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K-One®
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EMS

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CLOUD COMPUTING

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HEALTHCARE

AI

AI

ANNUAL REPORT
2024

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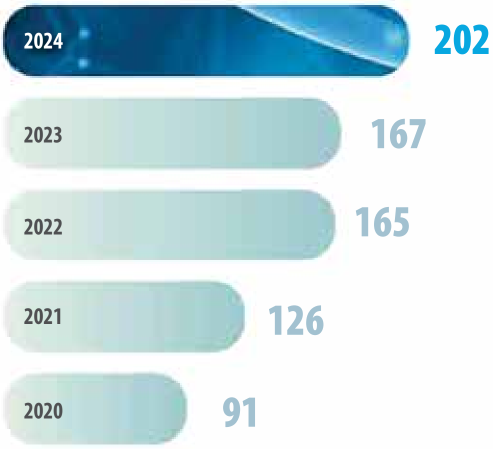
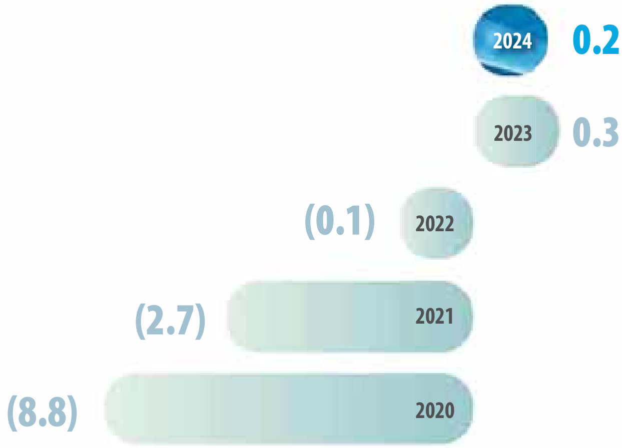
PAST FINANCIAL INFORMATION SUMMARY

SALES
(RM MILLION)



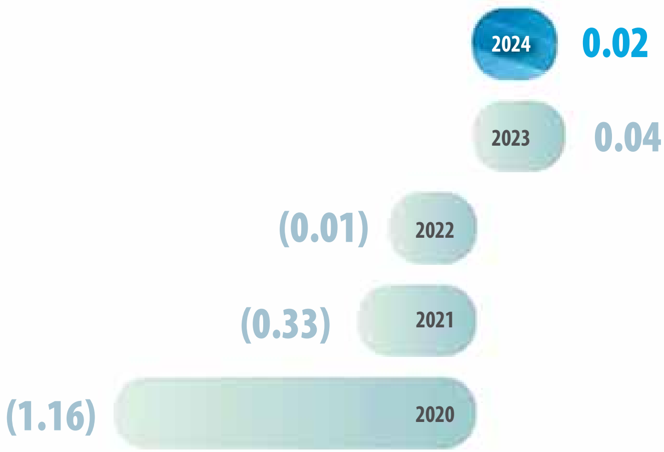
PROFIT
(RM MILLION)



TOTAL ASSETS
(RM MILLION)

SHAREHOLDER EQUITY
(RM MILLION)

EARNINGS PER SHARE
(SEN)



HUMAN RESOURCES
(NO. OF EMPLOYEES)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ir. Edwin Lim Beng Fook
(Executive Chairman)

Dato' Martin Lim Soon Seng
(Chief Executive Officer)

Bjørn Bråten
(Non-Independent
Non-Executive Director)

Anita Chew Cheng Im
(Independent
Non-Executive Director)

Dato' Azlam Shah bin Alias
(Independent
Non-Executive Director)

Edward Ka Yen Chee
(Independent
Non-Executive Director)

COMPANY SECRETARY

Lim Li Heong (MAICSA 7054716)
Wong Mee Kiat (MAICSA 7058813)

AUDITORS

Messrs Baker Tilly Monteiro Heng PLT
Chartered Accountants

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tel : +603 7890 4700
Fax : +603 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
(Listed since 5 January 2006)

STOCK SHORT NAME & CODE

K1 (0111)

REGISTERED OFFICE

Acclime Corporate Services Sdn Bhd
Level 5, Tower 8, Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Tel : +603 2280 6388
Fax : +603 2280 6399
Email : listcomalaysia@acclime.com

HEAD OFFICE

66 & 68, Jalan SS 22/21
Damansara Jaya
47400 Petaling Jaya
Selangor
Tel : +603 7728 1111
Email : investor@k-one.com

GROUP PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
CIMB Bank Berhad

WEBSITE

www.k-one.com

CORPORATE STRUCTURE

DIRECTORS' PROFILE

IR. EDWIN LIM BENG FOOK

▸ **Executive Chairman | Malaysian | Age 67**

Ir. Edwin Lim Beng Fook co-founded K-One Technology Berhad. He was appointed as an Executive Director in early 2001 and has been its Executive Chairman since then.

He holds a Bachelor of Science (Hons) in Engineering with Business Studies from Sheffield Hallam University, United Kingdom and a Master of Science in Mechanical Engineering from the University of Alberta, Canada. He is a professional engineer registered with the Board of Engineers, Malaysia and a corporate member of the Institution of Engineers, Malaysia. He is also a Chartered Engineer registered with the Institution of Engineering & Technology, United Kingdom.

Ir. Edwin Lim Beng Fook was awarded the Entrepreneur of the Year Award by the Malaysia-Canada Business Council in 2004 and the Alumni Award of Excellence by the University of Alberta in 2005. He was also the winner of the EY Entrepreneur of the Year Malaysia 2016 (Technology Category) organised by Ernst & Young.

His career spanned almost 20 years with three multinationals, namely; Mobil Oil (Malaysia) Sdn Bhd, Renold (Malaysia) Sdn Bhd and AMP Products (Malaysia) Sdn Bhd (now known as TE Connectivity).

His global experience in the electronics industry stems from him leading AMP as its Country General Manager in 1992, building up the Malaysian operation from a sales outfit to establishing from greenfield AMP's manufacturing facility and Research & Development Centre. In addition to his Country General Manager's role, he also held the dual role of being the Director, Automotive Industry responsible for the ASEAN region for a period of time.

His directorships in other companies in the K-One Group are K2 Meta Sdn Bhd, K-One Industry Sdn Bhd, K-One Wellness Sdn Bhd, K-One MediTech Sdn Bhd, K-One Manufacturing Sdn Bhd, K-One Electronics Sdn Bhd, K-One Venture Sdn Bhd, G-AsiaPacific Sdn Bhd and G-AsiaPacific (Vietnam) Company Limited.

DATO' MARTIN LIM SOON SENG

▸ **Chief Executive Officer | Malaysian | Age 62**

Dato' Martin Lim Soon Seng, a co-founder of K-One Technology Berhad was appointed as the Chief Executive Officer in 2001 and Executive Director in 2002.

He holds the Bachelor of Engineering (Hons) in Electronics Engineering and Master of Engineering in Electronics Engineering both from the University of Hull, United Kingdom. He also holds a Master of Business Administration from the University of Coventry, United Kingdom. He is a registered Chartered Engineer of the Institution of Engineering & Technology, United Kingdom.

He worked in the UK as an engineer in a precision plastic moulding company after graduation, followed by career progressions as an engineer, manager and finally Chief Executive Officer of TFP Precision Industries Sdn Bhd (a local/European joint venture) spanning a period of about 14 years.

He is a member of the Remuneration Committee of K-One Technology Berhad.

His directorships in other companies in the K-One Group are K2 Meta Sdn Bhd, K-One Industry Sdn Bhd, K-One Wellness Sdn Bhd, K-One MediTech Sdn Bhd, K-One Manufacturing Sdn Bhd, K-One Venture Sdn Bhd, K-One Electronics Sdn Bhd, K-One International Ltd, G-AsiaPacific Sdn Bhd, P.T. GasiaPasific Indo and G-AsiaPacific (Vietnam) Company Limited.

BJØRN BRÅTEN

▸ **Non-Independent Non-Executive Director | Norwegian | Age 67**

Bjørn Bråten co-founded K-One Technology Berhad and was appointed as an Executive Director in early 2001. He became a Non-Independent Non-Executive Director in 2008.

He has a Diploma in Engineering from the Telecom College, Norway and Bachelor of Economics and Master in Management from the Norwegian School of Management, Norway.

He has been involved in the global communications business for more than 20 years and has served in a variety of leadership roles including Director of Marketing, Vice President and President/CEO for various international companies. He has worked closely with senior executives on projects worldwide including establishing greenfield and joint venture operations globally.

He is a member of the Audit & Risk Management Committee and Nomination Committee of K-One Technology Berhad.

DIRECTORS' PROFILE
Cont'd

ANITA CHEW CHENG IM

Independent Non-Executive Director | Malaysian | Age 58

Anita Chew Cheng Im was appointed as an Independent Non-Executive Director of K-One Technology Berhad on 11 April 2016.

She holds a Bachelor of Economics, majoring in Accounting from Monash University, Australia.

She started her career as an audit assistant at KPMG, Melbourne in 1990. While in KPMG, she was engaged in the audit of the media, retail and mining industries.

In 1992, she joined the Corporate Finance Department of Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad after merging with Amanah Bank Berhad) and was with the investment bank for approximately 5 years. Subsequently, she held the position of Director, Corporate Finance at Alliance Investment Bank Berhad from 1997 to 2003. From 2003 to 2007, she worked in HwangDBS Investment Bank Berhad as the Senior Vice President, Equity Capital Market.

She was mainly involved in corporate finance and related matters during her 15 year tenure in the various investment banks, having advised clients on numerous IPOs, fund raising and corporate and debt restructuring exercises.

She is the Chairman of the Remuneration Committee and a member of the Audit & Risk Management Committee and Nomination Committee of K-One Technology Berhad.

She is currently an Independent Non-Executive Director of SKP Resources Berhad, Kimlun Corporation Berhad, Plytec Holding Berhad, Kuchai Development Berhad and an Independent Non-Executive Director of Fortress Minerals Limited, a company listed on the Catalist Board of the Singapore Exchange Trading Limited (SGX Ltd).

DATO' AZLAM SHAH BIN ALIAS

Independent Non-Executive Director | Malaysian | Age 64

Dato' Azlam Shah bin Alias was appointed as an Independent Non-Executive Director of K-One Technology Berhad on 2 February 2017.

He holds a Bachelor of Business Administration, majoring in Finance from the Eastern Michigan University, United States of America.

He first joined Mobil Oil Malaysia Sdn. Bhd. as a Retail Development Officer in 1987 and moved on to assume the position of Real Estate Outsourcing Manager for ExxonMobil Asia Pacific PLC based in Singapore.

In 2001, he joined Tesco Malaysia as its Regional Property Director and was concurrently an Alternate Director of Tesco Malaysia's Board and a key member of the Senior Leadership Board. He was previously the Senior Advisor reporting to the President of Lotus Stores Malaysia.

He is the Chairman of the Nomination Committee and a member of the Audit & Risk Management Committee of K-One Technology Berhad.

He is currently the Chairman of MR DIY Berhad.

Besides work matters, he is a member of the Board of Trustee of PPUMCare Fund of University Malaya Medical Center and advisor for UMCares, a Community and Sustainability Center of University Malaya.

He was previously actively involved in industry advocacy work representing the Malaysian International Chambers of Commerce and Industry (MICCI), British-Malaysia Chambers of Commerce and Malaysian Retailers Association (MRA) in various dialogues with the authorities. He was on the Boards of the European Union-Malaysia Chambers of Commerce and Industry (EU-MCCI) and MRA.

EDWARD KA YEN CHEE

Independent Non-Executive Director | Malaysian | Age 37

Edward Ka Yen Chee was appointed as an Independent Non-Executive Director of K-One Technology Berhad on 1 August 2022.

He holds a Bachelor of Commerce (Hons), majoring in Accounting from University Tunku Abdul Rahman. He is a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants. He is also registered with the Malaysian Financial Planning Council as a Financial Planner.

He is a partner and co-founder of Messrs Chia, Ka & Partners PLT and co-founder of Numetric Cloud Sdn Bhd. Prior to co-founding the preceding companies, he was the Senior Managing Partner of ACMF Corporate Services Sdn Bhd (2019 to 2021) and the Chief Executive Officer of Projalma Sdn Bhd (2016 to 2018). In his earlier career, he was an Accountant in conjunction with related functions in various companies, including SG Global Support Services Sdn Bhd, Amcorp Properties Bhd and IOI Corporation Bhd.

In his current practice, he plays a key role in pioneering and developing the cloud accounting and business process outsourcing service in Malaysia. Additionally, he specializes in indirect tax advisory, business process outsourcing and corporate finance wherein he manages a portfolio of corporate clients in a broad range of industries which encompass manufacturing, electrical and electronics, healthcare, construction and property development, plantations, amongst others.

He is the Chairman of the Audit & Risk Management Committee and a member of the Remuneration Committee of K-One Technology Berhad.

None of the Directors, except Ir. Edwin Lim Beng Fook and Dato' Martin Lim Soon Seng who are brothers, has any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. None of the Directors had any convictions for offences within the past 10 years, except for traffic offences.

EXECUTIVE CHAIRMAN'S STATEMENT

"On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of K-One Technology Berhad for the financial year ended 31 December 2024."

BUSINESS PERFORMANCE FOR 2024

Group Business

The Group's sales revenue increased to a new record and historical high of RM201.7 million in 2024 from RM167.3 million in 2023, powering up by 21%.

EMS Business

The EMS business registered sales of RM86.1 million in 2024 versus RM92.2 million in 2023, marking a decline of 7%. The sales of electronic headlamps, medical/healthcare devices, IoT gadgets, supply of maintenance sub-assemblies for a specific customer were dampened by a weak global economy. Demand for COVID-19 Antigen saliva self-test kits was negligible as the pandemic had turned endemic. The silver lining was in the sales of floorcare machines and industrial equipment which however was insufficient to make up for the demand decline experienced in electronic headlamps, medical/healthcare devices, IoT gadgets and COVID-19 Antigen saliva self-test kits.

Cloud Business

The Cloud business generated sales of RM115.6 million in 2024 versus RM75.1 million in 2023, scoring an increase of 54%. The Cloud business continued its robust growth driven by sturdy recurring revenue, streaming of new customers and growing sales contributions from overseas subsidiaries. The New Normal whereby virtual meeting, e-learning and e-commerce are the trend and widely adopted during the COVID-19 pandemic lingered on to spur Cloud usage. The heavy investments of AWS, Google and Microsoft in Malaysia also helped to boost the migration from on-premise to Cloud, thus generating ample business opportunities in the Cloud market.

Group Earnings

The Group recorded profit attributable to equity holders of the parent company at RM0.2 million in 2024 which was a marginal decline from a profit of RM0.3 million in 2023.

EMS Earnings

Despite lower sales and unfavourable foreign exchange movements, the EMS business nonetheless reduced its loss to RM2.4 million in 2024 from a loss of RM2.9 million in 2023, in view of improved gross margins and operational efficiency.

Cloud Earnings

The Cloud business made a profit of RM2.6 million in 2024 as compared to RM3.2 million in 2023, representing a decrease of 19% due mainly to jump in salaries on increased headcount, opening of a new rented office and absence of incentives from a principal recorded previously.

PROSPECTIVE BUSINESS OUTLOOK

It was a tumultuous 2024 taunted with the Russia-Ukraine war, the Israel-Palestine conflict and a volatile USD foreign exchange market. Although the world is seeing light in the tunnel in the resolution of these geopolitical conflicts, President Trump has re-ignited a global tariff war, not just limiting it to China but encompassing almost the entire world. It is envisaged that the world will continue to be in a volatile state in 2025. Nevertheless, the K-One Group is cautiously looking forward to brighter prospects in 2025 as it will use its experience, wisdom and resources to navigate through the volatile and uncertain global economy.

For the EMS business, the Group believes the diversion of US business out of China will exacerbate as President Trump is expected to hold or tighten its tariff bite on China moving forward. Towards this end, it is constantly availing itself as the EMS of choice for such potential manufacturing relocations by reaching out to potential customers via digital means or showcasing in trade exhibitions in US.

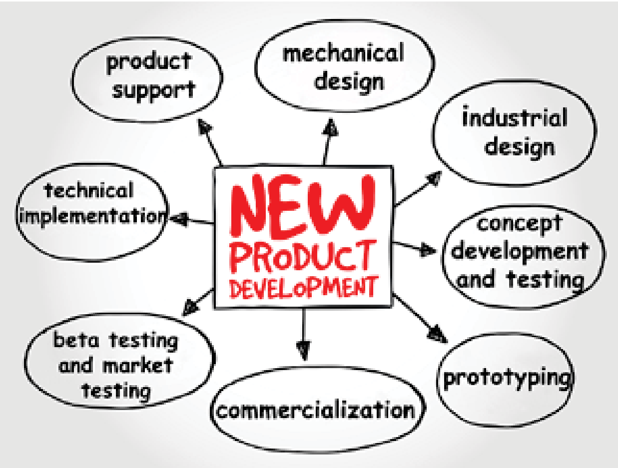
On the same EMS front, it will follow through its 2-prong strategy to focus on the medical/healthcare sector while nurturing the consumer electronics, IoT and industrial segments. It has made inroads into the manufacture of controller sub-systems for data centres which are proliferating to cater to the increasing demand of the Artificial Intelligence (AI) space.

