



K-One Technology Berhad

[Registration No. 200101004001 (539757-K)]

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**

**Condensed Consolidated Statements of Comprehensive Income
For The Fourth Quarter Ended 31 December 2024**

Figures in RM'000	3 months ended		12 months ended	
	31.12.2024 Unaudited	31.12.2023 Unaudited	31.12.2024 Unaudited	31.12.2023 Audited
Operating revenue	54,056	40,635	201,724	167,250
Cost of sales	(47,972)	(31,372)	(172,248)	(144,354)
Gross profit	6,084	9,263	29,476	22,896
Other income	991	204	522	819
Interest income	632	227	1,254	783
Operating expense	(8,641)	(7,922)	(29,380)	(24,350)
(Loss)/Profit before tax	(934)	1,772	1,872	148
Income tax credit/(expense)	77	815	(1,253)	84
(Loss)/Profit for the period	(857)	2,587	619	232
Non-controlling interests	266	152	(418)	118
(Loss)/Profit after tax after non-controlling interests	(591)	2,739	201	350

(Loss)/Profit attributable to:

Owners of the Parent	(591)	2,739	201	350
Non-controlling interests	(266)	(152)	418	(118)
	(857)	2,587	619	232

(Loss)/Earnings per share
(LPS)/EPS attributable to
owners of the Parent (sen):

Basic (LPS)/EPS	(0.07)	0.33	0.02	0.04
Diluted (LPS)/EPS	(0.07)	0.33	0.02	0.04

**Condensed Consolidated Statements of Comprehensive Income
 For The Fourth Quarter Ended 31 December 2024 (Cont'd)**

Figures in RM'000	3 months ended		12 months ended	
	31.12.2024 Unaudited	31.12.2023 Unaudited	31.12.2024 Unaudited	31.12.2023 Audited
(Loss)/Profit for the period	(857)	2,587	619	232
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	237	77	(314)	37
Total comprehensive (loss)/income	(620)	2,664	305	269

Total comprehensive (loss)/income attributable to:

Owners of the Parent	(354)	2,816	(113)	387
Non-controlling interests	(266)	(152)	418	(118)
	(620)	2,664	305	269

The above condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As At 31 December 2024

Figures in RM'000	Unaudited 31.12.2024	Audited 31.12.2023
ASSETS		
<i>Non-Current Assets</i>		
Property, plant and equipment	17,732	19,329
Intangible assets	3,692	2,068
Goodwill on consolidation	22,676	22,676
Investment property	4,440	4,536
Deferred tax assets	4,842	3,302
Total Non-Current Assets	53,382	51,911
<i>Current Assets</i>		
Inventories	24,044	33,049
Trade receivables	37,109	29,185
Other receivables	11,162	4,599
Contract assets	6,535	3,943
Tax recoverable	759	744
Short term cash investments	5,666	8,634
Cash and bank balances	47,973	39,924
Total Current Assets	133,348	120,078
TOTAL ASSETS	186,730	171,989

EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	123,644	123,644
Reserves	(316)	(2)
Non-controlling interests	1,674	1,454
Retained earnings	(8,439)	(8,640)
Total Equity	116,563	116,456

**Condensed Consolidated Statements of Financial Position
As At 31 December 2024 (Cont'd)**

Figures in RM'000	Unaudited 31.12.2024	Audited 31.12.2023
EQUITY AND LIABILITIES (Cont'd)		
<i>Non-Current Liabilities</i>		
Other payable	33	33
Lease Liability	221	447
Total Non-Current Liabilities	254	480
<i>Current Liabilities</i>		
Trade payables	42,155	35,369
Other payables and accruals	6,756	6,313
Contract liabilities	19,123	13,024
Lease liability	226	211
Tax payable	1,653	136
Total Current Liabilities	69,913	55,053
Total Liabilities	70,167	55,533
TOTAL EQUITY AND LIABILITIES	186,730	171,989
Net assets per share attributable to Owners of the Parent (sen)	14.01	14.00

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statements of Changes in Equity
 For The Fourth Quarter Ended 31 December 2024**

