management is still reviewing it as the authorities would impose conditions for such “special access” or “emergency use” approval which may be restrictive and may also carry other major business risks which are not favourable to the Company.
- Q6. Can the management provide some updates on the Company’s business?
- A6. This has been answered earlier. For the information of shareholders/attendees, you may refer to the Company’s announcements on Bursa and K-One’s website for news flash on updates. The Company’s Facebook and LinkedIn also provide updates and information on K-One’s various products and other relevant information.
- Q7. Our Company has no borrowings. That is fantastic and you are very modest about that fact.
- A7. This is a statement and the management wishes to thank you for the compliment.

The management would prefer to use the cash surplus of approximately RM50+ million to grow the business organically as it foresees the escalating sales momentum in 2020 to spill over to 2021. K-One is also on the lookout for M&A which would be synergistic such as medical business or something complimentary to the Cloud business such as cybersecurity.

10. ADJOURNMENT OF MEETING FOR RESULTS OF POLL VOTING

The meeting was adjourned at 10.05 a.m. for the results of the polling voting.

The Company's Corporate Video was presented.

11. RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS

The meeting re-convened at 10.12 a.m. for the announcement of the results of the poll voting by the Chairman which is as follows :-

Resolutions	Votes For/Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	256,477,876	99.9876	31,820	0.0124
Ordinary Resolution 2	291,607,832	99.9998	720	0.0002
Ordinary Resolution 3	291,607,832	99.9998	720	0.0002
Ordinary Resolution 4	291,607,952	99.9998	600	0.0002
Ordinary Resolution 5	291,607,592	99.9997	960	0.0003
Ordinary Resolution 6	291,471,832	99.9473	153,720	0.0527
Ordinary Resolution 7 Tier 1	221,590,351	100.0000	0	0.0000
Ordinary Resolution 7 Tier 2	69,887,481	99.8133	130,720	0.1867
Ordinary Resolution 8 Tier 1	221,590,351	100.0000	0	0.0000
Ordinary Resolution 8 Tier 2	69,887,481	99.8133	130,720	0.1867

The Chairman declared that all eight (8) Ordinary Resolutions were approved by the shareholders.

Ordinary Resolution 1

It was resolved that the payments of aggregate Directors' fees and allowances to the Non-Executive Directors of up to RM280,000 from 25 May 2021 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service be approved.

Ordinary Resolution 2

It was resolved that Dato' Lim Soon Seng who was retiring pursuant to Clause 106 of the Company's Constitution be re-elected as Director of the Company.

Ordinary Resolution 3

It was resolved that Mr Goh Chong Chuang who was retiring pursuant to Clause 106 of the Company's Constitution be re-elected as Director of the Company.

Ordinary Resolution 4

It was resolved that Ms Anita Chew Cheng Im who was retiring pursuant to Clause 106 of the Company's Constitution be re-elected as Director of the Company.

Ordinary Resolution 5

It was resolved that Messrs Baker Tilly Monteiro Heng PLT who have indicated their willingness to continue in office as Auditors of the Company for the financial year ending 31 December 2021 at a remuneration to be fixed by the Directors be approved.

Ordinary Resolution 6

It was resolved that subject always to the Companies Act 2016 ("Act"), Constitution of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities **AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 7

It was resolved that subject to the passing of Ordinary Resolution 3 and pursuant to Clause 107(b) of the Company's Constitution and Practice Note 4.2 of the Malaysian Code on Corporate Governance, approval be and is hereby given for Mr Goh Chong Chuang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.

Ordinary Resolution 8

It was resolved that pursuant to Clause 107(b) of the Company's Constitution and Practice Note 4.2 of the Malaysian Code on Corporate Governance, approval be and is hereby given for Mr Loi Kim Fah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.

12. **TERMINATION OF MEETING**

There being no other business, the meeting ended at 10.15 a.m. with a vote of thanks to the chair.

**CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THEREAT**

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IR. EDWIN LIM BENG FOOK
EXECUTIVE CHAIRMAN