For the Cloud business, it is expected to follow through with positive contributions in both the top and bottom lines in 2025, generally driven by the insatiable appetite of the markets in ASEAN in embracing Cloud to stay technologically competitive and relevant. Cloud is the new oil for digital transformation. With subsidiaries established in Indonesia and Vietnam respectively, it is poised to take advantage of local presence to give competition a run for the money in these markets which have immense Cloud market potential. The Group's expertise and competency excellence as endorsed by the numerous accolades such as Migration Competency Partner badge and Public Sector Partner badge affirmed by AWS and Exceptional Partnership Award and All-Star (Sales) Award bestowed by Google puts it in good position to expeditiously penetrate the fast-expanding ASEAN market.

On the emerging Healthcare business, which includes hygiene-care products distribution, it is making headways in marketing Diversey wipes, sanitizers, detergents to the hospitals and hospitality fraternities as its exclusive distributor in Malaysia. The NASA-JPL licensed ventilator to be rebranded as Medkaire is expected to roll out in the second half of 2025 subject to MDA approval.

EXECUTIVE CHAIRMAN'S STATEMENT
Cont'd

DESIGN AND DEVELOPMENT



Much efforts and time continued to be invested in upgrading, enhancing, testing and industrializing the NASA-JPL designed ventilator licensed to the Group for manufacturing to make it more user friendly and also to suit the Asian market. Being categorized as a Class C medical device (with high moderate risks), considered as semi-invasive in use, it is required to undergo stringent clinical tests before it can be approved by the Medical Device Authority (MDA), Ministry of Health, Malaysia and the Food and Drug Administration (FDA), US. Safety is of utmost importance in the application of medical devices and the Group will not compromise in this respect. As such, it has taken extended time, longer than expected in the approval process for launching the said NASA-JPL licensed ventilator branded as Medkaire in the local market. Furthermore, the Group is taking the Medkaire ventilator through the full approval process which is more stringent and comprehensive and not under the emergency use authorization (EUA) route allowable during the COVID-19 pandemic which is simpler. It expects to secure MDA approval in the second half of 2025.

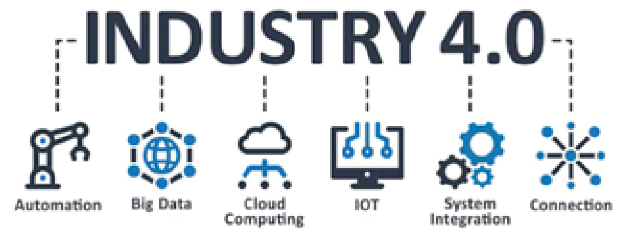
The Group's R&D engineers were kept busy on the development of various other medical devices, one of which involved an AI-powered medical device which can be used as a simulator to test the efficacy and side effects of drugs. There were also numerous other consumer electronic innovation projects such as the development of an electronic dart board and various new versions of LED headlamps to replace the older models.

MANUFACTURING

There was steady progress in advancing Industry 4.0 on the shopfloors. The implementation of automation and Industry 4.0 were undertaken in stages on specific production processes to reduce manual labour and improve quality. Automation is crucial to counter the progressive increase in production wages with the latest minimum wage raised to RM1,700 on 1 February 2025.

The Group is proud to have a 100% local labour force as it believes in helping the neighbouring communities where it operates.

The production workforce is well trained and producing good quality products to meet customers' requirements with no rejects or rework in 2024. Most importantly, it has not violated any human rights issue thus far.



HUMAN RESOURCE

The headcount on the production floors was reduced in tandem with the sales slide in the EMS business in 2024. As automation in certain processes were progressively implemented, it also helped to trim production headcount.

On the contrary, the Cloud business increased its headcount to cope with its accelerated sales growth and geographical expansion to Indonesia and Vietnam. It was a challenge to hire suitable staff to fill some of the specialized roles in the Cloud industry where demand outstrips supply.

EXECUTIVE CHAIRMAN'S STATEMENT
Cont'd

Human assets being the determining factor in success or failure, the Group gathered its key and strategic personnel for a team building workshop with the goal to foster positive mindset change, enhance team alignment and improve communication among team members. The team members were guided through a series of engaging activities and assignments to promote collaboration and support of each other's growth. It was a life transforming journey for some.

The Group will not pay any dividend for 2024 as it prefers to conserve its cash to grow its business. Further, the surplus cash would come in handy to acquire synergistic business when the opportunity is presented.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my deepest appreciation to all our customers, business associates, financiers and shareholders for their continued support, understanding and confidence in the Group. I also wish to express my sincere appreciation to the Board, Management and staff for their perseverance, dedication and contribution in 2024.

Ir. Edwin Lim Beng Fook
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

1. OVERVIEW

The Group's sales revenue for 2024 increased to RM201.7 million from RM167.3 million in 2023, registering an upturn of 21% owing entirely to the unabated upward trajectory of the Cloud Computing (Cloud) business.

The Electronics Manufacturing Services (EMS) business closed at RM86.1 million for 2024 as compared with RM92.2 million in the preceding year, denoting a decrease of 7%. The sales retraction was primarily attributed to the lacklustre sales of electronic headlamps, medical/healthcare devices and IoT gadgets, contraction in the sub-assemblies supply business for maintenance purpose and the cessation of COVID-19 Antigen saliva self-test kit sales in 2024 due to the waning pandemic which resulted in minimal demand for rapid testing. The preceding sales slide was however partially cushioned by the uptick in sales of floorcare products and industrial equipment.

The Cloud business established a new benchmark for annual sales revenue, reaching RM115.6 million in 2024 as compared to RM75.1 million in 2023, marking a significant increase of 54% on robust recurring revenue and onboarding of new customers in the local Malaysia front, full-year consolidation of the post-acquisition top line of P.T. GasiaPasific Indo (GAP Indo) and growing sales contribution from G-AsiaPacific (Vietnam) Company Limited (GAP Vietnam) subsequent to having extended its footprint in Vietnam in July 2023.

The Group recorded a net profit of RM0.2 million in 2024, a marginal decrease from RM0.3 million in 2023. The EMS business narrowed its losses to RM2.4 million from RM2.9 million in the preceding year despite lower sales and unfavorable exchange rates. Cloud sales increased, but net profit declined to RM2.6 million from RM3.2 million. This was primarily due to increased costs from hiring more staff, opening a new HQ (office) and the absence of previous financial incentives.

The Group continued to be debt free and with cash surplus of RM53.7 million as at end 2024.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd

2. BUSINESS OBJECTIVES

Since its ideation in 2000 and official inception in 2001, the K-One Group has traditionally focused on being an OEM/ODM to multinationals and technology conglomerates worldwide. It specializes in providing both design/development services and EMS to the medical/healthcare, IoT, industrial and consumer electronics industries. Although its forte lies in design/development, its sales revenue is largely generated from its EMS activities.

The onslaught of the COVID-19 pandemic in early 2020 accelerated the Group's diversification into the medical/healthcare industry which it had been pursuing since 2016 to fill the void created following its exit from the mobile phone accessories's market in its EMS business. Spurred by the COVID-19 pandemic, it took the opportunity to invest into developing and manufacturing its own brand medical devices or as authorized representative, which encompassed ventilators, Diversey brand hygiene-care products, automated external defibrillators (AEDs), wound care products, acne patches, fish oil consumables and COVID-19 Antigen saliva self-test kits to fulfil the pent-up demand fuelled by a rising health-conscious consumer base which was a positive outcome of the COVID-19 pandemic although it caused more harm than good in other aspects. At this point in time, the OEM/ODM sales derived from both the medical/healthcare devices and non-medical/healthcare products (consumer electronics/IoT/industrial) remains the bedrock of the EMS business while its own brand medical devices take traction. In the long term, the medical/healthcare devices are expected to anchor the EMS business.

Since March 2019, the K-One Group has diversified into the Cloud business via the acquisition of G-AsiaPacific Sdn Bhd (GAP) which presently is a wholly-owned subsidiary. The Cloud business is principally involved in the specialities of advanced Cloud technology which encompasses infrastructure as a service (IaaS), platform as a service (PaaS), software development, IT consultancy and other professional services such as cybersecurity and Artificial Intelligence (AI) related to Cloud solutions.

In 2024, the Cloud business has outgrown the EMS business. Its reach extends across all sectors in Malaysia, be it private or public, large or small and concurrently reaches out to ASEAN countries, which include Singapore, Indonesia and Vietnam where growth opportunities are aplenty.

The K-One Group has in 2024 formally added a third leg in its revenue stream to include the distribution and supply of healthcare/medical devices and hygiene-care products. This emerging Healthcare business has under its belt the exclusive distributorship of Diversey hygiene-care products, non-exclusive distributorship of Mindray's AEDs for the public sector (excluding hospitals) and several other agencies for the distribution of a variety of healthcare/medical consumables.

3. BUSINESS AND FINANCIAL REVIEW

Business Performance

<u>Group Business</u>

The Group had its best year ever as sales surged to RM201.7 million from 167.3 million in 2023, recording a strong double digit growth of 21% as Cloud racked up record sales.

<u>EMS Business</u>

EMS sales logged in at RM86.1 million in 2024 as compared with RM92.2 million in the preceding year, representing a decrease of 7%. The sales retraction was due mainly to:- a) lacklustre sales of electronic headlamps attributed to the phase-out of older models in anticipation of new product launches, b) loss of a healthcare device customer which dampened sales growth, c) decline in IoT gadgets sales on slow-moving global market, d) contraction in the supply of spare parts and sub-assemblies for maintenance purposes to a specific customer (with the Group serving as its Asia Hub) due to the customer's ERP system maintenance issue and e) 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
Cont'd

Although the floorcare products and industrial equipment segments experienced commendable growth, it was insufficient to offset the declines in the aforementioned product segments.

Cloud Business

The Cloud business generated sales revenue of RM115.6 million in 2024 as compared with RM75.1 million in the previous year, inking a stellar growth rate of 54%, driven by:- a) sturdy performance in recurring sales from existing customers and onboarding of new customers in the Malaysian market, b) rising sales from GAP Vietnam, a 51% owned JV established in July 2023 and c) full-year consolidation of GAP Indo's post-acquisition revenue, compared to the previous year's 6-month consolidation (GAP Indo became a subsidiary in late June 2023, following the acquisition of additional shares).

To capitalize on the vibrant Cloud market, the Group actively pursued large scale projects with both private enterprises and government entities, achieving substantial revenue growth and garnering industry recognition. Notably, GAP Malaysia recently received the "Partner of the Year Malaysia 2024 Award" from AWS, marking the third such award received within the past five years. This consistent recognition underscores GAP's commitment to Cloud excellence and its strong market position. Furthermore, GAP Vietnam garnered multiple accolades from AWS during the year, demonstrating the Group's ability to achieve success both domestically and regionally.

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 advanced Cloud solutions, cybersecurity services, data analytics and AI solutions. By providing superior customer support, including 24/7 technical assistance and proactive monitoring, the Group aims to build strong customer relationships and loyalty. The Group's goal is to out-manoeuvre both local and global competitors to solidify its position as a leading Cloud service provider in Malaysia and across ASEAN.

Healthcare Business

As for the Healthcare business, it is emerging with insignificant sales but the foundations have been laid for future growth. It had signed up as the exclusive distributor of Diversey hygiene-care products in Malaysia. The Diversey brand of hygiene-care products has garnered positive reception from hospitals and the hospitality sectors. To speed up growth, the Group is actively pursuing initiatives such as recruiting qualified agents and expanding its market reach to encompass a wider spectrum of sectors, including the food and beverage (F&B) industry.

On the medical device front, the Group has been appointed by MR Global (HK) Limited (Mindray) as the non-exclusive distributor of automated external defibrillators (AEDs) for the public sector (non-hospital) in Malaysia. In line with the Group's strategic focus in developing, manufacturing and distributing medical devices, healthcare products and hygiene-care products under its own brand name (OBM) or as an authorized representative, it sought and obtained shareholders' approval to diversify to the Healthcare business in June 2024.

Financial Performance

Group Earnings

The Group recorded a net profit of RM0.2 million in 2024, a marginal decline from the net profit of RM0.3 million in the previous year. This was primarily due to reduced profit in the Cloud business, despite a narrower loss in the EMS business.

EMS Earnings

In 2024, the EMS business recorded a net loss of RM2.4 million, an improvement from the RM2.9 million loss incurred in the previous year. Despite a decline in sales and increased foreign exchange loss (RM0.9 million in 2024 as compared to RM0.2 million in 2023), the business managed to improve its gross profit margin to 12% in 2024 from 11% in the previous year. The Group's proactive measures, such as materials cost-down initiatives and the pass-through of portions of increased costs to customers helped to mitigate the impact of adverse market and financial conditions. Furthermore, the Group's efforts to automate manufacturing processes and adopt Industry 4.0 principles enhanced operational efficiency and cost competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
Cont'd

Cloud Earnings

Despite a significant increase in Cloud sales, net profit declined to RM2.6 million in 2024 from RM3.2 million in the previous year. This decrease was primarily attributable to:- a) higher employee costs associated with the expansion of the workforce to support business growth, b) increased rental and depreciation expenses following the establishment of a new headquarters in early 2024 and c) absence of certain financial incentives from the principal that were received in the prior year.

Corporate Development

At the Extraordinary General Meeting (EGM) held on 23 December 2024, shareholders of K-One Technology Berhad approved the proposed issuance of Free Warrants on the basis of one Warrant for every four existing ordinary shares ("Bonus Issue of Warrants"). The Warrants, carrying an exercise price of RM0.20 per Warrant and a three-year tenure, were subsequently admitted to listing and quotation on 21 January 2025. The Group extends its sincere gratitude to shareholders for their continued support and confidence. This Bonus Issue of Warrants serves as an appreciation for shareholders' support as the Group embarks on its next phase of growth.

Issued for free, the Bonus Issue of Warrants provides shareholders the opportunity to increase their equity participation in the Group by exercising the Warrants at the predetermined price within the specified timeframe. This presents potential for capital appreciation for both the ordinary shares and the Warrants, contingent upon the Group's future performance and growth. Furthermore, the Group may benefit from the inflow of funds generated from the exercise of these Warrants, which can be utilized to finance working capital requirements and support future growth initiatives.

Capital Resources and Liquidity

The Group's robust financial position has been instrumental in navigating through challenging market conditions and a demanding business landscape. This strong financial foundation provides the Group with the necessary flexibility and resources to scale its operations and capitalize on emerging opportunities.

The Group's total assets increased by 10% to RM189.0 million in 2024 from RM172.0 million in the previous year.

Inventory levels at the end of 2024 stood at RM24.0 million, a significant decrease of 27% compared to the RM33.0 million recorded in the prior year. This reduction was attributed to the Group's ongoing inventory management initiatives, including optimization of stock levels and improved demand forecasting. Furthermore, the normalization of supply chains due to disruptions, such as the Suez Canal blockage contributed to this positive outcome, ultimately leading to improved inventory turnover.

Cash and cash equivalents, comprising time deposits and short-term cash funds increased by 10% to RM53.7 million at the end of 2024, from RM48.6 million in the previous year. This increase was primarily driven by cash generated from operating activities of RM7.2 million, reflecting effective capital expenditure management and improved working capital efficiency. The Group's healthy cash position will enable it to fund organic growth initiatives and pursue potential merger and acquisition opportunities (M&A).

In 2024, the Group capitalized RM1.6 million in development costs for its NASA-JPL licensed ventilator as an intangible asset, down from RM2.0 million in 2023 due to its near completion. The ventilator, branded Medkaire, is currently undergoing Medical Device Authority (MDA) regulatory approval and is slated for a 2H'25 launch, pending clearance of approval. To recap, the Group secured a non-exclusive worldwide license from NASA's Jet Propulsion Laboratory (NASA/JPL), via the California Institute of Technology (Caltech) in 2020 to manufacture and distribute the NASA-JPL ventilator.

Gearing

The Group does not have any borrowings as at end 2024.

Dividend

No dividend would be paid or declared for the year (2024) as the Group intends to preserve cash to fuel expected impending organic growth, pursue strategic M&A opportunities and diversify into synergistic business.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
Cont'd

4. BUSINESS STRATEGY

The Group's strategic focus in building resilience with strong growth drivers and durable competitive advantage serve as the compass in guiding the Group in going through various calamities, which include the recent past but vivid COVID-19 pandemic. The key strategic business drivers of the Group are illustrated as below:

BUILD RESILIENCE	DRIVE GROWTH	NURTURE CAPABILITIES
• Maintain zero gearing and ample liquidity across all business units. • Enhance balance sheet strength with careful capital expenditure planning and working capital management. • Practise cost optimization. • Monitise low-yielding assets.	• Product diversification into "sunrise" markets. • Focus on key growth areas. • Develop new ventures complementary to the Group's core businesses. • Enhance growth through strategic M&A.	• Speed up digital transformation by embracing innovation, AI and Industry 4.0. • Implement sustainability best practices across the Group. • Foster workforce agility and build future-ready competencies that are responsive to market changes. • Adhere to high standards of risk management. • Enhance accountability and performance-based reward system.

Build Resilience

The global economy remained beset by a series of persistent challenges that carried over from the preceding year into 2025. The looming threat of an economic downturn on lingering inflation and debt concern, trade war, tensions, compounded by geopolitical instability, further heightened uncertainty in an already demanding business landscape. Despite these adversities, the Group successfully strengthened its balance sheet to support its business goals and optimise financial performance.