	←----- Attributable to Owners of the Parent----->					Non-controlling Interests	Total Equity
	Share Capital	Non-distributable Foreign Currency Translation Reserve	Other Reserve	Distributable Retained Earnings	Sub-Total		
Figures in RM'000							
At 1 January 2024	123,644	(2)	-	(8,640)	115,002	1,454	116,456
Comprehensive income							
Profit for the period	-	-	-	201	201	418	619
Other comprehensive loss							
Foreign currency translation difference	-	(314)	-	-	(314)	(198)	(512)
Total comprehensive (loss)/Income	-	(314)	-	201	(113)	220	107
At 31 December 2024	123,644	(316)	-	(8,439)	114,889	1,674	116,563

**Condensed Consolidated Statements of Changes in Equity
For The Fourth Quarter Ended 31 December 2023 (Cont'd)**

Figures in RM'000	←----- Attributable to Owners of the Parent ----->					Non-controlling Interests	Total Equity
	←----- Non-distributable ----->			----- Distributable -----			
	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Retained Earnings	Sub-Total		
At 1 January 2023	123,644	(40)	-	(8,990)	114,614	1,572	116,186
Comprehensive Income							
Profit for the period	-	-	-	350	350	(118)	232
Other comprehensive income							
Foreign currency translation difference	-	38	-	-	38	-	38
Total comprehensive income	-	38	-	350	388	(118)	270
At 31 December 2023	123,644	(2)	-	(8,640)	115,002	1,454	116,456

The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statements of Cash Flows
For The Fourth Quarter Ended 31 December 2024**

Figures in RM'000	12 months ended	
	31.12.2024	31.12.2023
CASH FLOW FROM OPERATING ACTIVITIES		
<i>Profit before taxation</i>	1,872	148
Adjustments for:		
Amortisation of computer software	16	16
Depreciation of property, plant and equipment	3,259	2,780
Depreciation of investment property	96	96
Fair value gain on short term cash investment	(35)	(59)
Interest income	(1,254)	(783)
Foreign exchange gain – unrealized	(277)	(583)
Interest expense on lease liabilities	37	4
Inventories written down	-	508
Impairment loss on trade receivables	-	290
Operating profit before working capital changes	3,714	2,417
Changes in working capital:		
Decrease/(Increase) in inventory	9,005	(25)
(Increase)/Decrease in receivables	(17,079)	11,416
Increase in payables	13,328	2,651
Net cash generated from operations	8,968	16,459
Taxation paid	(1,643)	(748)
Interest received	1,254	783
<i>Net cash generated from operating activities</i>	8,579	16,494
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption/(Placement) of short-term cash fund	2,968	(3,500)
Placement of deposits with licensed bank	(654)	-
Acquisition of a subsidiary	-	(4,587)
Capitalisation of intangible assets	(1,640)	(2,019)
Purchase of property, plant and equipment	(1,662)	(4,405)
<i>Net cash used in investing activities</i>	(988)	(14,511)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on lease liabilities	(37)	(4)
Payment of lease liabilities	(211)	(16)
<i>Net cash used in financing activities</i>	(248)	(20)

**Condensed Consolidated Statements of Cash
 Flows For The Fourth Quarter Ended 31 December
 2024 (Cont'd)**

Figure in RM'000	12 months ended	
	31.12.2024	31.12.2023
Net increase in cash and cash equivalents	7,343	1,963
Effect of exchange rate changes	52	586
Cash and cash equivalents at beginning of the financial year	17,950	15,401
CASH AND CASH EQUIVALENT AT END OF THE PERIOD	25,345	17,950

COMPOSITION OF CASH AND CASH EQUIVALENTS

Figure in RM'000	12 months ended	
	31.12.2024	31.12.2023
Cash and bank balances	25,345	17,950
Deposit placed with licensed banks	22,628	21,974
	47,973	39,924
Less: Non-short term fixed deposits	(22,628)	(21,974)
	25,345	17,950

The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

Part A: Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”) - Interim Financial Reporting

1. BASIS OF PREPARATION

The interim financial statements are unaudited and has been prepared in accordance with MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) for the ACE Market and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December 2023.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the following Malaysian Financial Reporting Standards (MFRSs) and IC Interpretations (IC Int):

Amendments/Improvements to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The audited financial statements of the preceding financial year were not subjected to any qualification.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The K-One Group’s Electronics Manufacturing Services (EMS) business is predominantly export-oriented (98.0% export in 4Q’24; 99.5% export in 4Q’23) and is subject to seasonal fluctuations. Business in the second half of the year is normally stronger than the first half due to surge in demand attributed mainly to the consumer electronics market in conjunction with Christmas and New Year seasons overseas.

