

K-ONE TECHNOLOGY BERHAD
Registration No. 200101004001 (539757-K)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company held fully virtual via online meeting platform from the Broadcast Venue at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Monday, 23 December 2024 at 9.00 a.m.

Present online : Shareholders, Proxies and Corporate Representatives (collectively, “the 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
Dato’ Azlam Shah bin Alias - Independent Non-Executive Director
Mr Edward Ka Yen Chee - Independent Non-Executive Director

Mr Goo Kok Khian - Chief Operating Officer (“COO”)
Mr Choi Keng Mun - Senior Finance Director
Ms Caris Lim Soh Choon - Associate Finance Director

Ms Liew Fui Li - Representative of the Company Secretary

Present online : Mr Edwin Wong Jit Hui - Representative of the Principal Adviser, Malacca Securities Sdn. Bhd.
Ms Phang Li Yen - Representative of the Principal Adviser, Malacca Securities Sdn. Bhd.

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 Extraordinary General Meeting (“EGM” or “the meeting”) of K-One Technology Berhad (“K-One” or the “Company”).

The Chairman, having confirmed with Ms Liew Fui Li (“Ms. Liew”), the Representative of the Company Secretary that a quorum was present at the commencement of the meeting pursuant to Clause 67 of the Company’s Constitution, called the meeting to order at 9.00 a.m.

The Chairman informed the shareholders that the notice of the EGM dated 6 December 2024 (“the Notice”) had been announced on 5 December 2024 and published in the newspaper on 6 December 2024. The Notice, having been circulated earlier to the shareholders of the Company was taken as read.

The Chairman proceeded to introduce to the shareholders the Board of Directors, COO, Senior Finance Director, Associate Finance Director, Representative of the Company Secretary and Representatives of the Principal Adviser, Malacca Securities.

Before proceeding with the Agenda of the EGM, the Company Secretary was called upon to brief the shareholders on the housekeeping procedures pertaining to the fully virtual EGM in tabling and approving the resolution via online remote polling platform.

The salient points were as follows:

- (1) The business to be transacted at the EGM was an **Ordinary Resolution** in relation to the Proposed Free Warrants Issue. This resolution should be put to vote by way of poll. It required the approval of a simple majority of the shareholders or their proxies who were present and voting at the meeting.

- (2) The motion of the resolution required a Proposer and a Secunder to move and second it before it was put forward for voting by poll. With a view to facilitate the flow of the meeting, the Chairman who is a shareholder and also proxy holder and Mr Choi Keng Mun who is a shareholder of the Company offered themselves to be the Proposer and Secunder for the motion.
- (3) The Chairman would present the agenda and follow with a Questions and Answers Session (“Q&A Session”). The Polling Session will be opened after the Q&A Session is closed. Notwithstanding that the voting link was available from the commencement of the meeting, shareholders could cast their votes online throughout the meeting until the Chairman announces that the Polling Session has ended.
- (4) Shareholders were encouraged to participate at the EGM by submitting typed questions in real time. The shareholders were briefed on the procedure to submit their questions.
- (5) The shareholders were briefed on the online polling procedures.
- (6) The Company had appointed Acclime Corporate Services Sdn Bhd as the Poll Administrator to conduct the polling process and USearch Corporate Services Sdn Bhd as the Scrutineer to supervise the polling process and verify the poll results.

2. **ORDINARY RESOLUTION - PROPOSED FREE WARRANTS ISSUE**

The Chairman proceeded to the agenda, the Ordinary Resolution on the Proposed Free Warrants Issue.

With the Ordinary Resolution being duly proposed and seconded, the Chairman put the following Ordinary Resolution to the meeting for consideration: -

Ordinary Resolution

PROPOSED FREE WARRANTS ISSUE OF UP TO 208,001,732 FREE WARRANTS D IN K-ONE TECHNOLOGY BERHAD (“K-ONE” OR THE “COMPANY”) (“WARRANTS D”) ON THE BASIS OF 1 WARRANT D FOR EVERY 4 EXISTING ORDINARY SHARES IN K-ONE (“K-ONE SHARES” OR “SHARES”) HELD BY SHAREHOLDERS WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED BY THE BOARD AND ANNOUNCED BY THE COMPANY AT A LATER DATE (“ENTITLEMENT DATE”) (“ENTITLED SHAREHOLDERS”) (“PROPOSED FREE WARRANTS ISSUE”)