The Group retained a robust financial position with substantial cash and cash equivalents. In 2024, it generated a net cash inflow of RM7.2 million from operating activities. By prioritizing prudent capital expenditure management and optimizing working capital efficiency, the Group further fortified its balance sheet. Consequently, cash and cash equivalents augmented to RM53.7 million at the end of 2024, compared to RM48.6 million in the preceding year, while preserving a zero-debt position.

EMS supply chains are becoming increasingly complex as suppliers are dispersed worldwide. Additionally, evolving manufacturing processes, shifting consumer preferences and disruptive innovations are reshaping these established supply chains. However, the said supply chains are fragile and susceptible to disruption due to geopolitical tensions between major economies, which can result in trade restrictions, tariffs, and export controls. Furthermore, extreme weather events, such as the recent Panama Canal drought, can exacerbate supply chain vulnerabilities. To mitigate these risks, the Group may need to maintain higher inventory levels, potentially leading to excess stock, operational inefficiencies and reduced profit.

The Group is continuously repurposing and reshaping its supply chain to further enhance resilience and emerge stronger in face of future disruptions. The improvement includes right-sizing inventory of critical components/materials, diversifying its supply bases by leveraging on digital capabilities of its cutting-edge back office system with inbuilt real-time order monitoring, end-to-end inventory visibility and advanced analytical capabilities. Consequently, the Group's inventory was progressively reduced to RM24.0 million as at end 2024 from RM33.0 million a year ago.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd

Drive Growth

The present global business landscape is characterized by rapid change, unpredictability, and volatility. Persistent inflationary pressures, coupled with relatively high interest rates and geopolitical tensions such as the Russia-Ukraine war, and the exacerbation of US-China rivalry, continue to simmer, potentially impacting the Group's business operations depending on the outcome of geopolitical negotiations. Given the inherent nature of these macroeconomic risks, direct and complete mitigation is virtually impossible and beyond the Group's control.

In response to the challenging economic conditions, the EMS business strategically diversified its operations into promising markets, including medical/healthcare devices, IoT gadgets, and industrial equipment. The Group's expansion into the development, manufacturing, and distribution of medical devices and consumables, both under its own brand (OBM) and as an authorized representative, is gaining traction following the successful domestic launch of COVID-19 Antigen saliva self-test kits in 2022. The Group is experiencing growth in the distribution of Diversey brand hygiene products, particularly in hospitals, nursing homes and the F&B industry. The impending distribution of AED, which is supplied by Mindray to the Malaysian public (non-hospital) sector is expanding the Group’s healthcare product offerings, while simultaneously benefiting from the growing demand for AED. Looking ahead, the Group intends to launch the Medkaire ventilator (NASA-JPL licensed ventilator) in the local market in 2025, subject to regulatory approval from the MDA.

As geopolitical tensions escalate, US and Chinese policymakers appear intent on reducing economic interdependence between the two nations. With the US President embarking on his second term, intensified trade competition is imminent. This development is likely to accelerate the relocation of US manufacturing operations away from China. The K-One Group is well-positioned to capitalize on these opportunities. By consistently promoting its capabilities and competencies directly to US companies through targeted marketing campaigns and exhibitions, the Group has been actively seeking to further penetrate the US market.

Furthermore, the Group's diversification into the Cloud business, facilitated by the acquisition of GAP, has created a new revenue stream that complements its core operations. The recent expansion and consolidation of the Group's presence in Vietnam and Indonesia respectively are strategic initiatives designed to bolster its Cloud business. The Cloud market in ASEAN remains relatively nascent, offering significant growth potential.

Nurture Capabilities

The Group remains steadfast in its pursuit of cultivating core competencies and establishing a competitive edge within the market. Its digital transformation initiative encompasses a continuous enhancement of the Oracle system as its foundational digital platform. Furthermore, significant strides are being made in the implementation of automation within its manufacturing processes, signifying progress towards smart manufacturing aligned with Industry 4.0 objectives. This gradual transition towards smart manufacturing is anticipated to enhance operational efficiency and mitigate the impact of labour shortages in production. The Group possesses the inherent flexibility to adapt to emerging technologies, underpinned by its agile workforce, deep industry expertise and sharp technical acumen, particularly in research and development capabilities and engineering excellence.

The Group is cognizant that its future success depends to a large extent the talent, hard work and value created by its directors, key management, technical personnel, supporting staff and production employees. The Group’s efforts in building the capabilities of its people involve driving a performance-based culture via the Group’s performance management system and business strategic focus that align rewards with performance.

Concurrently, constant assessments are undertaken to ensure that its leadership pipelines, including senior management and strategic staff are identified and talents groomed or prepared accordingly as part of its succession planning program.

5. BUSINESS & MARKET OUTLOOK

The K-One Group anticipates 2025 to unfold within a complex and dynamic business environment. This landscape is characterized by persistent geopolitical tensions, heightened volatility in foreign exchange markets, escalating cost and the potential for a prolonged tariff war between the United States and other nations, particularly China. Such developments could exert further inflationary pressures and exacerbate supply chain disruptions. The increasing complexity of global markets, coupled with evolving consumer preferences, demands agility and innovation. These factors contribute to a dynamic and unpredictable operating environment, necessitating the Group's ability to navigate uncertainty and adapt to rapidly evolving conditions.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
Cont'd

Against this lacklustre backdrop, the Group is nevertheless cautiously optimistic on its prospects for the coming year underpinned by expected growth of its EMS, Cloud and Healthcare businesses as they are well-positioned to benefit from the recession-proof demand of medical/healthcare devices and industrial equipment, as well as escalating adoption of Cloud in ASEAN which is still at its adolescence growth phase. To be noted, its emerging Healthcare business has ample opportunities for expansion as it is in a sweet spot supported by rising health consciousness and an ageing population. With anticipated business growth, it expects its earnings to improve in tandem for the year ahead, barring unforeseen circumstances.

EMS Business

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.

Furthermore, the Group successfully penetrated a new market segment in the manufacture and supply of peripheral or controller sub-systems designed to regulate and control cooling systems installed in data centres. This strategic business is anticipated to generate escalating sales revenue in the forthcoming periods, substantiated by the burgeoning global demand for data centres, driven by the exponential proliferation of AI applications on a worldwide scale. This positive trajectory is further reinforced by the rapid expansion of the data centre infrastructure within the Malaysian market.

In 2025, the Group will intensify its efforts to enhance competitiveness through a concerted focus on cost reduction initiatives and the implementation of advanced automation in its manufacturing processes. This strategic approach aligns with the Group's overarching objective of achieving smart manufacturing capabilities in accordance with Industry 4.0 principles. Concurrently, the Group is actively pursuing new business avenues, with a specific focus on diverting US manufacturing operations currently running in China to Malaysia. The prevailing US triggered trade war presents a favourable opportunity for the Group, enabling it to capitalize on supply chain relocation activities.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
Cont'd

Cloud Business

It is anticipated that the Cloud market will continue growing in 2025 undeterred by the mounting global macroeconomic uncertainties. Cloud is still in an early stage of growth particularly in the developing world and the shift to Cloud has only been accelerated since the outbreak of the COVID-19 pandemic in early 2020 as organizations responded to a new business and social dynamics. Cloud is undoubtedly a key driver in digital transformation which businesses could hardly ignore for long term sustainability. The rapid global rollout of 5G and the increasing adoption of IoT, AI and machine learning which enable more data and new types of data to be streamed from the Cloud will boost Cloud spending in the longer term.

Cloud is one of the Group's core business strategies to spur high growth in the future. As one of the pioneers in the Cloud space in Malaysia, the Group will leverage on its credentials, staff strength and expertise to continue growing the recurring revenue from the significant pool of its existing Cloud customers in Malaysia, Singapore, Indonesia and Vietnam. Furthermore, the Group will refine its strategic plan by augmenting its resource allocation and intensifying its focus on acquiring prominent and substantial clientele both domestically and internationally. This crucial endeavour aims to foster exponential business growth. Meanwhile, the Group is envisioned to expand into other ASEAN countries, with priority given to Philippines, Thailand and Cambodia in the future. It is also eyeing the Australian market which has immense potential.

It is the Group's plan to deliver new collaborative Cloud offerings. As such, it is extending out to tap into other specialized Cloud services such as cybersecurity, AI and machine learning which are witnessing significant business potential. The Group places great emphasis on workforce management to ensure that it increases headcount with the right skills to drive the next stage of business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
Cont'd

Healthcare Business

The Healthcare business is poised to emerge as a key growth driver for the Group in the long term. This segment is underpinned by several key pillars:- a) the exclusive distributorship rights for Diversey brand hygiene-care products within the Malaysian market, b) the Group's own brand manufacturing (OBM) of ventilators and c) the distribution of Mindray AEDs. Furthermore, the Group serves as an authorized representative (AR) for a diverse range of healthcare consumables and medical supplies, encompassing products such as fish oil supplements, acne patches, and wound care solutions. To ensure sustained long-term growth, the Group is actively pursuing opportunities to expand its portfolio through the acquisition of additional medical device distributorships and the diversification of its medical supply manufacturing capabilities to include more healthcare products.

The Group is actively expanding its market presence in key sectors such as hospitals, nursing homes and the F&B industry by leveraging the superior quality and environmentally friendly attributes of Diversey brand hygiene-care products, of which it is the exclusive distributor for Malaysia. On the medical device front, it has recently started distributing Mindray's AEDs to the Malaysian public sector (non-hospital), enabling the Group to expand its healthcare and medical products portfolio while capitalizing on the significant growth potential within the AED market. Additionally, the Group is undertaking enhancements to the NASA-JPL designed ventilator, focusing on improving the ventilator's performance, user-friendliness, and overall efficacy to meet the evolving needs of the healthcare market. The enhanced ventilator, to be marketed under the Group's proprietary brand name, Medkaire, will undergo rigorous clinical testing protocols mandated by MDA prior to its anticipated domestic launch in 2H'25, upon and subject to MDA approval.

The Group remains actively engaged in exploring potential M&A opportunities with a focus on acquiring synergistic businesses. The Group recognizes M&A as an alternative avenue for growth and intends to leverage its strong financial position towards this end. As at end 2024, the Group maintained a debt-free balance sheet and a substantial cash surplus of RM53.7 million, providing ample financial flexibility to pursue strategic acquisition targets.

The Group has achieved numerous significant milestones since its humble beginnings as an OEM/ODM in 2001. Nevertheless, it has a vision to accomplish much more via the building up of the medical/healthcare segment in the EMS business, the emerging OBM/AR healthcare products portfolio and catching of the abundant opportunities in the Cloud business in ASEAN and Oceania. With the unwavering support of every internal and external stakeholders, the Group looks forward to reaching far greater heights as it moves forward together as one.

SUSTAINABILITY STATEMENT

INTRODUCTION

As one of the leading technology providers of Electronics Manufacturing Services (EMS), Cloud Computing (Cloud) and Healthcare Products (Healthcare) listed on the ACE Market of Bursa Malaysia Securities Berhad (Bursa), the K-One Group (Group or K-One) is committed to delivering sustainable economic growth whilst contributing to governance, environment and social well-being within the communities it operates in. The Group fully recognises the importance of sustainability in creating positive impact and delivering long-term value to all its stakeholders.

Since 2011, the Group has been registered as a participant of the UN Global Compact which is a United Nations' initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies. K-One's Management has and is committed to supporting the ten principles of the Global Compact concerning human rights, labour, environment and anti-corruption. Through sustainability management, the Group believes that it can create economic value, uphold good governance, protect the environment and pursue social development.

This Sustainability Statement (Statement) outlines the sustainability efforts undertaken by the Group during the financial year, demonstrating its steadfast commitment to operating sustainably. For better understanding on how sustainability drives value creation across the Group, this Statement is prepared to be read in tandem with the Group's Annual Report 2024 and Corporate Governance Report 2024.

SCOPE AND REPORTING STANDARDS

This Statement highlights the Environmental, Social and Governance (ESG) performance, significant achievements and strategic initiatives/activities of the Group. It encompasses the Group's core business segments – EMS, Cloud and the emerging Healthcare operations.

The Statement is prepared in accordance with the Listing Requirements of Bursa for the ACE Market (AMLR) and guided by the Sustainability Reporting Guide issued by Bursa as well as the United Nations Sustainable Development Goals (UNSDGs). Given the meticulous internal validation and review process in place over the preparation of the Statement, the Group has not sought any independent assurance on the information disclosed in it.

SUSTAINABILITY STATEMENT
Cont'd

KEY SUSTAINABILITY HIGHLIGHTS

Environment

✓ Monitoring on Scope 1 and Scope 2 emissions

0 Case of environmental non-compliance

✓ Computation of energy intensity

✓ Installation of rainwater harvesting system

Social

35% Representation of women at Managerial level

0 Case of fatalities and injuries at work premises

0 Case of incidents of human rights violations

100% Local employees

24% Long service more than 10 years

100% Directors attended Mandatory Accreditation Programme (MAP) Part II

Governance

✓ Integrated Management System (IMS) for ISO 9001, 45001 and 14001

0 Complaints of breaches to customer privacy or loss of data

100% Employees trained on anti-corruption

0 Incidents of bribery and corruption

ROAD TO SUSTAINABILITY

2000
- Ideation of K-One

2001
- Incorporation of K-One

2002
- Awarded MSC-Status

Commenced manufacturing operations

2003
- ISO 9001 certified

2004
- Awarded Deloitte Asia Pac Technology Fast 500 Award for 4th consecutive year

2006
- Listed on MESDAQ Market

2008
- ISO 14001 certified

2011
- Participant of UN Global Compact

2013
- ISO/TS 16949 certified

2014
- Implemented ERP system

2017

2018
- OSHAS 18001 certified
- ISO 13485 certified

2019
- FDA registered
- ATEX certified

2020
- Awarded Amazon Web Services Country Partner of the Year (Malaysia)
- Establishment of P.T. GasiaPasific Indo with 15% stake
- Acquisition of 60% stake in G-AsiaPacific Sdn Bhd

2021
- MDA Establishment License
- Establishment of wholly-owned Cloud subsidiary in Singapore
- Complete 100% acquisition of G-AsiaPacific Sdn Bhd by buying remaining 40%
- SEDEX registered
- GDPMD certified

2022
- Appointed exclusive distributorship for Diversey's hygiene solutions
- Awarded Amazon Web Services Consulting Partner (Malaysia) 2021
- Upgraded to Google Premier Partner
- ISO 45001 certified
- Custom Trade Partnership Against Terrorism (CTPAT)

2023
- NPRA Import License
- Acquisition of 36% stake in P.T. GasiaPasific Indo to make it 51%
- Establishment of 51% ownership JV in Vietnam to conduct Cloud business

2024
- Awarded Amazon Web Services Country Partner of the Year (Malaysia)
- Integrated Management System (IMS) for ISO 9001, 45001 and 14001
- Diversification of existing businesses comprising of EMS and Cloud to include distribution, supply and sale of healthcare products

SUSTAINABILITY MANAGEMENT

As K-One takes a significant stride towards a sustainable future, it is committed to fully integrating the three pillars of Environmental, Social and Governance (ESG) principles into its business operations. This commitment necessitates a fundamental shift in the way it conducts its business. To ensure this commitment is cascaded down to all employees, the Group has in place a Sustainability Governance Structure (SGC) involving all relevant senior personnel, specifically the Board of Directors (BOD or Board), CEO and Sustainability Working Committee (SWC) through to functional staff responsible for execution.

The SGC oversees the formulation of sustainability policies and execution of sustainability initiatives to realise the Group's sustainability commitments. In the process, the Group will also be leveraging cost optimisation and operational efficiency opportunities, in addition to ensuring that sustainability is and remains an integral part of the Group's operations. The SGC ensures smooth communication, active monitoring, reporting and decision making across all levels to facilitate effective and expeditious implementation of sustainability initiatives enabling the Group to deliver its sustainability commitments.

Components of the SGC and their respective roles and responsibilities are described below:-

a. BOD

The BOD has the overall responsibility for formulating sustainability strategies and oversight over sustainability matters which include exercising governance over execution and providing guidance and advice. The Board is supported by the SWC, subject matter experts and functional expertise from the relevant departments.

b. CEO

The CEO provides leadership, supports the development of sustainability policies, offers insights and monitors progress of execution to ensure that goals and objectives are achieved.

c. SWC

The CEO, together with SWC members, evaluate overall risks and opportunities based on reports from the respective departments in the quarterly ESG and Risk Management meetings. The SWC supports the CEO in the development of strategies to meet sustainability goals, monitors the implementation of sustainability initiatives across all businesses and provides guidance throughout the implementation. Departments are responsible for executing the required activities to achieve the sustainability initiatives' goals and objectives.

SUSTAINABILITY STATEMENT
Cont'd

MATERIALITY ASSESSMENT

A structured materiality assessment is integral to the Group's sustainability reporting journey as it accurately identifies, assesses and prioritizes material sustainability matters, which encompasses environmental, social and governance initiatives that significantly influence the Group's ability to create value for its stakeholders. The process of materiality assessment is summarised below:

STEP 1 – Sustainability Matters Identification
Identification of relevant global sustainability trends and key ESG topics.

STEP 2 – Stackholders Engagement
Understanding stakeholders' needs and expectations.