Revenue contribution from the Cloud Computing (Cloud) business is mainly derived from Malaysia with growing contributions from Singapore, Indonesia and Vietnam. Cloud revenue is not subject to any obvious seasonality.

4. UNUSUAL ITEM DUE TO THEIR NATURE, SIZE OR INCIDENCE

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows to the effect that is unusual in nature, size or incidence.

5. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the financial year-to-date results.

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the period.

7. DIVIDENDS PAID

No dividend was paid during the quarter under review.

8. Notes to Consolidated Statement of Comprehensive Income

Figures in RM'000	3 months ended		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Amortisation of computer software	(4)	(4)	(16)	(16)
Depreciation of:				
-property, plant and equipment	(1,031)	(818)	(3,259)	(2,780)
-investment property	(24)	(24)	(96)	(96)
Inventories written down	-	(508)	-	(508)
Foreign exchange (loss)/gain				
- realized	13	(83)	(1,152)	(565)
- unrealized	782	(166)	277	583
Fair value gain on short term cash investment	9	-	35	-
Interest income	632	227	1,254	783
Interest expense on lease liabilities	(9)	-	(37)	-

9. SEGMENT INFORMATION

Segment information is provided based on contribution by activities, sales contribution by geography and sales by major customers. Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the segments are presented under unallocated expenses, assets and liabilities respectively.

(a) Contribution by Activities

	Research, D&D and Sales RM'000	Manu- facturing RM'000	Cloud RM'000	Invest- ment Holding RM'000	Total RM'000
Sales					
External sales	1,041	19,169	33,846	-	54,056
Internal sales	-	-	-	-	-
Total operating sales	1,041	19,169	33,846	-	54,056
Others and interest income	150	916	312	245	1,623
	1,191	20,085	34,158	245	55,679
Results					
Segment results	295	(1,161)	(50)	(18)	(934)
Finance costs	-	-	-	-	-
Income tax (expense)/credit	(23)	200	(100)	-	77
(Loss)/Profit after tax before non-controlling interests	272	(961)	(150)	(18)	(857)
Non-controlling interests	-	-	266	-	266
(Loss)/Profit after tax after non-controlling interests	272	(961)	116	(18)	(591)
Other information					
Segment assets	41,538	71,972	56,819	10,841	181,170
Unallocated assets					5,560
					186,730
Segment liabilities	1,130	26,305	41,034	8	68,477
Unallocated liabilities					1,690
					70,167

9. SEGMENT INFORMATION (Cont'd)

(b) Sales Contribution by Geography for the EMS and Cloud Businesses

The geographical sales breakdown is as follows:

	12 months ended 31.12.2024		
	EMS RM'000	Cloud RM'000	Total RM'000
Malaysia	1,948	68,223	70,171
Asia (excluding M'sia)	23,494	46,496	69,990
Europe	44,660	59	44,719
US	11,983	-	11,983
Oceania	3,111	285	3,396
Middle East	972	493	1,465
	86,168	115,556	201,724

	12 months ended 31.12.2023		
	EMS RM'000	Cloud RM'000	Total RM'000
Malaysia	2,065	46,346	48,111
Asia (excluding M'sia)	23,584	27,861	51,445
Europe	52,414	76	52,490
US	12,990	-	12,990
Oceania	1,887	47	1,934
	92,920	74,330	167,250

Note: 1) The EMS business is 97.7% (FY2023: 97.8%) derived from the export markets with the balance of 2.3% (FY2023: 2.2%) from the local (Malaysian) market.

2) The Cloud business is 41.0% (FY2023: 37.4%) derived from the overseas markets with the balance of 59.0% (FY23: 62.6%) derived from the local (Malaysian) market.

(c) Sales to Major Customers

For the financial year 2024, two (2) major international customers contributed more than 10% of the Group's revenue.

