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Tech

K-One to conduct cloud computing business in Vietnam

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KUALA LUMPUR (Oct 20): K-One Technology Bhd is planning to form a joint venture (JV) company in Vietnam to conduct cloud computing business.

K-One's wholly-owned unit G-AsiaPacific Sdn Bhd (GAP) inked an agreement with Vietnet Distribution Joint Stock Company (Vietnet) on Thursday (Oct 20), according to a bourse filing.

The proposed name for the JV company is G-AsiaPacific (Vietnam) Ltd Liability Company – which will be 51%-owned by GAP and the remaining 49% will be owned by Vietnet.

The initial capital contribution of the JV will be US\$300,000, where GAP will contribute US\$153,000 for its 51% shareholding, while Vietnet contributes US\$147,000 for its 49% shareholding.

According to K-One, the cloud market in Vietnam is one of the fastest growing in Asean, driven by its accelerating digital transformation.

“In addition, the multinational cloud computing (cloud) partners of GAP; namely AWS, Google and Microsoft, have big footprints in Vietnam for good reasons. In this regard, the K-One group should ride with these cloud giants to take its share of the fast-rising Vietnamese cloud market,” it said.

The group said Vietnet will focus on developing the business through their wide network, while GAP will provide the technical support to secure the business.

Further, the proposed JV is expected to contribute positively to K-One's earnings for the financial year ending Dec 31, 2023 (FY23).

K-One group is anchored by two main businesses, the electronic manufacturing services (EMS) and cloud. The current sales contribution ratio for EMS is 60%, while cloud is 40%.

Shares of K-One closed unchanged at 10.5 sen on Thursday, with a market capitalisation of RM83.72 million.

Edited by Esther Lee