THAT subject to the approvals of all relevant authorities and/or parties (where applicable), authority be and is hereby given to the Board to allot and issue up to 208,001,732 Warrants D on the basis of 1 Warrant D for every 4 existing K-One Shares held by the Entitled Shareholders on the Entitlement Date;

THAT the Board be and is hereby authorised to enter into and execute the deed poll constituting the Warrants D (“**Deed Poll D**”) with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll D;

THAT the Board be and is hereby authorised to allot and issue such appropriate number of Warrants D in accordance with the provisions of the Deed Poll D and where required, to adjust the exercise price and/or the number of Warrants D to be issued (including, without limitation, any additional Warrants D as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll D;

THAT the Board be and is hereby authorised to allot and issue such appropriate number of new Shares pursuant to the exercise of the Warrants D or additional Warrants D issued pursuant to adjustments as provided for under the Deed Poll D by the holders of the Warrants D in accordance with the provisions of the Deed Poll D;

THAT in determining the entitlements under the Proposed Free Warrants Issue, fractional entitlements, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company;

THAT the new K-One Shares to be issued pursuant to the exercise of the Warrants D shall, upon allotment, issuance and full payment of the exercise price, rank equally in all respects with the existing K-One Shares, save and except that the new K-One Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the new K-One Shares;

THAT the Board be and is hereby authorised to use the proceeds to be raised from the exercise of the Warrants D for such purposes and in such manner as set out in **Section 2.6** of the circular to shareholders of the Company dated 6 December 2024 (“**Circular**”), and the Board be authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Free Warrants Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Free Warrants Issue.

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

After tabling the resolution, the meeting moved on to the Q&A Session.

Ms Liew informed the Chairman that the Company had received the following 2 questions from the shareholders before the meeting:

- Q1. Is the company going to hold both physical and virtual meetings next year?
- Q2. What are the rationales behind the Proposed Free Warrants Issue? Aren't there alternative ways that K-One could do to reward the shareholders apart from issuing free warrants that might lead to potential dilution of the existing shareholders' shareholding percentage? Additionally, warrants do not provide shareholders with any increased voting rights.

The Chairman's reply to the questions were noted below:

- A1. Pursuant to the joint announcement made by the Securities Commission Malaysia and Bursa Malaysia Securities Berhad on 30 August 2024, all public listed companies are required to hold either hybrid or physical general meetings starting 1 March 2025. Hence, K-One will hold physical general meetings next year and onwards.
- A2. The rationales for the Proposed Free Warrants Issue are as follows:-
1. It enables shareholders to participate in the Company's convertible securities, which are tradable on the ACE Market of Bursa Securities without incurring any cost.
 2. It provides shareholders with the opportunity to increase their equity participation in K-One at the pre-determined exercise price that is 20 sen over the 3-year tenure of the Warrants D.
 3. It allows shareholders to further participate in the future growth of K-One when the Warrants D are exercised.
 4. It strengthens the Company's capital base and shareholders' funds as well as providing working capital for the Group when the Warrants D were exercised. So, it is a win-win situation for both the shareholders and the Company.

Pertaining to the concern on the dilution to the percentage of shareholdings of K-One's shareholders, the Chairman informed that K-One had carefully structured the number of Warrants D issued and the exercise price to minimize the potential of excessive dilution. The significant upside potential from successful business growth and the exercise of Warrants D is expected to outweigh the dilution effect for the existing shareholders.

As regards to the alternative forms that K-One could consider in rewarding its shareholders, the Chairman informed that apart from the free warrants, K-One might consider other mechanisms, such as share buy-backs and dividends in the future.

In terms of voting right, the Chairman informed that upon the conversion of warrants into shares, the new shares are granted the same voting rights as with the existing issued shares.

The following questions posed by the Shareholders during the EGM and were duly answered by the Chairman:

- Q3. Section 2.3 - The exercise price of the Warrants D, set at RM0.20, represents a premium of RM0.0364, or approximately 22.25%, over the 5D-VWAMP of K-One Shares. Could the Board consider revisiting the exercise price and setting it at a discount to provide shareholders with a more favorable entry point for subscribing to new K-One Shares?
- A3. The Management believed that the exercise price of the Warrants D at RM0.20 is a fair price as K-One's shares were undervalued at the prevailing time. The share price was expected to increase in tandem with the Company's growth prospects moving forward. Therefore, RM0.20 was considered a fair value. The Management was confident that it represented a realistic and "good" price for shareholders to convert their warrants into shares in the future.
- Q4. Would the Board consider giving door gift, e-voucher, or e-wallet as a token of appreciation to shareholders who attend this EGM?