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the financial quarter under review.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial quarter ended 31 December 2024.

12. CONTINGENT ASSETS & LIABILITIES

As at the end of the quarter under review, the corporate guarantee for credit facilities granted to a subsidiary but not utilised as the Group has cash surplus was:-

	<u>RM'000</u>
K-One Industry Sdn Bhd	<u>20,576</u>

13. CAPITAL COMMITMENTS

There were no material capital commitments for the period under review.

14. SUBSEQUENT EVENT

There are no subsequent events which have a material impact on the financial statements under review.

15. PERFORMANCE REVIEW

(a) Current quarter compared to the corresponding quarter of last year (4Q'24 vs 4Q'23)

For the fourth quarter ended 31 December 2024 (4Q'24), the Group's sales revenue experienced a significant increase to RM54.1 million from RM40.6 million in the corresponding quarter last year (4Q'23), registering a considerable jump of 33%, underpinned by the robust Cloud Computing (Cloud) sales.

EMS Sales

Sales from the Electronics Manufacturing Services (EMS) business increased to RM20.2 million in the current quarter from RM19.8 million in the corresponding quarter last year, representing an increase of 2%. Sales of electronic headlamps and industrial equipment demonstrated modest growth while the sales momentum of medical/healthcare devices was hampered by the loss of a specific healthcare device customer. Nonetheless, overall sales for the current quarter inched higher than the corresponding quarter last year.

Cloud Sales

Cloud sales accelerated to RM33.9 million in 4Q'24 as compared with RM20.8 million in the corresponding quarter last year, stamping a strong sales lift of 63%, attributed to:- a) stellar performance in recurring sales from existing customers and onboarding of new customers locally in Malaysia and b) sturdy sales performance from its overseas subsidiaries.

Earnings

The EMS business registered a net loss of RM0.7 million while the Cloud business contributed a net profit of RM0.1 million, resulting in a net loss of RM0.6 million in 4Q'24 as compared to a net profit of RM2.7 million for the corresponding quarter last year.

15. PERFORMANCE REVIEW (Cont'd)

(a) Current quarter compared to the corresponding quarter of last year (4Q'24 vs 4Q'23)

The EMS business registered a loss of RM0.7 million as compared with a profit of RM2.0 million in the corresponding quarter last year due to:- a) decline in gross profit margin from 18% in 4Q'23 to 11% in 4Q'24 on shift towards lower margin older electronic headlamp models; decreased sales of higher margin medical/healthcare devices and lingering adverse impact of a strong RM against USD in 3Q'24, b) reduction in the capitalization of operating expenses allocated to the development cost of the NASA-JPL ventilator project, given its imminent completion and c) absence of deferred tax income for unused tax losses recorded in the corresponding quarter of last year.

While Cloud sales evidently surged, net profit was lower at RM0.1 million as compared with RM0.7 million in the previous year's corresponding quarter due mainly to the rise in employee related expenses on increasing headcount to drive the next stage of business expansion, loss incurred by an emerging overseas subsidiary and increase in operating expenses on higher rental and depreciation expenses following the opening of a new HQ (office) in early 2024 to accommodate the increasing headcount.

(b) Current quarter versus the preceding quarter(4Q'24 vs 3Q'24)

The fourth quarter ended 31 December 2024 posted sales revenue of RM54.1 million, which was a 7% decrease over the preceding quarter of RM58.0 million primarily owing to softer performance in the Cloud business which hit a record in the preceding quarter.

EMS Sales

Sales for the EMS business increased by RM1.1 million; from RM19.1 million (3Q'24) to RM20.2 million (4Q'24), representing an uptick of 6% due to sales increase for industrial equipment, design and development services, in addition to the rise in the supply of spare parts and sub-assemblies for maintenance purposes to a specific customer (with the Group serving as its Asia Hub).

15. PERFORMANCE REVIEW (Cont'd)

(b) Current quarter versus the preceding quarter (Cont'd) (4Q'24 vs 3Q'24)

Cloud Sales

Sales revenue from the Cloud business contracted by 13% to RM33.9 million from RM38.9 million in the preceding quarter. The decrease in sales was partly attributed to the Group's proactive efforts in assisting customers to optimize their resource utilization which led to cost optimization for customers. In addition, G-AsiaPacific Vietnam's sales tapered after a busy prior quarter sales performance. Nevertheless, the Cloud business's customer base continued its upward trend quarter-over-quarter, benefiting from demand driven by enterprises seeking to digitize their operations.

