

## **K-ONE TECHNOLOGY BERHAD**

(Company No. 539757 - K)

(Incorporated in Malaysia)

Minutes of the Twenty-First 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, 30 May 2022 at 9.00 a.m.

Present online : Shareholders

Present at Broadcast Venue : Ir. Edwin Lim Beng Fook - Executive Chairman  
Dato' Martin Lim Soon Seng - Chief Executive Officer  
Ms Anita Chew Cheng Im - Independent Non-Executive Director  
Mr Bjorn Braten - Non-Independent Non-Executive Director  
Mr Goo Kok Khian - Chief Operating Officer ("COO")  
Mr Choi Keng Mun - Finance Director

Present online : Mr Loi Kim Fah - Independent Non-Executive Director  
Mr Goh Chong Chuang - Independent Non- Executive Director  
Dato' Azlam Shah bin Alias - Independent Non-Executive Director  
Mr Andrew Choong - External Auditors from Messrs Baker  
Mr Jason Wong - 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 Twenty-First 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 29 April 2022 had been announced on 28 April 2022 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, COO, Finance Director, Company Secretary and External Auditors.

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 Resolutions 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 2021**

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 2021 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 2021 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. PAYMENT OF DIRECTORS' FEES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM330,000 FROM 31 MAY 2022 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 payment of Directors' fees to the Non-Executive Directors of up to RM330,000 from 31 May 2022 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service ("Payment of Directors' fees") 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 Directors' fees of up to RM330,000 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. PAYMENT OF DIRECTORS' ALLOWANCES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM30,000 FROM 31 MAY 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

Ordinary Resolution 2 – Approval of payment of Directors' allowances to the Non-Executive Directors of up to RM30,000 from 31 May 2022 until the next Annual General Meeting of the Company ("Payment of Directors' allowances") 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 approve the Payment of Directors' allowances of up to RM30,000 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.

#### **5. ELECTION OF DIRECTORS**

Ordinary Resolution 3 – Re-election of Mr Loi Kim Fah 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 Loi Kim Fah who was retiring by rotation pursuant to Clause 106 of the Company's Constitution would be voted by way of poll.

Ordinary Resolution 4 – Re-election of Mr Bjorn Braten was tabled before the meeting.

Upon Ordinary Resolution 4 being duly proposed and seconded by the Chairman and Mr Choi Keng Mun respectively, the motion to re-elect Mr Bjorn Braten who was retiring by rotation pursuant to Clause 106 of the Company's Constitution would be voted by way of poll.

#### **6. RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 5 – Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company for the financial year ending 31 December 2022 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 2022 at a remuneration to be fixed by the Directors would be voted by way of poll.

#### **SPECIAL BUSINESS**

##### **7. 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.

##### **8. 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.

9. **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.

10. **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. What is the outlook for the EMS industry?

A1. Moving forward, the outlook for the EMS industry would be challenging due to:

- (i) supply chain disruption – similar as other industries, EMS has been affected by chipset shortages and lead time could extend to more than a year. Hence, it has been and still a challenge for us to fulfil orders and meet delivery deadlines.
- (ii) implementation of minimum wage of RM1,500 per month on 1 May 2022 – the substantial increase in the minimum wage from RM1,200 to RM1,500 per month has substantially and adversely affected labour costs, and in turn margins.
- (iii) logistic costs – our EMS business being export oriented, the substantial increase in logistic/transportation costs in the past 2 years had adversely affected margins and likely to continue with its negative impact.

Nevertheless, the Group is cautiously optimistic as it expects sales growth provided the Russia-Ukraine war does not prolong and spread to Europe. The management would focus more on healthcare and Cloud businesses.