STEP 3 – Materiality Matrix
Prioritization of Material Sustainability Matters (MSM).

STEP 4 – Review and Approval
Approval of material matters from Working Committee, CEO and BOD.

Sustainability Matters Identification

The Group conducts annual materiality assessment to identify and assess the materiality of environmental, social and governance risks impacting its business and operations. Concurrently, the materiality assessment formulates responses to mitigate existing and anticipated risks that are significant to the business and operations.

Stakeholders Engagement

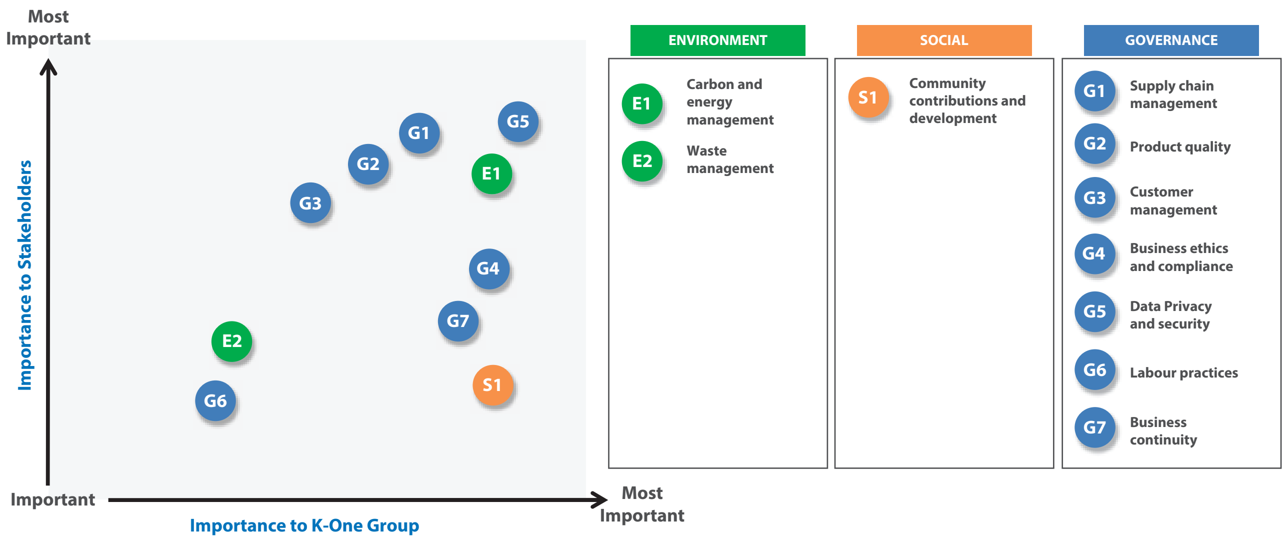
The Group actively engages with its stakeholders in order to appreciate their concerns in relation to the Group's operating environment. Such engagements also provide opportunities for future collaborations. The sustainability concerns of the stakeholders are summarised below:-

Stakeholder	Sustainability Concern	Engagement Approach
Shareholders	• Business performance and growth • Return on investment • Financial performance	• Annual and extraordinary general meetings • Financial and corporate announcements
Board	• Corporate governance • Business strategy • Continuous business and operational improvements • Risk management and compliance with laws and regulations • Financial results • Interests of stakeholders and shareholders	• Board meetings • Annual and extraordinary general meetings • Corporate organised events
Employees	• Occupational health and safety • Fair remuneration • Fair employment practices • Career development opportunities	• Quarterly forums • Employee performance appraisal • Group organised events
Customers	• Manufacturing quality • Manufacturing capacity • Research and development • Product quality and safety • Supply chain disruption • Labour practices	• Plant audits • Virtual meetings • Ad hoc meetings

Stakeholder	Sustainability Concern	Engagement Approach
Suppliers	• Fair tender practices • Sustainable prices • Business continuity	• Supplier audits • Ad hoc meetings
Government/ Regulatory Authorities	• Manufacturing standards and policies • Compliance with applicable laws • Economic, environmental, social and governance impacts • Collaborative programmes related to national agenda	• Continuous interaction • Formal and informal meetings • Participation in government programmes and initiatives
Non-Governmental Organisations and Local Communities	• Working conditions • Labour rights • Job creation for local communities • Support for community development	• Public events • Face-to-face interaction • Donations and financial aids • Company website and social media platforms

Materiality Matrix

A structured materiality assessment is integral to the Group's sustainability reporting journey as it accurately identifies, assesses and prioritizes Material Sustainability Matters (MSM) that significantly influence the Group's ability to create value for its stakeholders. MSM for 2023 were re-assessed in 2024 to determine if they remained relevant while those material matters which emerged in the reporting year were added to the said matrix. The assessment also considered matters which were deliberated and feedback received during the Group's stakeholder engagements to ensure that the MSM were complete and balanced. The materiality assessment is guided by the Group's Risk Management and Bursa's Sustainability Reporting Guide. Below is the Group's Materiality Matrix for 2024:



ENVIRONMENT, SOCIAL AND GOVERNANCE SUSTAINABLE PRACTICES

1. Environment

The Group is acutely aware of the environmental impact of its business operations, including carbon footprint, energy consumption and climate change implications. To promote energy savings, enhance efficiency and significantly reduce greenhouse gas (GHG) emissions, the Group is committed to delivering sustainability initiatives to ensure that its business thrives without compromising the environment for a sustainable tomorrow.

The Group complies with legal and regulatory requirements of the relevant authorities such as the Department of Environment to uphold the environmental footprint. To-date, no instances of non-compliance with environmental regulations have been recorded.

K-One's Cloud business arm is inherently sustainable and contributes positively to environmental decarbonization efforts. By adopting Cloud technology, enterprises can significantly reduce their energy consumption through digitalisation/server virtualization. The physical server footprint will decrease as the need for physical servers diminishes. Additionally, the pay-as-you-use business model of Cloud encourages organisations to consume resources only as needed, leading to enhanced energy and resource efficiency simultaneously. Cloud technology is certainly a vital element of greener IT initiatives.

E1. Carbon And Energy Management

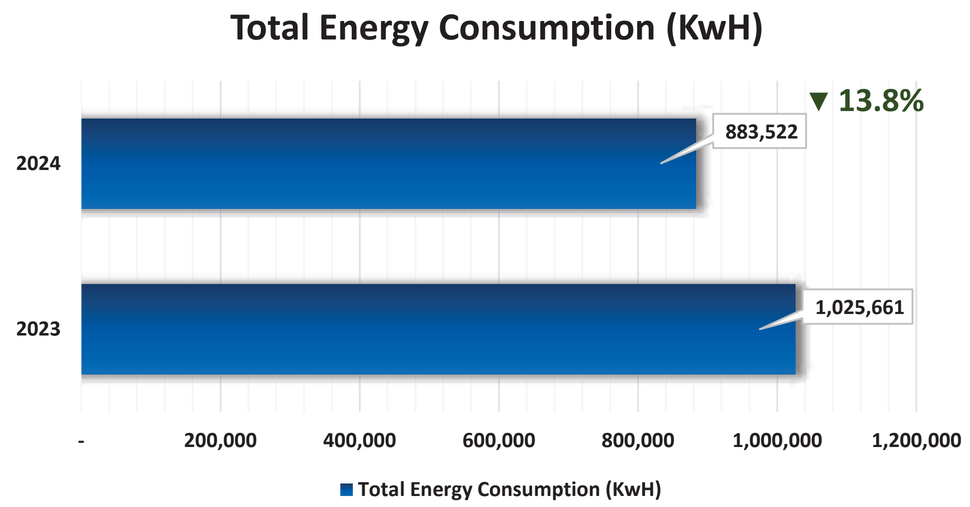
The EMS business is operating locally in Malaysia, while the Cloud business operates in Malaysia, Singapore, Indonesia and Vietnam. Due to the nature of the Group's businesses, it has minimal GHG emissions. The Group started tracking Scope 1 and 2 emissions since 2023 to estimate and reduce GHG emissions. Scope 1 emissions primarily come from mobile combustion and diesel consumption, while Scope 2 emissions are attributed to electricity consumption.

GHG Emissions by Scope (Tonnes CO2e)		2024	2023
Scope 1	Direct GHG emissions from sources that are owned and controlled by the Group (eg diesel, etc).	15.09	5.12
Scope 2	Indirect GHG emissions from the generation of electricity purchased by the Group.	683.44	799.5
Total GHG emissions for the year		**698.53**	**804.62**
Sales (RM'000)		**201,724**	**167,250**
Emission Intensity (Tonnes CO2e/RM'000)		**0.0035**	**0.0048**

In 2024, the Group's total GHG Emissions (Scope 1 and Scope 2) was 698.53 tonnes CO2e versus 804.62 tonnes CO2e in 2023. It managed to reduce GHG emissions by executing responsible energy consumption in its business processes. As far as practical and feasible, it consolidates shipment of materials from suppliers and finished goods to customers to minimize trip frequency. Shipment mode would be changed from air to sea whenever possible to minimise fuel usage.

In comparison, the energy consumption for 2024 was lower than last year. Various methods were adopted to reduce GHG emissions and energy consumption which included replacing incandescent bulbs with LEDs, installing occupancy sensors, migrating physical data storage to Cloud, etc.

Energy Consumption (KwH)					
Premise	**Ipoh**	**PJ**	**Puchong**	**Sunway**	**Total**
Baseline	952,226	65,717	49,155	21,189	1,088,287
2024	780,949	60,339	21,869	20,365	883,522
2023	915,250	63,165	47,246	-	1,025,661



Year	**2024**	**2023**
Total Energy Consumption (KwH)	883,522	1,025,661
Sales (RM'000)	201,724	167,250
Energy Intensity (KwH/RM'000)	4.3799	6.1325

GHG Emissions in respect of certain aspects of Scope 3, namely Business Travel and Employee Commuting are tabulated below:

Scope 3 GHG Emissions	**2024**	**2023**
C6 - Business Travel (Tonnes CO2e)	62.16	62.25
C7 - Employee Commuting (Tonnes CO2e)	171.09	176.43*
Total Scope 3 Emission (Tonnes CO2e)	233.25	238.68
Sales (RM'000)	201,724	167,250
Emission Intensity (Tonnes CO2e/RM'000)	0.0012	0.0014

* *Updated value reflects accurate recalculation methodology*

The Group is in the process of working towards addressing Other Indirect (Scope 3) GHG emissions in relation to the processing of materials purchased from suppliers and outsourced logistics for future reporting.

Looking Ahead:

Key Performance 2024:

In 2024, K-One calculated and disclosed its energy intensity, demonstrating its commitment to energy efficiency and sustainability.

Sub-Goal:

The Group will require key suppliers to compute GHG emissions to enable it to calculate supply chain carbon footprint and tracking of Scope 3 emissions (ie emissions beyond the Group's direct operations or purchased energy).

E2. Waste Management

The most effective way to reduce waste is not to create it in the first place. The Group is committed to green chemistry. It will endeavour to minimize waste at the source, including minimizing the use of hazardous materials that can often become hazardous waste at the end of the manufacturing process. Whenever possible, it encourages the use of recycled packaging materials to minimize resource consumption and reduce environmental impact. Additionally, it prioritizes suppliers who demonstrate a strong commitment to sustainable practices and actively seek alternatives for sustainably sourced materials, services and products.

The EMS business has consistently strived to improve its waste management and water consumption through the practice of 3Rs (Reduce, Reuse and Recycle) in all permissible aspects of its business. Due to the nature of the Group's businesses, the waste generated is mainly non-hazardous, which includes domestic trash, such as paper, plastic, cardboard boxes, etc. Some of these wastes are recoverable or recyclable. The use of recycled packaging materials is encouraged to minimise the impact on the environment and resources. Data on the recycle waste collection is indicated below:

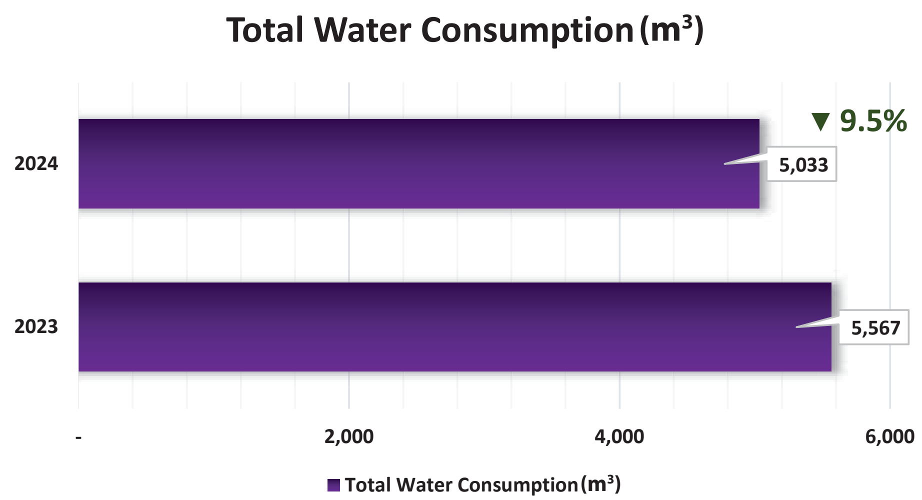
Recycled Waste Collection (kg)	Carton Boxes	Plastic Bags	Rubber Parts	Metal Parts	Plastic Parts	Packaging Parts	Total
2024	32,537	4,599	9	3,302	3,738	665	44,850
2023	32,272	1,962	228	676	8,414	757	44,309

The Group has engaged two (2) waste contractors licensed by Department of Environment to perform recycling. The appointed licensed waste contractors would process and recycle the waste offsite.

Scheduled Waste Generated (kg)	2024	2023
SW110	843	1,208
SW409	41	83
SW410	17	114
Total	**901**	**1,405**

Last but not least, it uses water responsibly, considering a balance between operational and cost efficiency. Opportunities to reduce, recycle or reuse water in the operations are identified on an ongoing basis.

Water Consumption (m^3)				
Premise	**Ipoh**	**PJ**	**Puchong**	**Total**
Baseline	5,180	269	342	5,791
2024	4,693	286	54	5,033
2023	4,979	259	329	5,567



Year	2024	2023
Total Water Consumption (m³)	5,033	5,567
Sales (RM'000)	201,724	167,250
Water Intensity (m³/RM'000)	0.0249	0.0333

Looking Ahead:

Key Performance 2024:

K-One has installed two 1,000-litre rainwater harvesting tanks at its Ipoh premise as part of its commitment to sustainable practices and resource conservation. This initiative aims to conserve valuable water resources and reduce reliance on the municipal water supply. The harvested rainwater were used to support basic routine activities such as cleaning and gardening. The Group would save approximately 35 to 50 m^3 per month depending on rainfall.

Sub-Goal:

There are significant environmental and business benefits in going paperless or paper-light as it is an effective practice to save the environment. The Group will launch the paper-light initiative and incorporate best records management practices into its operations.

2. Social

Apart from prioritizing "Environment" and "Governance", the Group places equal importance on "Social" aspects, striving to be a "socially" responsible corporate citizen.

Caring for our Community

The Group is always reaching out to the local communities and the general society where it operates with the aim of promoting goodwill in the neighbourhood and "giving back" through various means to benefit the public at large. Through its outreach efforts, the Group strives to make a positive impact on society and contribute to the overall betterment of the communities it serves.

* Joint Gotong-Royong with Majlis Bandaraya Ipoh

On 12 October 2024, K-One and Majlis Bandaraya Ipoh (MBI) co-hosted a gotong-royong event in the neighbourhood of K-One's Ipoh factories. Given the proximity of its factories to residential areas, the main objective was to keep its factories and the surrounding neighbourhood spick and span. With MBI's support, participants successfully cleared up discarded plastics, used bottles, dried leaves and other unwanted wastes. The participants also took the opportunity to unclog the drains for better drainage.

SUSTAINABILITY STATEMENT
Cont'd

During the gotong-royong event, the CEO and COO of K-One actively participated by rolling up their sleeves to lead the K-One team members. Demonstrating the Group's commitment to community welfare and environmental stewardship, fogging was also carried out to eliminate potential mosquito breeding grounds, which would help to prevent dengue outbreaks among the residents and people working in the factories and in the vicinity.

* K-One MyJanji Program

Keeping to its tradition of helping the needy, underprivileged and disadvantaged individuals or families, the Group continued to extend financial assistance to various deserving cases under its K-One MyJanji program. The individuals or families sponsored by the K-One MyJanji program are grateful to the financial assistance provided which are used to buy essential needs necessary for daily living. The Group is humbled to be able to help those in dire straits.

* Provision of Internships to University Students

Education is a basic necessity and a key ingredient for the young to build a better world. With this belief, the Group has always supported the education fraternity by providing internships to university and polytechnic students throughout the year since its inception. In 2024, K-One accommodated a number of interns in the engineering and business disciplines to train and prepare them for the real world upon their graduation.

Caring for our Employees

Employees are one of the key prized assets of the Group, particularly in the Cloud business which is mainly human capital driven. Hence, the Group spends much time and financial resources in upgrading the skill sets of its staff. Besides, it also sees the importance of a highly motivated workforce. In this regard, the Group took its key/strategic staff for a motivational course to revitalize their energy.