- A4. The Management took note of the shareholders' request for door gifts and the likes. However, the Management prefers other ways to show appreciation to shareholders such as the bonus issue of warrants itself.
- Q5. What are the latest updates on the prospects of the K-One Group across its various revenue streams and operational segments?
- A5. K-One currently stands on 3 core businesses: a) Electronics Manufacturing Services ("EMS") which has been its core business for almost 24 years, b) Cloud business since about 6 years ago with the acquisition of 60% equity of G-AsiaPacific (GAP) and a year later acquired the balance of 40%, making GAP its wholly-owned subsidiary, and c) Healthcare business, which it diversified into recently that is emerging with a lot of growth prospects.

(a) EMS

EMS business has been very challenging with its share of ups and downs over the years. K-One's manufactured products and development/design services are export oriented with more than 95% geared for Europe, US, North Asia and Oceania. At this point in time, the EMS business looks promising in the horizon despite operating on the backdrop of a volatile USD/MYR situation. Looking forward to next year, the Management expects the EMS business to grow substantially. With the acceleration of the US-China trade war catalyzed by President-elect Trump to increase significantly tariffs on goods originating from China, the Chairman opined that some of the China manufacturers would move their production out of China, at least partially, and Malaysia would be one of their preferred destinations. He believes that K-One will stand a good chance to gain from the manufacturing relocation from China, be it from China manufacturers or diversion of current manufacturing in China by US or European multinationals/conglomerates. K-One is in negotiation with a few parties in this regard. If successful, it is expected to substantially increase K-One's business moving forward.

(b) Cloud Computing

K-One is currently doing well in the Cloud business. The immediate outlook is getting to be even more exciting and promising due to the rapid expansion of data centers in Malaysia. Malaysia is now a super-hub for data centers, all the big boys are coming in. AWS, Google, Microsoft, and Oracle are setting up data centers in Malaysia. This has opened new doors for GAP, especially in the public and financial sectors as these 2 sectors require local data residency. He foresees that the Cloud business will grow even further next year because K-One is one of the strategic partners of these big boys which included AWS and Google. Cloud computing is still very new in many of the ASEAN countries. K-One has reached out to ASEAN countries by establishing operations in Vietnam, Indonesia and Singapore. Hence, the growth will not just be powered by the business in Malaysia but also by business coming in from Indonesia, Vietnam and Singapore which have huge potential. Of course, it is highly competitive, but the challenges will be managed wisely. He foresees and expects continued high growth in the Cloud computing business moving forward.

(c) Healthcare

In this sector, K-One primarily distributes hygiene-care products, medical devices and healthcare consumables. It is supplying hygiene-care products to both public and private hospitals, F&Bs and the hospitality industry, while healthcare consumables and specific medical devices are sold to the general public thru' pharmacies and online platforms. The barriers to entry in this business is high, as it requires certifications and approvals from the relevant authorities under the Health Ministry. Hence, it can command high profit margins with significant long-term growth prospects.

4. **POLLING SESSION**

The meeting proceeded to the Polling Session. As the voting link had been opened at the commencement of the meeting for shareholders to submit their votes throughout the meeting, the shareholders were allowed for another 5 minutes to submit their votes before the Chairman declaring the end of the Polling Session.

After the Polling Session ended, the meeting was adjourned for 10 minutes until the Poll Administrator namely, Acclime Corporate Services Sdn Bhd had completed the vote counting. The polling process was supervised by the scrutineer, namely USearch Corporate Services Sdn Bhd.

5. **ANNOUNCEMENT OF POLL RESULTS**

The meeting was resumed for declaration of the poll results.

The results of the poll voting were announced by the Chairman as follows:

Resolution	Votes For/Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution	274,794,799	99.9785	59,222	0.0215

Based on the poll results, the Chairman declared that the Ordinary Resolution on the Proposed Free Warrants Issue was **CARRIED** by a majority of votes.

6. **TERMINATION OF MEETING**

The meeting ended at 9.50 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

Date: 23 December 2024