Earnings

The Group's loss in the current quarter was reduced to RM0.6 million from RM2.0 million in the preceding quarter (3Q'24).

The EMS business's loss narrowed to RM0.7 million in the current quarter from RM3.3 million in the preceding quarter due to:- a) higher sales, b) expansion of gross profit margin from 8% in 3Q'24 to 11% in the current quarter resulting from materials cost down, partial cost pass-through to customers and product mix changes favouring the higher margin industrial equipment and design and development services and c) significant improvement in the foreign exchange (FX) position in the current quarter (4Q'24: FX gain of RM0.8 million: 3Q'24: FX loss of RM1.8 million).

The Cloud business registered a lower profit of RM0.1 million as compared to RM1.3 million in the previous quarter, attributable to a combination of lower sales, increased operating expenses and loss incurred by an overseas subsidiary.

16. COMMENTARY ON PROSPECTS AND TARGETS

The K-One Group's 2024 sales reached a historical and record high of RM201.7 million, marking a 21% increase from RM167.3 million in 2023. This substantial growth was attributed to the remarkable performance of the Cloud business during the year.

EMS sales closed at RM86.2 million for 2024 as compared with RM92.2 million in the previous year, denoting a decrease of 7%. The sales retraction was due mainly to:- a) lacklustre sales of electronic headlamps, IoT gadgets and medical/healthcare devices with the latter mainly due to the loss of a specific healthcare device customer, b) contraction in the sub-assemblies supply business for maintenance purpose and c) no sales of COVID-19 Antigen saliva self-test kits in 2024 since the push to do self-test had fizzled out with COVID-19 infections becoming less life-threatening. On the other hand, floorcare products and industrial equipment experienced an uptick in sales but were insufficient to make up for the shortfall chalked up in the above said product segments.

The Cloud business achieved a fresh record annual sales revenue of RM115.5 million as compared with RM75.1 million in 2023, locking in a stellar increase of 54% on:- a) thriving recurring revenue from existing customers and key customer wins locally in Malaysia and Singapore and b) significant growth in the sales contribution from overseas subsidiaries.

In 2024, the Group registered a profit of RM0.2 million as compared to a profit of RM0.3 million recorded in the prior year. Despite experiencing lower sales, the EMS business narrowed its losses marginally to RM2.3 million in 2024 from RM2.8 million in the preceding year. This improvement was driven by an enhanced gross margin (2024: 12%; 2023: 11%), which was partially offset by increased foreign exchange loss (2024: RM0.9 million; 2023: RM0.2 million) and absence of deferred tax income recognised in 2023. Cloud sales surged significantly, however, net profit declined to RM2.5 million from RM3.1 million in the previous year due mainly to the rise in employee related expenses on increasing headcount to drive the next stage of business expansion, higher rental and depreciation expenses following the opening of a new HQ in January 2024, in addition to the absence of specific financial incentives granted by the principal (Cloud service provider) which was recorded in 2023.

Moving forward to 2025, barring unforeseen circumstances, the Group is cautiously optimistic and expects to see sturdy sales and earnings growth based upon the rationales and expectations illustrated below in the EMS, Cloud and Healthcare businesses's prospects respectively.

16. COMMENTARY ON PROSPECTS AND TARGETS (Cont'd)

EMS Business

1) Growth is projected across several key product segments, including consumer electronics, industrial equipment, medical/healthcare devices and IoT gadgets. Within consumer electronics, stronger performance is anticipated in 2H'25, driven by the anticipated launch of replacement models. The industrial segment is poised for a sales boost with the impending launch of a new, environmentally friendly product line. In the medical device segment, the Group is enthusiastic about the development of a novel, AI-powered medical device, with production scheduled to commence in 2Q'25. Preparations for mass production are underway to cater to certain newly acquired customers across these product segments.