* Teaming with Passion Workshop

On 29 and 30 April 2024, K-One's key/strategic staff participated in a 2-day team-building session in Cameron Highlands. The "Teaming with Passion" workshop was designed to foster a positive mindset, enhance team alignment and improve communication. Through a series of engaging activities and assignments, participants explored ways to collaborate and support each other's growth. They were also encouraged to exceed their Key Performance Indicators (KPIs), promoting greater team achievements within a more cohesive work environment. Participants were urged to share the lessons learned about teamwork and achieving KPIs with their teams to foster collective success.

SUSTAINABILITY STATEMENT
Cont'd

* Sports Club

The Group is committed to supporting employees' well-being and promoting a healthy lifestyle through the establishment of the Sports Club. The Sports Club regularly hosts sports activities such as bowling, pickleball, table tennis and badminton. The Sports Club is enthusiastically supported by employees. Occasionally, customers were invited to partake in these games. The Sports Club's activities is an incredible platform for staff team-building and it also helps to strengthen relationships between K-One employees and its customers.

3. Governance

The Group acknowledges that effective Board leadership and strong governance serve as the pillars to instil a culture of sustainability and deliver value to all its stakeholders. All Board members have completed Part II of the Mandatory Accreditation Programme (MAP) - ESG prescribed by Bursa before the 1 August 2025 deadline.

The Vision Statement, Mission Statement and Core Values on ESG are available on K-One's website at https://k-one.com/about-us/. To further the Group's ESG initiatives, it has established the following policies, frameworks and procedures:

SUSTAINABILITY STATEMENT
Cont'd

- Code of Conduct and Ethics
- Anti-Corruption Policy
- Whistle Blowing Policy
- Risk Management Policy
- Company Handbook
- IT Policy: Computer and Network Usage
- Purchasing Process and Control Policy
- Personal Data Protection Policy
- Occupational Health and Safety Policy

Since 2023, the Group enhanced its Sustainability Reporting Framework with the aim of improving the Sustainability Blueprint (Blueprint) and the quality of ESG disclosures, including the provision of data for reported indicators. These enhancements were in line with the ACE Market Listing Requirements concerning the Enhanced Sustainability Reporting Framework issued by Bursa on 26 September 2022.

The Blueprint serves as a comprehensive framework that charts the Group's path forward and future-proofs operations. Developed through deep engagement with its leadership team and other stakeholders, the Blueprint embeds sustainability into the organisation by aligning business strategy and decision-making with sustainability practices. It also takes into account the ESG requirements of the Group's customers, investors and principals.

The Group's enhanced Sustainability Reporting Framework focuses on 10 UNSDG topics that are most pertinent to its business and sustainability objectives. By prioritizing these key areas, the Group reinforces its commitment to environmental standards, social responsibility and corporate governance. This commitment enables the Group the ability to operate its business efficiently and competitively into the future and allows it to continue delivering sustainable value to its stakeholders.

G1 - Supply Chain Management

There has been an increased focus around the world on integrating sustainability practices into the supply chain. The Group has thoroughly considered the environmental and human impact of its products' journey through the supply chain, from raw materials sourcing to production, storage, delivery and every transportation link in between. In addition, the Group is committed to ensure that sustainable supply chain management and procurement practices are embedded into its culture. This would be achieved through the guidance of the principles and standards set out in the Group's Code of Conduct and Ethics and Whistle Blowing Policies. These policies outline how its employees should conduct business with suppliers and how to deal with other stakeholders.

The Group prioritizes sourcing from local suppliers to optimise cost savings and fulfil its pledge to support the local economy by providing employment opportunities to the local community. In 2024, there was a noticeable increase in the spending on local suppliers compared to 2023. Consistent with the previous year, the Group would persist in fully optimizing the use of local resources while engaging key international vendors of high standing where expertise/ capabilities cannot be met locally. This balanced approach ensures that the Group leverages the best available resources and expertise, both locally and internationally to maintain high standards of quality and efficiency in its operations.

SUSTAINABILITY STATEMENT
Cont'd

Proportion of Spending on Local and Overseas Suppliers 2023/2024

Looking Ahead:

Key Performance 2024:

In 2024, the Supplier Assessment Questionnaire was implemented to better evaluate key suppliers' performance and their ESG practices with the objective of encouraging them to improve their sustainability and that of their suppliers throughout the supply chain. The questionnaire covers aspects which include consistent ethical practices and environmental improvement within the supply chain. The information collected is crucial for the Group's customers and stakeholders as it is required for the accurate reporting of the Group's carbon footprint and annual environmental performance objectives.

Sub-Goal:

Moving forward into 2025, K-One's Management will incorporate elements related to Climate Change in the Supplier Assessment Questionnaire. This addition is vital for the Group to effectively gain insights into the climate related risks and factors affecting business operations of the suppliers and stakeholders.

G2 - Product Quality

The Group firmly believes that maintaining high product quality including safety standard and good service are essential for business success. The Board relentlessly emphasizes strict measures to be put in place to uphold the preceding standards.

Being ISO 9001, ISO 13485, ISO 14001, ISO 45001, IATF 16949 and ATEX certified coupled with FDA and MDA registered, the EMS and Healthcare businesses strictly comply with standard operating procedures in performing specific tasks to uphold the certifications and registrations which are subject to annual review. In 2024, its Management System was approved by Lloyd's Register Quality Assurance (LRQA) in meeting Integrated Management System which combines ISO 9001, 14001 and 45001 standards. Additionally, it conforms to Current Good Manufacturing Practice (cGMP) as certified by UL Solutions in 2024.

Quality Assurance (QA) testing is performed to ensure that the Group's customers receive superb quality products that meet their requirements and expectations. Customers feedback or complaint are promptly attended to by the project co-ordinator along with the relevant QA personnel. Corrective and preventive actions will be carried out and monitored by the QA function to prevent recurrence of the complaint.

As one of the pioneers in the Cloud space in Malaysia, the Cloud business invests in various training and certification courses, in particular those offered by its key principals such as AWS, Google and Microsoft to constantly update its staff's IT knowledge to keep abreast with industry trends. As a result, the business unit is able to maintain valuable Cloud talent with deep product knowledge. The Group leverages on its multiple accolades which includes amongst other partnership awards, the Google Premier Partner Award, AWS Public Sector Partner badge and AWS Migration Competency badge in conjunction with its market leadership in the Cloud space in Malaysia to put it in a competitive position to innovate and help its clients to transform their business.

The proportion of staff with foundational, associate, professional and/or specialty certifications accredited by the key principals in 2024 was notably on the rise. As the Cloud business increases its headcount to drive the next stage of business expansion, the number of accredited staff is expected to continue trending upward year-over-year.

Looking Ahead:

Key Performance 2024:

The EMS business is taking the necessary steps towards achieving its objective to becoming a smart factory by utilizing IoT applications and integrating all systems into one centralized digital platform. In 2024, K-One has implemented several automated/semi-automated processes as the Management strongly believes that automating certain manual manufacturing processes will enhance efficiency, productivity and quality consistency.

The Group is proud to share that its Cloud business was awarded the Partner of the Year Malaysia 2024 Award from AWS. The recognition was based on sales performance, sales growth, human resources capabilities and technical competencies. Remarkably, its Cloud business received the same award three times over the last five years which affirms its long-term record of Cloud excellence and professionalism.

Sub-Goal:

The EMS business will continue to advance its automated production processes backed by Cloud solutions in its assembly lines. The final goal is to establish a digitalized production shopfloor which is green, highly productive and efficient in manufacturing products of superb quality.

The Cloud business aims to position itself at the forefront of the rapidly evolving technology landscape and strategically capitalize the opportunities arising from data centre development in Malaysia and the global boom in Artificial Intelligence (AI). The marketing team will consider investing in a Customer Relationship Management (CRM) system in due course to further enhance customer engagement.

G3 - Customer Management

The Group maintains an unwavering focus on its customers. It continuously strives to be responsive to their changing needs. Accordingly, the Group adopts a customer-centric approach in meeting their needs, understanding the inevitable price sensitivities, quality requirements and service expectations. It recognises that customer satisfaction is the key to customer retention and the door to increasing market share in a competitive business environment.

The Group's dedicated customer account managers and auxiliary teams provide the undivided attention and tailored advice to its clients. These personnel engage in long-term collaborative business partnership with key customers and the supply chain. Adequate project management and technical training are accorded to the customer account management team to ensure that they can deliver the Group's aim as a formidable one stop solution provider.

SUSTAINABILITY STATEMENT
Cont'd

Looking Ahead:

Key Performance 2024:

K-One's EMS arm has clinched a job order from a US-based industrial equipment company to manufacture and supply peripherals or controller sub-systems used to control and regulate the cooling system in data centres.

On a different note, in June'24, K-One has convened an Extraordinary General Meeting and passed the resolution to diversify its existing business comprising of EMS and Cloud Computing to include the distribution, supply and sale of healthcare products (Healthcare Business).

The Cloud arm is consistently seeking ways to expand its business scope. In 2024, it was officially registered with the Human Resource Development Centre (HRDC) to provide HRDC-claimable courses, specifically on AI and its applications which is in hot demand.

Sub-Goal:

The EMS arm is poised to capitalize on manufacturing relocation opportunities unlocked by the ongoing rivalry with rising intensity between US and China. The Management is confident in its ability to secure some of these relocation opportunities.

In an effort to expand its revenue stream in its emerging Healthcare business, K-One will progressively identify viable healthcare products, hygiene-care solutions and medical devices for distribution in Malaysia.

To alleviate customer service and meet expanding demand, the Cloud business will extend its foray into other specialized services such as cybersecurity, data analytics, generative AI and machine learning which are witnessing significant business potential. The Group is actively sourcing for suitable talents to ensure sufficient resources and competencies to deliver AI-powered applications for customers.

G4 - Business Ethics And Compliance

Given that good governance and ethical conduct are critical for building trust, the Group strictly adheres to its Code of Conduct and Ethics and Whistle Blowing Policies. The Group is committed to maintaining the highest standards of integrity in all business interactions and adopts a zero-tolerance policy in prohibiting any forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes).

The Code of Conduct and Ethics is to be complied with by all levels of the organization; from the Board to all employees and extends to the Group's supply chain comprising of suppliers, customers and business associates. Every employee is required to comply with local laws and maintain a high standard of personal conduct while dealing with various stakeholders. Proper channels have been established to instil confidence in employees and third parties, enabling them to raise concerns about any irregular behavior or practices and to mitigate risks and losses through the early discovery of such activities.

All Directors and employees of the Group have received communication and/or training on anti-corruption and there was no instance of bribery or corruption in 2024.

	2024	2023
	(case)	(case)
Anti-Corruption – Number of reported cases	-	-

Conflict of interest may arise when Directors or employees have conflicting interests due to having developed a close relationship with the Group's suppliers or customers. The Group's Code of Conduct and Ethics' policies and procedures stipulate the principles and processes in governing and managing conflict of interests.

The Group has also established a Whistle Blowing Policy for internal and external stakeholders to report unethical or unlawful behaviour in confidence. The said policy provides guidance on how a report can be made and how it should be handled and resolved while ensuring protection to the whistle-blower against retaliation. There was no whistle-blower case reported in 2024.

	2024	2023
	(case)	(case)
Whistle blowing – Number of reported cases	-	-

As regards to complying with the Inland Revenue Board's (IRB) directive to implement e-invoicing, the Group has taken the necessary steps to comply and it was fully implemented on 1 January 2025. Essential preparations, trials and testing were conducted to facilitate seamless implementation.

Looking Ahead:

Key Performance 2024:

The Group has taken the decisive action to cascade the implementation of Vendor Code of Conduct on its suppliers. To augment the implementation of the said code of conduct, all new suppliers will be required to sign a declaration on anti-corruption.

Sub-Goal:

The Directors, employees, customers, suppliers and business associates will be briefed on the Group's Anti-Corruption Policy at least once annually. This initiative ensures that everyone involved is fully aware of the Group's commitment to maintaining the highest standards of integrity and ethical conduct in all business interactions.

G5 - Data Privacy And Security

The use of information technology (IT) is ubiquitous and indispensable in business with significant reliance placed on IT to facilitate automation and data processing. Similarly, the Group places significant reliance on IT to reap operational efficiencies and cost effectiveness. Consequently, a crucial need arises to ensure the Group's systems and data are secured and protected against intrusions, malicious attacks and unauthorised access. In this regard, the Group employs and complies with good practices for establishing, implementing, maintaining and continually improving its information security management system.

Confidentiality, privacy and integrity of personal data are fundamental principles stipulated in the Group's Personal Data Protection Policy which concurrently complies with the provisions of the Personal Data Protection Act 2010 (PDPA) in relation to the use and management of customer data.

The Group values customers' data and information integrity and is committed to safeguarding it. Towards this end, it has conducted comprehensive cyber security training to uplift staff's competency in protecting sensitive data and stay ahead of potential cyber threats. The goal was to ensure that staff are equipped with the knowledge to recognize threats such as ransomware, unauthorized access, phishing scams and unsolicited links they should be wary of. With enhanced security practices in place, K-One can continue delivering safe and reliable solutions to its customers.

SUSTAINABILITY STATEMENT
Cont'd

The Group vigilantly upgrades its systems and protects its data at all times. The IT Department strives to ensure that the cyber security mechanisms and processes are always sufficiently resilient to protect its systems against malicious cyberattacks through constant enhancements.

There were no complaints concerning breaches of privacy/losses of data in 2024.

	Baseline	2024	2023
	(case)	(case)	(case)
Number of substantiated complaints concerning breaches of customers privacy/losses of customers data	-	-	-
Number of cyber-attack incident in company network which resulted in production/operation interruption	-	-	-
Number of customer complaint caused by software failure	-	-	-
Number of in-house process interruption caused by software failure	-	-	-

Looking Ahead:

Key Performance 2024:

On top of conducting cybersecurity training for staff, the EMS business also apprised all its suppliers to beware of malicious and/or scam emails.

The Cloud business has successfully implemented a new back-office system and a Project Management system in 2024. The new system will enhance its efficiency and security to cater for its accelerated growth moving forward.

Sub-Goal:

The EMS business will continue to engage external consultant to review the integrity and security of its IT systems, including performing assessment, enhancement, monitoring and pro-active detection of cyber/virus attacks.

The Cloud business will continue to ensure adequate cybersecurity control is in place to safeguard its entire IT system.

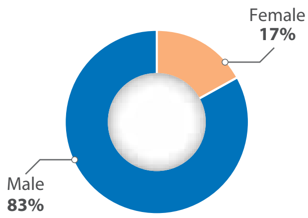
G6 - Labour Practices

The Group does not discriminate against any person on the basis of gender, ethnicity, disability, national origin, religion, pregnancy, marital status or age. The non-discrimination and equal employment opportunity stance shall be practised consistently in its hiring and employment practices. Ensuring fair and equal opportunities in employees' career development, remuneration, benefits and welfare is an integrated focus of the Group.

Certain aspects of boardroom and employment diversity (excluding headcounts from Cloud subsidiaries in Indonesia and Vietnam) are detailed below:

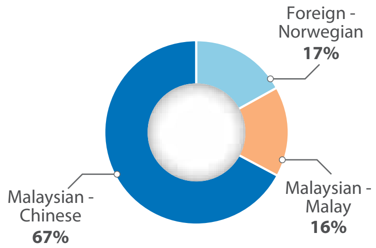
BOARDROOM DIVERSITY

Boardroom Diversity by Gender



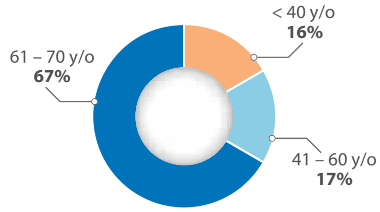
Total	6
Male	5
Female	1

Boardroom Diversity by Ethnicity and Nationality



Total	6
Malaysian - Malay	1
Malaysian -Chinese	4
Foreign - Norwegian	1

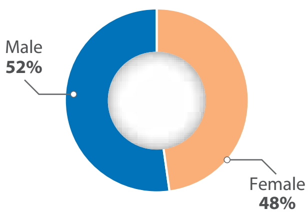
Boardroom Diversity by Age Group



Total	6
< 40 y/o	1
41 - 60 y/o	1
61 - 70 y/o	4

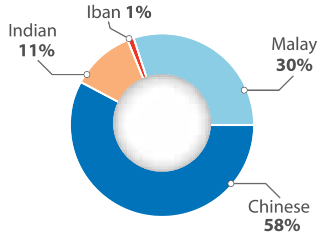
EMPLOYMENT DIVERSITY

*Employment Diversity by Gender



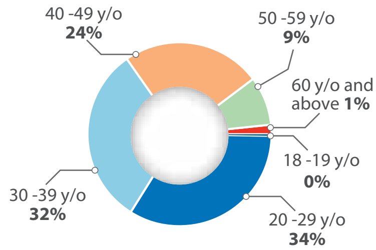
Total	209
Male	109
Female	100

*Employment Diversity by Ethnicity and Nationality



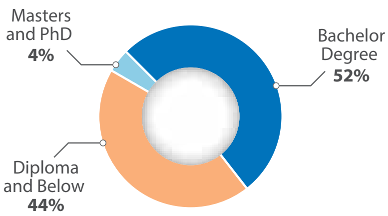
Total	209
Malay	62
Chinese	121
Indian	23
Iban	3

*Employment Diversity by Age Group



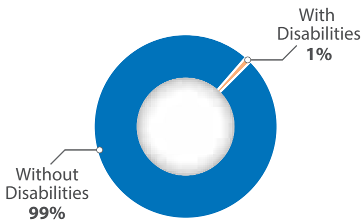
Total	209
18 - 19 y/o	1
20 - 29 y/o	70
30 - 39 y/o	66
40 - 49 y/o	51
50 - 59 y/o	18
60 y/o and above	3

*Employment Diversity by Education Level



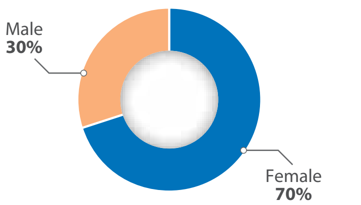
Total	209
Diploma and below	91
Bachelor Degree	109
Masters and PhD	9

*Proportion of Employees with Disabilities



Total	209
Employees who are normal	207
Employees with disabilities	2

**Number of Contract Workers



Total	76
Male	23
Female	53

* Permanent ** Contract

Job Category by Gender	Male	Female	Total
Directors and Managers	37	20	57
Executives	59	41	100
Non-Executives	13	39	52
Total	109	100	209

The Group's workforce is purely made up of local employees with no foreign workers.