- Q2. Why K-One profit before tax is so thin? Any strategies to improve margins?
- A2. The K-One Group has several anchor businesses; EMS, Cloud and Healthcare. In EMS which was the majority contributor to the total business, due to cost pressure and supply chain problem, the Group had to buy from stockists at inflated prices and this had adversely affected margins which may last for another 12 months. The margins from healthcare are better. As for Cloud, although margins are at an acceptable level, it could be improved with more new development works and new customers with the reopening of the economy. Margins from recurring Cloud sales are fixed.
- Q3. Where do you see sales trending in the next 12 to 24 months?
- A3. Although it has been challenging, overall it has been trending upwards. The Group would focus more on the emerging healthcare business. It would progressively add in more products to boost sales. As for Cloud business, it would be expanded beyond its presence in Singapore and Indonesia and into other countries within the ASEAN region such as Thailand. Indonesia has very good potential for growth. The Cloud business is expected to overtake EMS in the next 2 years due to its good potential.
- Q4. Which part of the business is giving you the most problem?
- A4. EMS is the business that posed the most challenges due to the various challenges such as chipset shortages, increase in minimum wage, supply chain disruption, rising logistic cost and the volatility in the global economy.
- Q5. When can we expect the next dividend payment?
- A5. The Company is not likely to declare any dividend this year as the management intends to utilise the surplus cash within the Group to fuel organic growth especially healthcare and Cloud and also take on M&A which would be synergistic and complimentary to the Group businesses. Once the Group has grown to a significant size, then the Company would declare dividend for the shareholders.
- Q6. At what stage (may be in term of percentage) the development on the ventilator has achieved? How much MIDA Grant has been utilised as at to date?
- A6. The development of the ventilator is progressing well. As it is a Class C medical device, i.e. a semi-invasive medical device, it needs to go through numerous clinical trials/tests to ensure that it is safe for use. Therefore, the management would need to work on this with care and have collaborated with 2 prestigious universities in Malaysia to conduct the tests on the ventilator which would be branded as “Medkaire”. Once the clinical trials are completed in the next few months, the application to MDA for its final approval would be submitted. Applications in conjunction with clinical trials are planned for submission for FDA and CE approvals which are necessary for the export markets. The development of the ventilator has taken a long time as it must ensure that the device is safe for use as safety is of utmost importance. The ventilator business is for long term and does not depend on COVID-19 only as the device can be used for other respiratory diseases or in aiding breathing difficulty.

The Company is thankful for the MIDA Grant. It is progressing well and the management had submitted claims for work done based on milestones achieved.

10. **ADJOURNMENT OF MEETING FOR RESULTS OF POLL VOTING**

The meeting was adjourned at 9.50 a.m. for the results of the polling voting.

The Company's Corporate Slides were presented.

11. **RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS**

The meeting re-convened at 9.56 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	250,736,273	99.9414	147,022	0.0586
Ordinary Resolution 2	250,730,273	99.9390	153,022	0.0610
Ordinary Resolution 3	285,971,431	99.9903	27,720	0.0097
Ordinary Resolution 4	285,971,449	99.9903	27,702	0.0097
Ordinary Resolution 5	285,972,551	99.9907	26,600	0.0093
Ordinary Resolution 6	285,794,049	99.9283	205,102	0.0717
Ordinary Resolution 7 Tier 1	235,390,351	100.0000	0	0.0000
Ordinary Resolution 7 Tier 2	50,580,980	99.9450	27,820	0.0550
Ordinary Resolution 8 Tier 1	235,390,351	100.0000	0	0.0000
Ordinary Resolution 8 Tier 2	50,581,080	99.9452	27,720	0.0548

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

**Ordinary Resolution 1**

It was resolved that the payment of Directors' fees to the Non-Executive Directors of up to RM330,000 from 31 May 2022 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 the payment of Directors' allowances to the Non-Executive Directors of up to RM30,000 from 31 May 2022 until the next Annual General Meeting of the Company be approved.

**Ordinary Resolution 3**

It was resolved that Mr Loi Kim Fah who was retiring by rotation pursuant to Clause 106 of the Company's Constitution be re-elected as Director of the Company.

**Ordinary Resolution 4**

It was resolved that Mr Bjorn Braten who was retiring by rotation 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 2022 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 Act to issue and allot new 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 during the preceding twelve (12) months pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury 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 pursuant to Clause 107(b) of the Company's Constitution and Practice Note 4.2 of the Malaysian Code on Corporate Governance 2017, 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 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 2017, 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 10.00 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**