2) Having secured the manufacturing and supply of peripherals or controller sub-systems used to control and regulate the cooling system in data centres from a US company, it is envisaged to contribute sales with escalating significant volume moving forward, supported by the growing number of data centres in Malaysia and globally to cope with increasing demand from AI applications.

3) The Group is stepping up to take advantage of manufacturing relocation opportunities out of China triggered by the imposition of additional tariffs by Donald Trump, the new US President. For a start, the additional tariffs on goods imported from China by US was locked in at 10% as announced by Donald Trump in early February 2025, possibly paving the way for increasing tariffs going forward. The K-One Group is geared to benefit from the predicted wave of manufacturing relocation out of China when the tariff war, in most likelihood will escalate in the days ahead.

Cloud Business

1) The Cloud business in ASEAN is still at its adolescence stage with ample market potential as witnessed by the Group's strong growth in this space. Having won the AWS Partner of the Year in Malaysia three times in the last five years is an exemplary credential to enable it to take on large enterprises and expanding outwards to make its mark in the ASEAN market. Incidentally, the Group has managed to sign up a combined few new large customers locally and overseas, which contributed to the strong surge in sales in 2024.

16. COMMENTARY ON PROSPECTS AND TARGETS (Cont'd)

2) Malaysia is emerging as a data centre powerhouse in ASEAN as it attracts billions in data centre investments from the hyperscalers, namely; Amazon Web Services (AWS), Google and Microsoft. The strategic setting up of data centres in Malaysia and other ASEAN countries by the preceding Cloud giants is poised to further accelerate digital transformation and more importantly, open new doors in the financial and public sectors which require local data centre residency. The Group's Cloud arm - wholly-owned subsidiary G-AsiaPacific Sdn Bhd ("GAP"), being a premier ranking partner to certain of these Cloud giants will be a key beneficiary in securing new Cloud business from the financial, public and other sensitive industries requiring local data centre residency. The Group is poised to reap the benefits of the AWS Asia Pacific (Malaysia) Region which was officially launched on 22 August 2024. The Group is also excited with the ground-breaking of Google's first data center located in Elmina Business Park, Selangor on 1 October 2024 which is expected to create plenty of Cloud and AI business opportunities for the Group.

3) To leverage the burgeoning Cloud market and solidify its position as a major player, the Group has actively pursued large scale Cloud projects with enterprises and government agencies. This strategic focus has yielded significant revenue growth. However, the increasing number of new entrants, both domestic and international, has intensified competition within the Cloud market. To maintain its competitive edge and market leadership, the Group is adopting a more aggressive strategy. This includes enhancing its service offerings, such as AI applications, AI training courses, cybersecurity services and data analytics. By providing superior customer support, including 24/7 technical assistance and proactive monitoring, the Group aims to build strong customer relationships and loyalty.

Healthcare Products

1) As an exclusive distributor of the Diversey brand hygiene-care products, the Group is actively expanding its market presence within key sectors, including hospitals, nursing homes, and the food and beverage industry. The Group is strategically targeting these sectors by leveraging the superior quality and environmentally friendly attributes of Diversey's product range. This focus on high-quality, sustainable solution is resonating with customers, resulting in increased traction for Diversey products within the local market.

2) As announced on 13 January 2025, the Group has entered into a Distribution and Supply Agreement with MR Global (HK) Limited ("Mindray") to distribute its automated external defibrillators (AEDs) within the Malaysian public (non-hospital) sector. This distribution agreement presents a compelling business opportunity as it expands the Group's healthcare and medical products portfolio while capitalizing on the significant growth within the AED market. This growth is primarily driven by factors such as increasing public awareness of sudden cardiac arrest, evolving healthcare regulations and a growing emphasis on public safety and emergency preparedness.

16. COMMENTARY ON PROSPECTS AND TARGETS (Cont'd)

3) The Group is in the midst of exploring to take on other distributorships of medical devices to spur growth for the long term.

The Group is cautiously optimistic on its business prospects in 2025 despite the volatile and fragile global economy. With Trump recently installed as the new US President, the global economy is bound to go through a roller-coaster ride during his term of office. The K-One Group will gather all its resources and experience to navigate the impending global economic volatility and challenges projected in the near horizon. Perhaps, as a consolation, being in Cloud, EMS and Healthcare which are resilient to market downturn, the K-One Group may be better insulated to weather through a potential global economic storm.