It is the commitment of the Group in providing a safe and healthy working environment which is emphasised in its Occupational Health And Safety Policy. The Group's occupational health and safety management systems are certified with ISO 45001.

To ensure consistent preparedness in safety protocols, it is vital to equip staff with the necessary skills and knowledge to respond effectively in the event of emergency and implement precautionary measures to prevent health and safety incidents in the workplace. With that belief, the Group conducted fire and chemical spillage drills for the plant (factory) staff on 29 October 2024.

The key performance highlights on labour practices are as below:

a. No incident of significant human rights or labour standards violation.

	Baseline (case)	2024 (case)	2023 (case)
Number of substantiated complaints concerning human rights violations	-	-	-

b. No major work-related accidents during 2024.

	2024 (case)	2023 (case)
Accident Reports - Fatality	-	-
Accident Reports - Injuries	-	-

Looking Ahead:

Key Performance 2024:

Although operating in the electrical and electronics industry which is perceived to be male dominated, K-One nevertheless embraces gender diversity as its management team comprises 35% women at Managerial level as at financial year ended 2024.

Sub-Goal:

The appointment of more female Directors on the Board is an ongoing process which the Group hopes to achieve the target of 30% women Directors within the next 3 years.

G7 - Business Continuity

The Group implements, maintains and continuously improves its management system to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise. Business continuity is triggered upon the occurrence of any uncontrollable incidents involving external or state infrastructure failure, natural disasters, internal asset failure or IT system failure or sabotage. The Group is expanding its risk oversight attentively to include but not limited to multifaceted challenges posed by transboundary risks and ESG-related risks and climate-related risks.

Looking Ahead:

Key Performance 2024:

Responding to the call of Industry 4.0, the Group seized the opportunity to automate certain manual manufacturing processes to boost/enhance operational and production efficiency and capabilities without compromising on product quality.

As the Cloud business continues to thrive, the Management has expanded its operations in 2024 by opening an additional office (HQ) in Sunway, complementing its existing office in Puchong. The new back-office system for the Cloud business has been fully implemented which would simplify operations and further strengthen the Cloud business's continuity plan.

Sub-Goal:

Key initiatives on business continuity include Cloud-based business continuity plan to protect data and having a succession plan in place to enable the Group to continue seamlessly in the event of key or strategic staff resigning.

MOVING FORWARD: STRENGTHENING SUSTAINABILITY

In alignment with business growth, the Group will progressively enhance operational processes that embrace sustainable business practices which reinforces its ESG's commitments.

K-ONE'S SUSTAINABILITY BLUEPRINT

Short-term (1-2 years)

- Automation on specific manufacturing process

30%

- Installation of rainwater harvesting system

100%

Medium-term (3-5 years)

- Installation of solar power system on plants' rooftops

Long-term (>5 years)

- Adoption of sustainable materials in product design and manufacturing process by incorporating recycled, organic or biodegradable materials.
- Optimisation of supply chain to reduce greenhouse gas emissions by maximizing local sourcing.

PERFORMANCE DATA TABLE

This performance data table is generated from the ESG Reporting Platform and included in this report as required by the enhanced sustainability reporting requirements of the ACE Market Listing Requirements of Bursa Malaysia.

Indicator	Measurement Unit	2023	2024
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	5.12	15.09
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	799.50	683.44
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	238.68	233.25
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	1,025.66	883.52
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	1.41	0.90
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	44.31	44.85
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	5.567000	5.033000
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	51.00	62.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management 18 - 19 years old	Percentage	0.00	0.00
Management 20 - 29 years old	Percentage	2.05	0.96
Management 30 - 39 years old	Percentage	7.69	7.18
Management 40 - 49 years old	Percentage	12.82	12.92
Management 50 - 59 years old	Percentage	5.64	5.26
Management 60 years old and above	Percentage	1.03	0.96
Executive 18 - 19 years old	Percentage	0.51	0.00
Executive 20 - 29 years old	Percentage	14.87	25.83
Executive 30 - 39 years old	Percentage	13.85	13.87
Executive 40 - 49 years old	Percentage	8.72	6.70
Executive 50 - 59 years old	Percentage	1.54	1.44
Executive 60 years old and above	Percentage	0.00	0.00
Non-executive 18 - 19 years old	Percentage	0.00	0.48
Non-executive 20 - 29 years old	Percentage	12.31	6.70
Non-executive 30 - 39 years old	Percentage	12.82	10.53
Non-executive 40 - 49 years old	Percentage	3.59	4.78
Non-executive 50 - 59 years old	Percentage	2.56	1.91
Non-executive 60 years old and above	Percentage	0.00	0.48

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2023	2024
Gender Group by Employee Category			
Management Male	Percentage	20.00	17.70
Management Female	Percentage	9.23	9.57
Executive Male	Percentage	24.10	28.23
Executive Female	Percentage	15.38	19.62
Non-executive Male	Percentage	7.69	6.22
Non-executive Female	Percentage	23.60	18.66
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83.33	83.33
Female	Percentage	16.67	16.67
40 years old and below	Percentage	16.67	16.67
41 - 60 years old	Percentage	16.67	16.67
61 - 70 years old	Percentage	66.66	66.66
Number of Board Directors	Number	6	6
Number of independent Directors on the board	Number	3	3
Number of women on the board	Number	1	1
Number of contract workers	Number	114	76
Proportion of normal/disabled employees	Percentage	1.03	0.96
Percentage of female employees	Percentage	48.21	47.85
Bursa (Labour practices and standards)			
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0

Internal assurance External assurance No assurance (*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement is prepared in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market (AMLR) and Malaysian Code on Corporate Governance (MCCG) issued by the Securities Commission Malaysia. This statement gives the shareholders an overview of the corporate governance practices of the Group during the 2024 financial year.

The Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance (CG) Report which provides a detailed application for each practice as set out in the MCCG. The CG Report is available for reference on the Group's website: https://k-one.com/corporate-governance-report/, as well as on Bursa Malaysia Berhad's website at www.bursamalaysia.com.

The Board of Directors (Board) is committed to practise the highest standards of corporate governance throughout the Group. The Board believes that good governance supports long-term value creation. The Group has in place a set of well-defined policies to uphold good corporate governance to protect the interest of stakeholders.

PRINCIPLES OF CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Board Leadership

The Board is actively overseeing the Group's conduct and provides direction to the Management on the business and affairs of the Group towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value and safeguarding the interests of stakeholders.

The Board sets corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group. It works closely with the Senior Management to ensure that the operations of the Group are conducted prudently and within the framework of relevant laws and regulations.

The roles and responsibilities of the Executive Chairman and Chief Executive Officer are separated and clearly defined, with each position being held by two (2) different individuals. Although the Executive Chairman and the Chief Executive Officer are brothers, they are both professional engineers registered with the Institution of Engineering & Technology, UK who are expected to exercise a high degree of independence, integrity and professionalism in the conduct of their business. They both hold Masters' degrees in their respective fields from reputable universities overseas which further substantiate their independence of thoughts, objective judgement and maturity.

Board Administration

The Board is supported by suitably qualified and competent Company Secretaries to provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices. The Directors have access to the advice and services of the Company Secretaries and other professionals so as to ensure that Board meeting procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries regularly update the Board on new statutes and directives issued by the regulatory authorities and keep the Board informed of their responsibilities.

Ethical Business Conduct

The K-One Group is against the use of corrupt practices in relation to its activities and promotes a culture of integrity within the organisation by ensuring that there are adequate policies and procedures to that effect which are implemented professionally. In this respect, the Board has put in place a comprehensive Code of Conduct & Ethics (COCE) which sets out acceptable practices and guide pertaining to the behaviour of Directors and employees of the Group. The COCE can be found at the Group's website: https://k-one.com/code-of-conduct-ethics/.

The Group has a zero tolerance on any conduct that constitutes a wrongdoing or malpractice which includes any breach of ethics or conflict of interest and/or any fraudulent act as described in the Anti-Corruption Policy and Procedures (ACPP). The ACPP is published on the Group's website: https://k-one.com/anti-corruption-policy-and-procedures/.

The Board has also put in place the Whistle Blowing Policy (WBP) for Directors and employees which could be used for reporting any individual personnel's improper conduct or organisational malpractice within the organisation. The WBP is available for reference on the Group's website: https://k-one.com/whistle-blowing-policy/.

PRINCIPLES OF CORPORATE GOVERNANCE (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (Continued)

Ethical Business Conduct (Continued)

The above mentioned policies and procedures serve as control measures to address and manage the risks of fraud, bribery, corruption, misconduct and unethical practices for the long-term success of the Group.

Last but not least, the Board has established the Directors' Fit and Proper Policy (FPP) to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The Directors' FPP is available on the Group's website: https://k-one.com/fit-and-proper-policy/.

Governing Sustainability

The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.

In view of the above mentioned accountability, the Sustainability Working Committee (SWC) which is tasked to oversee the Group's various risks is required to supervise the Group's sustainability and climate related risks. The CEO, through the SWC, continues to be responsible for the strategic management of material sustainability matters of the Group.

In order to ensure that the Board is kept abreast on sustainability issues which are relevant to the Group's business and operations, the Chief Operating Officer provides quarterly updates to the Board on Environmental, Sustainability, Social and Governance (ESG) matters such as the Group's sustainability strategies, priorities and targets, in addition to news, articles or reports to ensure that the Board is kept abreast on the latest developments of the Group and trends in the local and global scenes.

2. Board Composition

Balanced Board

Currently, there are six (6) Board members comprising of three (3) Independent Non-Executive Directors (INEDs), one (1) Non-Independent Non-Executive Director and two (2) Executive Directors. The Board is of the view that its composition, with an appropriate mix of INEDs and Executive Directors is adequate for the effective discharge of its functions and responsibilities. In addition, the members of the Board possess a wealth of experience in the electronics manufacturing services (EMS), cloud computing, healthcare and other relevant industries. The profiles of the Directors are provided in pages 5 to 7 of the Annual Report. All these skills and experience enable the Board to effectively lead and control the Group.

Board Independence

Half the Board of Directors are Independent Directors as the Group recognises that the composition of the Board should have a minimum of one third (1/3) as Independent Directors in promoting objectivity during boardroom deliberations and impartiality in the decision-making process. This is especially important in areas where the interests of management, the Group, the shareholders and other stakeholders diverge, such as executive performance and remuneration, related party transactions, environmental issues and audit.

The Board Charter defines the policy on independence of Directors, which is available on the Company's website: https://k-one.com/board-charter/. The policy specifies the considerations taken into account by the Board to assess the independence of each Independent Director. In addition, it sets out the test of independence that will be used to determine the independence of Directors and the disclosure of information in the Company's Annual Report. Independent Directors will provide the Board with an annual confirmation of their independence based on the criteria set out in the policy. The Board through the Nomination Committee will assess the independence of Directors upon appointment, annually and when any new interests or relationships are disclosed by Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

PRINCIPLES OF CORPORATE GOVERNANCE (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (Continued)

Appointment of Directors and Board Diversity

The Nomination Committee (NC) is guided by the "Terms of Reference of the Nomination Committee" in carrying out its responsibilities in respect of the nomination, selection and appointment process of Directors for the Group and its subsidiaries. In this respect, the Board would establish a pool of potential Directors for its reference when considering new appointments, in line with the sourcing process and criteria for potential candidates as set out in the Terms of Reference. The Board and the NC conscientiously take into account the current diversity in the skills, experience, age, ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s). This is to ensure an appropriate balance between the experience of the existing Directors and new perspectives of the incoming Directors. The Board also acknowledges the importance of gender diversity as an important element of a well-functioning board. Currently, the Board has a female Director, contributing 17% representation of women on the Board. The Board will endeavour to achieve 30% women representation on the Board in the next few years.

Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years to comply with the prescribed Practice of the MCCG pertaining to Board independence. However, if the Board continues to retain the Independent Director after the ninth year, the Board will seek annual shareholders' approval through a two-tier voting process. Upon completion of the twelfth year, an Independent Director may continue to serve on the Board as a Non-Independent Director.

Review of Board Performance

The Nomination Committee annually performs an assessment of the effectiveness and performance of the Board, Board Committees and individual Directors in order to verify that the Board is functioning proficiently as a whole.

Each Director would complete detailed questionnaires, covering among other things; contribution to interaction, quality of input, understanding of role and personal developments with the aim of enhancing Board performance. An evaluation of each Board Committee would also be done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Terms of Reference.

Assessments and evaluations were conducted for 2024 and the Board was satisfied with the overall performance of its Directors and the respective Committees.

Re-election of Directors

The Constitution of the Company provides that at least one-third of the Directors are subject to retirement by rotation at every AGM such that each Director shall retire from office once in every three (3) years and are eligible to offer themselves for re-election. The Constitution also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his/her appointment.

3. Remuneration

The Board has established a formal and transparent process for approving the remuneration of the Board and the Senior Management. The remuneration adjustments are reviewed by the Remuneration Committee (RC) on an annual basis prior to making its recommendations to the Board for approval. In its review, the RC considers various factors which includes, amongst others, the Group's financial performance and the individual's achievements against the goals set. As for the Non-Executive Directors (NEDs), they would be measured based on execution of fiduciary duties, time commitments expected of them and the Group's financial performance. The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors. The benefits payable to the said Directors shall from time to time be determined by an Ordinary Resolution of the Company in a general meeting in accordance with Section 230 of the Companies Act 2016.

The RC is also responsible to approve the annual salary increments and performance bonuses of the Senior Management in respect of each financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

PRINCIPLES OF CORPORATE GOVERNANCE (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. Remuneration (Continued)

The details of the Directors' remuneration for the financial year ended 31 December 2024 are as follows:

	Salaries and Other Emoluments* RM'000	Fees RM'000	Meeting Allowances RM'000	Benefits-In-Kind RM'000	Total RM'000
Executive Directors					
Ir. Edwin Lim Beng Fook	1,105	-	-	-	1,105
Dato' Martin Lim Soon Seng	1,105	-	-	-	1,105
Non-Executive Directors					
Bjørn Bråten	-	-	-	-	-
Anita Chew Cheng Im	-	66	6	-	72
Dato' Azlam Shah bin Alias	-	66	6	-	72
Edward Ka Yen Chee	-	66	6	-	72
Total	**2,210**	**198**	**18**	**-**	**2, 426**

Notes:
* *Salaries and other emoluments comprise basic salary, bonus and EPF.*

4. Board Committees

To assist the Board in discharging its duties, the Board has established a number of Board Committees whose compositions and Terms of Reference are in accordance with the AMLR and consistent with the recommendations of the MCCG. These Board Committees are:-

a) Audit & Risk Management Committee (ARMC);
b) Nomination Committee (NC); and
c) Remuneration Committee (RC).

The composition of the Board Committees and the attendance of members at Board Committee meetings held in 2024 are as follows:

Director	Board	ARMC	NC	RC
Ir. Edwin Lim Beng Fook *(Executive Chairman)*	4/4*			
Dato' Martin Lim Soon Seng *(Chief Executive Officer)*	4/4			4/4
Bjørn Bråten *(Non-Independent Non-Executive Director)*	4/4	4/4	4/4	
Anita Chew Cheng Im *(Independent Non-Executive Director)*	4/4	4/4	4/4	4/4*
Dato' Azlam Shah bin Alias *(Independent Non-Executive Director)*	4/4	4/4	4/4*	
Edward Ka Yen Chee *(Independent Non-Executive Director)*	4/4	4/4*		4/4

Note:
* *Chairman of the Board/Committee.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

PRINCIPLES OF CORPORATE GOVERNANCE (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit & Risk Management Committee

The ARMC comprises of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. It is chaired by Edward Ka Yen Chee, who is an Independent Non-Executive Director and not the Chairman of the Board.

The composition of the ARMC is reviewed annually to ensure that the Chairman and members are financially literate and are able to carry out their duties in accordance with the Terms of Reference of the ARMC. The ARMC members are expected to continuously update their knowledge and enhance their skills. Based on the performance evaluation of the ARMC for the financial year ended 31 December 2024, the Board is satisfied that the Chairman and members of the ARMC have discharged their responsibilities effectively.

Please refer to the Audit & Risk Management Committee Report on pages 51 and 52 for further information on our Audit & Risk Management Committee.

