

MALAYSIA CORPORATE

# K-One to become majority shareholder of Indonesian cloud computing solutions provider

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KUALA LUMPUR (Sept 15): ACE Market-listed K-One Technology Bhd is set to become a majority shareholder of Indonesian-based cloud computing solutions provider PT Gasia Pasific Indo, by raising its stake in the joint venture (JV) to 51% from 15%.

In a Bursa Malaysia filing, the technology solutions provider said its wholly owned subsidiary G-AsiaPacific Sdn Bhd (GAP) has entered into a term sheet with PT Gapura Manajemen Servis (GMS) to purchase 36% equity interest in Gasia Pasific Indo for RM4.6 million.

K-One said the price consideration is determined by the price-to-sales ratio of 2.3 based on Gasia Pasific Indo's audited financial statements for the financial year ended Dec 31, 2021.

"The purchase consideration was arrived at after arm's length negotiations between the purchaser and the vendor and was determined with reference to the future prospects and potential contributions of Gasia Pasific Indo," it said, adding that the consideration is to be financed via internally generated funds.

In 2019, GAP subscribed to a 15% equity interest in Gasia Pasific Indo to form the JV with GMS to promote cloud computing solutions in Indonesia. GMS held the remaining 85% stake in the JV.

K-One said the move to up its stake in Gasia Pasific Indo to 51% is in line with its ongoing cloud business expansion plan in Indonesia, in view of Indonesia's cloud market being one of the fastest growing in the Asia-Pacific region.

"In addition, the multinational cloud partners of GAP, namely AWS, Google, Microsoft and Alibaba, have big footprints in Indonesia for good reasons. In this regard, the K-One Group should ride with these cloud giants to take its share of the burgeoning Indonesian cloud market.

"The conversion of Gasia Pasific Indo from an investment to subsidiary will enable the K-One Group to consolidate the top and bottom lines of Gasia Pasific Indo into its holding financial results ultimately, thus realising the potential benefits of the high cloud growth in Indonesia," the group added.

K-One reasoned that as the group and GMS would hold "meaningful and about equal stakes" in Gasia Pasific Indo, they would both be equally incentivised to charter the JV's next phase of growth with each party leveraging their respective expertise to the best of their abilities.

"GMS and its shareholders will focus on developing the business through their wide network while GAP will provide the technical and operational support to secure the business," it added.

Shares in K-One closed down half a sen or 4.55% to 10.5 sen on Thursday (Sept 15), giving the group a market capitalisation of RM87.36 million.

*Edited by S Kanagaraju*



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