As a long term business strategy, the K-One Group, leveraging on its debt-free position and cash surplus of RM53.6 million at the close of 2024 is continuously on the look out to acquire synergistic business to leapfrog its business growth.

17. INTANGIBLE ASSETS

Figures in RM'000	Ventilator Development	Software Development	Total
Cost			
At 1 January 2024	2,019	337	2,356
Addition	1,640	-	1,640
	<u>3,659</u>	<u>337</u>	<u>3,996</u>
Accumulated amortisation			
At 1 January 2024	-	288	288
Amortisation charged	-	16	16
	<u>-</u>	<u>304</u>	<u>304</u>
Net carrying value			
At 31 December 2024	<u>3,659</u>	<u>33</u>	<u>3,692</u>
Figures in RM'000	Ventilator Development	Software Development	Total
Cost			
At 1 January 2023	-	337	337
Addition	2,019	-	2,019
	<u>2,019</u>	<u>337</u>	<u>2,356</u>
Accumulated amortisation			
At 1 January 2023	-	272	272
Amortisation charged	-	16	16
	<u>-</u>	<u>288</u>	<u>288</u>
Net carrying value			
At 31 December 2023	<u>2,019</u>	<u>49</u>	<u>2,068</u>

18. INCOME TAX CREDIT/(EXPENSE)

	3 months ended		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Current corporate tax expense	(1,787)	(827)	(2,793)	(1,558)
Deferred tax income	1,864	1,642	1,540	1,642
Total Income Tax Credit/ (Expense)	77	815	(1,253)	84

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

19. PURCHASES OR SALES OF UNQUOTED SECURITIES AND PROPERTIES

There were no purchases or disposal of unquoted securities and properties during the financial quarter.

20. QUOTED SECURITIES

There were no purchases or disposal of quoted securities during the financial quarter under review.

21. CORPORATE PROPOSALS

Save as disclosed below, there are no other corporate proposals:

a) Purchase Of Factory

K-One MediTech Sdn Bhd, a subsidiary of the Group, purchased a piece of leasehold land with a two-story factory located in Ipoh, Perak on 4 October 2024. This property, situated within walking distance of K-One's main factory, was acquired from Lim Beng Fook and Lim Soon Seng, the Executive Chairman and CEO respectively of the K-One Group for a purchase consideration of RM3 million. This transaction was considered a related party transaction. The acquisition of the factory was finalized on 6 February 2025.

21. CORPORATE PROPOSALS (Cont'd)

b) Proposed Free Warrants Issue

On 28 October 2024, the Group proposed to undertake a free warrants issue of up to 208,001,732 free warrants D in the Company (“Warrants D”) on the basis of 1 Warrant D for every 4 existing ordinary shares in K-One held by the entitled shareholders of the Company. The Free Warrants Issue was completed following the listing and quotation of 208,001,709 Warrant D on the ACE Market of Bursa Securities on 21 January 2025.

22. BORROWINGS AND DEBTS SECURITIES

The Group has neither any secured nor unsecured borrowings as at 31 December 2024.

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As at the end of the current quarter and up to the date of this report, there are no off-balance sheet financial instruments which have a material impact to the financial statements under review.

24. CHANGES IN MATERIAL LITIGATION

As at the date of this report, the Group is not engaged in any material litigation as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

25. PROPOSED DIVIDEND

There is no dividend proposed in the current quarter and the previous corresponding quarter.

26. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are based on the profit for the period attributable to equity holders of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Basic/Diluted earnings per share

	3 months ended		12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
(Loss)/Profit attributable to equity holders of the parent (RM'000)	(591)	2,739	201	350
Weighted average number of Ordinary Shares in issue ('000)	832,007	832,007	832,007	832,007
Basic/Diluted (Loss)/Earnings Per Ordinary Share (sen)	(0.07)	0.33	0.02	0.04

27. AUTHORIZED FOR ISSUE

The interim financial statements are authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2025.

BY ORDER OF THE BOARD

LIM LI HEONG (MAICSA 7054716)
WONG MEE KIAT (MAICSA 7058813)
Company Secretaries

26 February 2025