2. Risk Management and Internal Control Framework

The Group has established a Risk Management Committee (RMC) since end 2012. The RMC oversees the risk management matters of the Group. It supports the ARMC and Board in fulfilling its responsibility in identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group.

With regards to the internal control framework, the Group's internal control is designed to manage the Group's risk within acceptable risk profile and provides reasonable assurance against material errors, misstatement or irregularities. In view of the limitations inherent in any system of internal control, such a system is designed to mitigate rather than eliminate risks of failure to achieve corporate objectives. Accordingly, the system provides reasonable and not absolute assurance against material error, misstatement or loss. The system of internal control covers, inter alia, risks management, financial, operational and compliance controls.

The Statement on Risk Management and Internal Control is set out on pages 53 to 55 of the Annual Report 2024.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Effective Communication with Shareholders and Investors

The Group is dedicated in maintaining good communications with shareholders and investors through communication channels such as the Annual Report, announcements through Bursa Malaysia and AGM/EGMs. The Group continues to fulfil its duty on the required disclosure obligation according to the guidelines and regulation of Bursa Malaysia's Corporate Governance Guidelines. All disclosures of material corporate information will be disseminated in an accurate, clear and timely manner via announcements on Bursa Malaysia.

The Group values dialogues with its shareholders, potential investors, institutional investors and analysts and is available as appropriate to explain or further clarify any information already disclosed in its Annual Report or announcements through Bursa Malaysia. The Board has designated Ir. Lim Beng Fook and Edward Ka Yen Chee as Board Chairman and Audit & Risk Management Committee Chairman respectively to answer any queries or clarify any matters concerning the Group. Both Directors can be reached by email at corp@k-one.com.

2. AGM

The AGM is another avenue for shareholders to interact with the Board and Senior Management of the Group. Shareholders will be notified of the meeting date and time together with a copy of the Company's abridged Annual Report at least 28 days before the meeting is held. On 19 June 2024, the Company conducted its 23rd AGM through live streaming and online remote voting (fully virtual) using Virtual Meeting Facilities provided by Acclime Corporate Services Sdn Bhd. The Chairman of the meeting was present at the broadcasting venue of Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. All Board members, including the Chairperson of ARMC, NC and RC attended and participated in the 23rd Virtual AGM. The remote poll voting results were scrutinised by an independent scrutineer.

PRINCIPLES OF CORPORATE GOVERNANCE (CONTINUED)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

3. Professional Development of Directors

During the year, the Directors were accorded with opportunities to continue to professionally develop and maintain their skills and knowledge. The Directors attended a range of training programmes to keep themselves abreast of legislative changes and industry practices. The Board was satisfied with the type of training programmes the Directors attended throughout the year.

The list of training programmes that were attended by the Board members are outlined below:

Date of Training	Programme	Organised by	Attended by
4-5.3.24	Mandatory Accreditation Program Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia (ICDM)	Ir. Edwin Lim Beng Fook and Dato' Martin Lim Soon Seng
29.3.24	ESG as an Opportunity, Sustainability as an Advantage	University of Malaya	Dato' Azlam Shah bin Alias
29-30.4.24	Teaming With Passion	Lawrence Walter Seminars	Ir. Edwin Lim Beng Fook and Dato' Martin Lim Soon Seng
13.5.24	CMDP Module 1: Directors as Gatekeepers or Market Participants	Securities Industry Development Corporation (SIDC)	Anita Chew Cheng Im
14.5.24	CMDP Module 2A: Business Challenges and Regulatory Expectations – What Directors Need to Know (Equities & Future Broking)	SIDC	Anita Chew Cheng Im
15.5.24	CMDP Module 2B: Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management)	SIDC	Anita Chew Cheng Im
16.5.24	CMDP Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors	SIDC	Anita Chew Cheng Im
17.5.24	CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market	SIDC	Anita Chew Cheng Im
12-13.6.24	Mandatory Accreditation Program Part II: Leading for Impact (LIP)	ICDM	Bjørn Bråten
23-24.7.24	Project Management & Innovation Symposium Malaysia	PRISM (Project Management Institute Malaysia)	Edward Ka Yen Chee
13.8.24	Competition Law in Malaysia	Messrs. Christopher & Lee Ong	Dato' Azlam Shah bin Alias
21.8.24	ESG Matters@ACCA - Green Gold: Dive into Climate Finance Certification	Association of Chartered Certified Accountants (ACCA)	Edward Ka Yen Chee

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

PRINCIPLES OF CORPORATE GOVERNANCE (CONTINUED)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

3. Professional Development of Directors (Continued)

Date of Training	Programme	Organised by	Attended by
11.9.24	ICDM Leading for Impact (LIP) Alumni Networking Session #3	ICDM	Dato' Azlam Shah bin Alias
11.9.24	Xero Asia Roadshow 2024	Xero	Edward Ka Yen Chee
24.9.24	Building Sustainable Credibility: Assurance, Greenwashing, and the Rise of Green-Hushing	ICDM	Dato' Azlam Shah bin Alias
24.9.24	Anti Money Laundering Compliance	Axelasia	Anita Chew Cheng Im
2-3.10.24	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	Anita Chew Cheng Im
9-10.10.24	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	Edward Ka Yen Chee
8.11.24	Cybersecurity Awareness Training	Axelasia	Anita Chew Cheng Im
13.11.24	Tax Budget 2025 Digital Conference	Wezmart International Berhad	Edward Ka Yen Chee
19.11.24	AOB Conversation with Audit Committee Members by the SC	SIDC	Anita Chew Cheng Im

This Corporate Governance Overview Statement was approved by the Board of Directors on 26 February 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Company established an Audit Committee on 3 February 2005 and it was restructured as the Audit & Risk Management Committee in 2018. The Audit & Risk Management Committee comprises of four (4) directors who are as follows:

Chairman	Edward Ka Yen Chee	Independent Non-Executive Director
Members	Anita Chew Cheng Im	*Independent Non-Executive Director*
	Dato' Azlam Shah bin Alias	*Independent Non-Executive Director*
	Bjørn Bråten	*Non-Independent Non-Executive Director*

TERMS OF REFERENCE

The terms of reference which include Composition, Authority, Responsibilities, Meetings and Functions of the Audit & Risk Management Committee are disclosed and published on the Group's website. During the financial year, the Board had reviewed the performance and effectiveness of the Committee and its members in discharging their functions, duties and responsibilities under the aforesaid terms of reference.

MEETINGS

There were four (4) Audit & Risk Management Committee meetings held during the financial year ended 31 December 2024. The details of the attendance of each member of the Audit & Risk Management Committee are as follows:

		TOTAL MEETINGS ATTENDED BY COMMITTEE MEMBERS	PERCENTAGE OF ATTENDANCE
Edward Ka Yen Chee	Chairman/Independent Non-Executive Director	4/4	100%
Anita Chew Cheng Im	Member/Independent Non-Executive Director	4/4	100%
Dato' Azlam Shah bin Alias	Member/Independent Non-Executive Director	4/4	100%
Bjørn Bråten	Member/Non-Independent Non-Executive Director	4/4	100%

SUMMARY OF WORK

During the financial year, the main activities undertaken by the Audit & Risk Management Committee include:

(a) Financial Reporting

- Reviewed with the appropriate Officers of the Group, the quarterly financial results and annual audited financial statements, including the announcements pertaining thereto, before recommending them for the Board's approval;
- Reviewed and ensured corporate disclosure policies and procedures of the Group pertaining to accounting, audit and financial matters complied with the disclosure requirements as set out in the AMLR;
- Reviewed the related/interested party transactions (if any) that may arise within the Company and the Group to ensure compliance with the Malaysian Accounting Standards Board, AMLR and other relevant authorities and to ensure that such transactions were (if any):
    - undertaken in the ordinary course of business;
    - carried out at arm's length and based on normal commercial terms consistent with the Group's usual business practices and policies;
    - on terms not more favourable to the related parties than those generally available to the public; and
    - not detrimental to the minority shareholders of the Company.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
Cont'd

SUMMARY OF WORK (CONTINUED)

(b) External Audit

- Reviewed with the External Auditors their terms of engagement, proposed audit remuneration and the audit plan for the financial year to ensure that their scope of work adequately covers the activities of the Group;
- Reviewed the results and issues arising from the External Auditors' review of the financial statements and the resolution of issues highlighted in their report to the Committee;
- Reviewed the presentation of the financial statements of the Group with the External Auditors to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval;
- Reviewed the independence, suitability, objectivity and cost effectiveness of the External Auditors before recommending their re-appointment and remuneration to the Board; and
- Obtained written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement.

(c) Internal Audit

- Reviewed with the internal auditors their audit plan for the financial year, ensuring that principal risk areas and key processes were adequately identified and covered in the plan;
- Reviewed the Internal Audit Reports on findings in conjunction with recommendations and Management's response thereto to ensure adequate remedial actions have been taken;
- Reviewed the results of ad hoc investigations performed by the internal auditors and the actions taken relating to those investigations;
- Reviewed the adequacy of resources and the competencies of staff within the Internal Audit Department to execute the audit plan, as well as the audit programmes used in the execution of the internal auditors' work and the results of their work;
- Reviewed the results of the internal assessment performed on the Internal Audit function;
- Reviewed the performance of internal audit staff; and
- Reviewed the adequacy of the charter of the Internal Audit function.

(d) Others

- Reviewed the Executive Chairman's Statement, Sustainability Statement, Management Discussion and Analysis of Business Operations and Financial Performance, Audit & Risk Management Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement prior to their inclusion in the Company's Annual Report 2024; and
- Reviewed the adequacy of the terms of reference of the Committee.

INTERNAL AUDIT FUNCTION

An Internal Audit Department under the Internal Audit Manager which stands independent of the activities or operations was set up on 3 January 2007 to support the Audit & Risk Management Committee in the discharge of its duties.

The Internal Audit function focuses mainly on the key risk areas based on the approved internal audit plan by the Audit & Risk Management Committee. The primary objectives of the Internal Audit function include reviewing the adequacy, integrity and effectiveness of the system of internal controls, compliance with the established policies and procedures, guidelines, laws and regulations and reliability and integrity of information.

The Internal Audit function adopts a risk-based approach in determining the audit areas and execution of its audits. In addition, special reviews may be made at the request of the Audit & Risk Management Committee and Senior Management on specific areas of concern, particularly, in relation to high risk areas identified during the course of business. These reviews would provide additional assurance and comfort on the integrity and robustness of the internal control systems.

Areas for improvement and audit recommendations are forwarded to the Management for attention and further actions. The Management is responsible to ensure that corrective actions are implemented within the required time frame. The audit reports which provide the results of the audit conducted are submitted to the Audit & Risk Management Committee for review. Key control issues and recommendations are highlighted to enable the Committee to execute its oversight function.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance requires the Board of Directors to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board is pleased to include a statement on the state of the Group's risk management and internal control.

BOARD RESPONSIBILITIES

The Board affirms its responsibility in maintaining the Group's system of internal control and risk management and in seeking regular assurance on the adequacy and integrity of the internal controls, risk management systems and processes to safeguard shareholders' value and the Group's assets.

The identification, evaluation and management of significant risks faced by the Group is an ongoing process during the financial year and up to the date of approval of this statement for inclusion in the Annual Report.

RISK MANAGEMENT

To further strengthen the risk management process, the Group has formed a Risk Management Committee since end 2012, comprising Heads of Divisions with the objective of reviewing, minimising or avoiding major risks. The Risk Management Committee is tasked with assessing risks arising from the external environment, internal operations and the financial aspects. During the year under review, the Risk Management Committee presented key business risks which included external, operational and financial risks to the Audit & Risk Management Committee and the Board.

The Group consciously covers and transfers certain risks by securing adequate insurance indemnity against product and public liabilities, goods in-transit damage/loss and fire mishap. As for risks which cannot be covered by insurance, the Group would find ways to mitigate them as much as possible.

The Board regards the risk management and internal control system as an integral part of the overall management processes. The Audit & Risk Management Committee is supported by the Internal Audit Department which provides an independent assessment and evaluation of the effectiveness of the Group's risk management on a quarterly basis.

KEY ELEMENTS OF INTERNAL CONTROLS

Key elements of the Group's internal controls that have been in place include the following:

i. Formal Organisation Structure

The Group has in place a well-defined organisational structure with well-defined lines of reporting, responsibilities and level of authority to ensure quick response to changes in an ever changing and challenging business environment and to ensure effective supervision of day-to-day operations.

ii. Regular Performance Reporting

- Quarterly management reports are generated to facilitate the Board and the Senior Management in performing financial and operational reviews on the various operating units of the companies within the Group. The reports comprise comparison of results of current period with prior period and variances between budget and operating results.

- Monthly management meetings are chaired by the Chief Executive Officer to discuss the Group's operations and performance, including the tracking of sales opportunities. Other matters being discussed are collections, marketing strategy for new product launches, feedback on progress of product design and development, highlights on shortcomings or problems in conjunction with the proposed corrective actions and potential risks that may affect the achievements of the Group's business objectives together with the proposed mitigating plans.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

KEY ELEMENTS OF INTERNAL CONTROLS (CONTINUED)

iii. Documented Policies And Procedures

The Group has in place documented policies and procedures which form an integral part of the internal control system to safeguard shareholders' investment and the Group's assets against material losses.

iv. Code of Business Conduct

The Group's formalised business ethics through a Code of Conduct & Ethics has been further strengthened in line with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act which was enforced with effect from 1 June 2020. Staff are briefed upon joining and subsequently reminded to adhere to the Code of Conduct & Ethics which is available on the Company's website. Actions have also been taken to cascade the implementation of the enhanced Code of Conduct & Ethics to third parties which includes suppliers and business partners.

v. Quality Control

The Group emphasises continuous scrutiny in maintaining the quality of products. Being ISO 9001, ISO 13485, ISO 14001, ISO 45001, IATF 16949, ATEX certified, in addition to FDA and MDA registered, it strictly complies with standard operating procedures in performing specific tasks to uphold the certifications and registration which are subject to annual review.

vi. Internal Audit

The Internal Audit Department ("IAD") was established by the Board to undertake continuous testing and assessments on the adequacy and effectiveness of the risk management, internal control and governance processes so as to provide reasonable assurance that such systems continue to operate efficiently and effectively. A risk-based approach is used to establish the Annual Audit Plan and approved by the Audit & Risk Management Committee of the Board. The internal audit reports, including significant findings, recommendations for improvements and management response to the recommendations are shared with the Management and reported to the Audit & Risk Management Committee on a quarterly basis. Follow-up reviews are performed and the status of the implementation of action plans by the Management are monitored and reported to the Audit & Risk Management Committee.

Based on the internal audit reviews carried out in 2024, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The IAD is placed under the direct supervision and authority of the Audit & Risk Management Committee of the Board to ensure its independence. The IAD reports functionally to the Audit & Risk Management Committee Chairman and administratively to the Chief Executive Officer. The IAD's activities are guided by the Internal Audit Charter approved by the Audit & Risk Management Committee and the latest requirements of the International Professional Practice Framework ("IPPF") of the Institute of Internal Auditors.

vii. Audit & Risk Management Committee

The Audit & Risk Management Committee was set up with the view to assist and provide the Board with added focus in discharging its duties. For 2024, the Audit & Risk Management Committee met four (4) times to review the financial performance and operations relating to business performance, productivity, internal controls and risk management of the Group, following which had reported its deliberations and recommendations to the Board. Henceforth, the Audit & Risk Management Committee will continue to convene quarterly meetings to advise the Board on findings and in particular, improvements of the risk management and internal controls of the Group.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard shareholders' interest and the Group's assets. There have been no material control weaknesses or failures that would result in material misstatements, losses or fraud to the Group.

Towards this end, the Board has received assurance from the Chief Executive Officer and the Head of Finance that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects based on the risk management and internal control systems of the Group.

The Board is of the view that the risk management and internal control systems in place for the year under review and up to the date of this report are sound and adequate to safeguard the shareholders' investment, the interests of various stakeholders, regulators and the employees at large.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed by conducting a limited assurance engagement on this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report. Based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out nor is factually inaccurate.

The Statement on Risk Management and Internal Control has been approved by the Board of K-One Technology Berhad on 26 February 2025.

ADDITIONAL COMPLIANCE INFORMATION

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 ("Act") to invoke the Management to prepare the financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs") to give a true and fair view of the financial position and cash flows of the Group and the Company for the financial year as per the requirements of the Act. Where there are new accounting standards or policies that become effective during the year, the impact of these new requirements will be stated in the notes to the financial statements accordingly.

In the preparation of the financial statements, the Board is satisfied that the Management has:

- adopted the appropriate accounting policies and applied them consistently;
- ensure compliance with MFRSs, IFRSs and the requirements of the Act;
- made estimates and judgements which are reasonable and prudent; and
- use the going concern basis for the preparation of the financial statements.

The Directors have undertaken the responsibility to ensure that the Group and the Company kept accounting records which disclosed with reasonable accuracy the financial position of the Group and the Company, to enable them to ensure that financial statements comply with the provisions of the Act. The Directors have also taken such steps as were reasonably available to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

MATERIAL CONTRACT INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts during or subsequent to the preceding financial year that involved interests of Directors or major shareholders:-

Purchase Of Factory

K-One MediTech Sdn Bhd, a subsidiary of the Group, purchased a piece of leasehold land with a two-storey 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 RM3.0 million. This transaction was considered a related party transaction whereby the amount involved was subject to Board approval only. The acquisition of the factory was finalised on 6 February 2025.

REVALUATION OF LANDED PROPERTIES

The Group did not revalue its landed properties during the financial year.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Group and of the Company are in research, design and development, manufacturing and supply of healthcare, medical, Internet of Things ("IoT"), industrial and consumer electronics end products and sub-systems, provision of cloud computing service, supply of healthcare and hygiene-care products and investment holding.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	620,068	3,156,181
Attributable to:		
Owners of the Company	202,257	3,156,181
Non-controlling interests	417,811	-
	620,068	3,156,181

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2024.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year were RM357,245 and RM92,500 respectively.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Ir. Lim Beng Fook *
Dato' Lim Soon Seng *
Bjørn Bråten
Anita Chew Cheng Im
Dato' Azlam Shah bin Alias
Ka Yen Chee

* Directors of the Company and certain subsidiaries

DIRECTORS' REPORT
Cont'd

DIRECTORS (CONTINUED)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Goh Kiang Kiat
Chen Kak Toong
Goo Kok Khian
Ian Frederick
Nguyen Minh Hung
Shum Mew Toong
Choi Keng Mun
Toh Zhen Ning
Goh Kiang Kian (Resigned on 31 July 2024)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

Interests in the Company

	Number of Ordinary Shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Direct interest				
Ir. Lim Beng Fook	126,772,273	-	-	126,772,273
Dato' Lim Soon Seng	108,618,078	-	-	108,618,078
Bjørn Bråten	31,492,432	-	-	31,492,432
Anita Chew Cheng Im	600,000	-	-	600,000

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 30 to the financial statements.

DIRECTORS' BENEFITS (CONTINUED)

The directors' benefits of the Group and of the Company were as follows:

	Group RM	Company RM
Directors of the Company		
Executive:		
Salary and other emoluments	2,210,880	-
Non-executive:		
Fees	198,000	198,000
Allowances	18,000	18,000
	2,426,880	216,000
Directors of the subsidiaries		
Executive:		
Fees	20,525	-
Salary and other emoluments	1,523,657	-
	1,544,182	-
	3,971,062	216,000

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and subsidiaries were RM8,000,000 and RM13,010 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements, which also serve for the purpose of this report.

The auditors' reports on the financial statements of the subsidiaries that are available did not contain any qualification.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 4 October 2024, the Company announced that its wholly-owned subsidiary, K-One MediTech Sdn. Bhd. entered into a sales and purchase agreement with two directors of the Company for the proposed acquisition of a piece of leasehold land and building located at Ipoh for a total consideration of RM3,000,000.

The proposed acquisition was completed on 6 February 2025.

DIRECTORS' REPORT
Cont'd

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

....
IR. LIM BENG FOOK
Director

....
DATO' LIM SOON SENG
Director

Date: 17 April 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	17,837,122	19,329,779	3,525,692	3,556,766
Investment property	6	4,440,000	4,536,000	4,440,000	4,536,000
Goodwill on business combination	7	22,675,946	22,675,946	-	-
Other intangible assets	8	3,692,198	2,067,742	-	-
Investment in subsidiaries	9	-	-	89,372,354	86,616,029
Deferred tax assets	10	4,852,777	3,301,600	463,000	463,000
Total non-current assets		53,498,043	51,911,067	97,801,046	95,171,795
Current assets					
Inventories	11	24,043,904	33,048,859	-	-
Receivables, deposits and prepayments	12	50,521,252	33,784,666	1,181,603	241,045
Contract costs	13	-	857,668	-	257,986
Contract assets	14	6,566,442	3,085,061	-	-
Current tax assets		705,768	743,967	152,936	167,253
Short-term cash investment	15	5,665,969	8,634,064	1,369,409	2,134,064
Cash and cash equivalents	16	47,999,045	39,923,781	11,589,864	17,482,580
Total current assets		135,502,380	120,078,066	14,293,812	20,282,928
TOTAL ASSETS		189,000,423	171,989,133	112,094,858	115,454,723
EQUITY AND LIABILITIES					
Share capital	17	123,643,978	123,643,978	123,643,978	123,643,978
Foreign exchange reserve	18	(315,305)	(2,121)	-	-
Accumulated losses		(8,437,443)	(8,639,700)	(12,576,547)	(15,732,728)
		114,891,230	115,002,157	111,067,431	107,911,250
Non-controlling interests		1,674,352	1,454,080	-	-
Total equity		116,565,582	116,456,237	111,067,431	107,911,250
LIABILITIES					
Non-current liabilities					
Trade and other payables	19	-	33,098	-	-
Deferred income	20	667,626	-	-	-
Lease liabilities	21	221,045	446,977	-	-
Total non-current liabilities		888,671	480,075	-	-
Current liabilities					
Trade and other payables	19	50,140,247	41,681,899	1,027,427	7,174,922
Contract liabilities	14	19,198,468	13,023,798	-	368,551
Current tax liabilities		1,611,022	136,045	-	-
Deferred income	20	370,501	-	-	-
Lease liabilities	21	225,932	211,079	-	-
Total current liabilities		71,546,170	55,052,821	1,027,427	7,543,473
Total liabilities		72,434,841	55,532,896	1,027,427	7,543,473
TOTAL EQUITY AND LIABILITIES		189,000,423	171,989,133	112,094,858	115,454,723

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Revenue	22	201,744,002	167,250,299	3,261,726	1,439,297
Cost of sales	23	(174,447,795)	(144,354,416)	(1,420,306)	(250,744)
Gross profit		27,296,207	22,895,883	1,841,420	1,188,553
Other income		3,190,788	819,182	142,026	181,406
Administrative expenses		(26,763,084)	(21,946,883)	(1,857,279)	(1,422,428)
Sales and distribution costs		(873,776)	(661,441)	(107,223)	(72,856)
Net impairment losses on trade receivables		122,649	(290,616)	-	-
Other operating (expenses)/income		(2,379,657)	(1,451,678)	2,744,000	(7,888,000)
		(29,893,868)	(24,350,618)	779,498	(9,383,284)
Operating profit/(loss)		593,127	(635,553)	2,762,944	(8,013,325)
Finance income		1,274,450	783,383	523,237	332,842
Profit/(Loss) before tax	24	1,867,577	147,830	3,286,181	(7,680,483)
Tax (expense)/credit	27	(1,247,509)	83,723	(130,000)	463,000
Profit/(Loss) for the financial year		620,068	231,553	3,156,181	(7,217,483)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		(510,723)	37,887	-	-
Total comprehensive income/(loss) for the financial year		109,345	269,440	3,156,181	(7,217,483)
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		202,257	349,916	3,156,181	(7,217,483)
Non-controlling interests		417,811	(118,363)	-	-
		620,068	231,553	3,156,181	(7,217,483)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(110,927)	387,803	3,156,181	(7,217,483)
Non-controlling interests		220,272	(118,363)	-	-
		109,345	269,440	3,156,181	(7,217,483)
Earnings per ordinary share attributable to owners of the Company					
Basic (sen)	28	0.02	0.04		
Diluted (sen)	28	0.02	0.04		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	← Attributable to Owners of the Company			→		
Group	**Share capital RM**	**Foreign exchange reserve RM**	**Accumulated losses RM**	**Equity attributable to owners of the Company RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2023	123,643,978	(40,008)	(8,993,926)	114,610,044	-	114,610,044
Total comprehensive income/(loss) for the financial year						
Profit for the financial year	-	-	349,916	349,916	(118,363)	231,553
Other comprehensive income/ (loss)						
Foreign currency translation difference	-	37,887	-	37,887	-	37,887
Total comprehensive income/(loss)	-	37,887	349,916	387,803	(118,363)	269,440
Transaction with owners						
Non-controlling interests arising from acquisition of a subsidiary	-	-	4,310	4,310	1,572,443	1,576,753
At 31 December 2023	123,643,978	(2,121)	(8,639,700)	115,002,157	1,454,080	116,456,237
At 1 January 2024	123,643,978	(2,121)	(8,639,700)	115,002,157	1,454,080	116,456,237
Total comprehensive (loss)/income for the financial year						
Profit for the financial year	-	-	202,257	202,257	417,811	620,068
Other comprehensive (loss)/ income						
Foreign currency translation difference	-	(313,184)	-	(313,184)	(197,539)	(510,723)
Total comprehensive (loss)/income	-	(313,184)	202,257	(110,927)	220,272	109,345
At 31 December 2024	123,643,978	(315,305)	(8,437,443)	114,891,230	1,674,352	116,565,582

Company	**Share capital RM**	**Accumulated losses RM**	**Total equity RM**
At 1 January 2023	123,643,978	(8,515,245)	115,128,733
Total comprehensive loss for the financial year			
Loss for the financial year, representing total comprehensive loss for the financial year	-	(7,217,483)	(7,217,483)
At 31 December 2023	123,643,978	(15,732,728)	107,911,250
Total comprehensive income for the financial year			
Profit for the financial year, representing total comprehensive income for the financial year	-	3,156,181	3,156,181
At 31 December 2024	123,643,978	(12,576,547)	111,067,431

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from operating activities					
Profit/(Loss) before tax		1,867,577	147,830	3,286,181	(7,680,483)
Adjustments for:					
Net (reversal)/impairment loss on trade receivables		(127,133)	290,616	-	-
Net (reversal)/impairment loss on investment in subsidiaries		-	-	(2,744,000)	7,888,000
Amortisation of computer software		16,192	16,214	-	-
Depreciation of:					
- property, plant and equipment		3,269,722	2,725,184	58,074	58,091
- investment property		96,000	96,000	96,000	96,000
Inventories written off		-	507,880	-	-
Fair value gain on short-term cash investment		(331,904)	(59,533)	(35,344)	(59,533)
Gain on disposal of property, plant and equipment		(6,009)	-	-	-
Amortisation of government grant income		(301,126)	-	-	-
Interest expense on lease liabilities		36,953	3,719	-	-
Interest income		(1,311,403)	(783,383)	(523,237)	(332,842)
Net unrealised (gain)/loss on foreign exchange		(323,297)	(583,301)	24,142	(8,274)
Operating profit/(loss) before changes in working capital		2,885,572	2,361,226	161,816	(39,041)
Changes in working capital:					
Contract costs		857,668	(475,250)	257,986	(253,486)
Contract assets/(liabilities)		2,693,289	3,782,867	(368,551)	359,172
Inventories		9,004,955	(25,075)	-	-
Receivables		(16,278,188)	8,108,309	(940,558)	(161,497)
Payables		8,425,250	2,651,645	537,589	239,574
Net cash generated from/(used in) operations		7,588,546	16,403,722	(351,718)	144,722
Interest received		1,311,403	783,383	523,237	332,842
Tax paid		(1,811,433)	(2,016,777)	(115,683)	(39,138)
Tax refunded		62,779	1,268,513	-	90,429
Net cash from operating activities		7,151,295	16,438,841	55,836	528,855

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
Cont'd

		Group		Company	
		2024	**2023**	**2024**	**2023**
	Note	**RM**	**RM**	**RM**	**RM**
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(1,782,584)	(4,349,998)	(27,000)	-
Purchase of intangible assets		(1,640,648)	(2,018,600)	-	-
(Advances to)/Repayment from subsidiaries		-	-	(12,325)	2,586,755
Acquisition of a subsidiary		-	(4,587,374)	-	-
Proceeds from disposal of property, plant and equipment		6,500	-	-	-
Redemption/(Placement) of short-term cash investment		3,299,999	(3,500,000)	799,999	-
Placement of deposits with maturity of more than 3 months		(12,300,000)	(8,000,000)	(2,800,000)	(8,000,000)
Net cash used in investing activities		(12,416,733)	(22,455,972)	(2,039,326)	(5,413,245)
Cash flows from financing activities	(b)				
(Repayment to)/Advances from subsidiaries		-	-	(6,685,084)	6,670,915
Proceeds from government grant		1,339,253	-	-	-
Interest paid on lease liabilities		(36,953)	(3,719)	-	-
Payment of lease liabilities		(211,079)	(16,950)	-	-
Net cash from/(used in) financing activities		1,091,221	(20,669)	(6,685,084)	6,670,915
Net (decrease)/increase in cash and cash equivalents		(4,174,217)	(6,037,800)	(8,668,574)	1,786,525
Cash and cash equivalents at the beginning of financial year		31,923,781	37,375,998	9,482,580	7,687,781
Effect of exchange rate fluctuations on cash and cash equivalents		(50,519)	585,583	(24,142)	8,274
Cash and cash equivalents at the end of financial year	16	27,699,045	31,923,781	789,864	9,482,580

(a) Purchase of property, plant and equipment:

		Group	
		2024	**2023**
	Note	**RM**	**RM**
Purchase of property, plant and equipment	5	1,782,584	5,025,004
Less: Financed by lease arrangement		-	(675,006)
Cash payments on purchase of property, plant and equipment		1,782,584	4,349,998

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
Cont'd

(b) Reconciliation of liabilities arising from financing activities:

	At 1 January 2024 RM	Cash flows RM	Non-cash Addition RM	At 31 December 2024 RM
Group				
Lease liabilities	658,056	(211,079)	-	446,977

	At 1 January 2023 RM	Cash flows RM	Non-cash Addition RM	At 31 December 2023 RM
Group				
Lease liabilities	-	(16,950)	675,006	658,056

Company

Changes in liabilities arising from financing activities are changes arising from cash flows.

(c) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases amounting to RM424,235 (2023: RM223,876) and RM5,916 (2023: RM5,686) respectively.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

K-One Technology Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at 66 & 68, Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor.

The Group and the Company are principally engaged in research, design and development, manufacturing and supply of healthcare, medical, Internet of Things ("IoT"), industrial and consumer electronics end products and sub-systems, provision of cloud computing service, supply of healthcare and hygiene-care products and investment holding.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following amendments to MFRSs for the current financial year:

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

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but are yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

NOTES TO THE FINANCIAL STATEMENTS
Cont'd

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective (Continued)

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosure entities need to provide the said information to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.

- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The initial application of the above applicable new MFRS and amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their fair values on the acquisition date.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts in which the settlement is neither planned nor likely to occur in the foreseeable future and it is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

<u>Debt instruments at amortised cost</u>

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Financial instruments (Continued)

Financial assets – subsequent measurement and gains and losses (Continued)

Debt instruments at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments at fair value through other comprehensive income

The Group and the Company subsequently measures all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that are not held for trading as equity instruments designated at fair value through other comprehensive income. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, derivative, contingent consideration of an acquirer in a business combination or designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Leasehold land	25 to 38 years
Buildings	25 to 50 years
Furniture and fittings, office equipment and renovation	15% to 40%
Motor vehicles	20%
Plant and machinery and testing equipment	20%

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases

(a) Lessee accounting

The Group presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities in Note 21.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as other income. Rental income from sublease properties is recognised as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following annual rate:

Buildings	2 %

3.7 Other intangible assets

Other intangible assets of the Group and of the Company include development costs and computer software. Development costs which fulfil commercial and technical feasibility criteria are capitalised at cost.

The other intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line basis over their estimated useful lives and commences from the date of commercial production of the product to which the development costs relate or when the intangible assets are ready for use.

The estimated useful lives are as follows:

	Useful lives (years)
Development costs	7 years
Computer software	5 years

NOTES TO THE FINANCIAL STATEMENTS
Cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: costs is based on weighted average basis
- finished goods and work-in-progress: costs of direct materials, labour and a proportion of manufacturing overheads are assigned on a weighted average cost basis based on normal operating capacity.

3.9 Revenue and other income

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing component if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(i) Sale of goods - manufacturing

The Group manufactures and sells a range of products to local and overseas customers. Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the goods are delivered to the customer's premises (local sales) or on board the vessel (export sales).

Sales are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

A right to recover goods from customer on settling the refund liability is recognised as an asset and included as part of inventories for the goods expected to be returned.

Where consideration is collected from customer in advance for sale of goods, a contract liability is recognised for the customer deposits. Contract liability will be recognised as revenue upon sale of goods to the customer.

(ii) Rendering of services

Revenue from rendering of services includes cloud computing, support services, application of domain name, training, software development and product design and development.

Revenue from provision of cloud computing and support services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

Revenue from provision of application of domain name and training services are recognised upon completion of performance of service agreed upon with customer.

Revenue from software development and product design and development are recognised over time based on work performed by reference to the milestones indicated in the contract.

(iii) Interest income

Interest income is recognised on effective interest method.

(iv) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Revenue and other income (Continued)

Financing components (Continued)

(v) Income from short term cash investment

Income from short term cash investment is recognised when the right to receive payment is established.

(vi) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.10 Government grants

The Group presents the government grants related to assets in the statement of financial position by setting up the grant as deferred income.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

4.1 Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to determine the discount rate to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, forecast growth rates, operating expenses and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount are disclosed in Note 7.

4.2 Impairment of investment in subsidiaries

As at the reporting date, the Company determines whether there is any indication of impairment on its investment in subsidiaries. Where there is indication of impairment, the Company carries out the impairment test based on value-in-use of the cash- generating unit. Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

The carrying amount of the Company's investment in subsidiaries is disclosed in Note 9.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Furniture and fittings, office equipment and renovation RM	Plant and machinery and testing equipment RM	Equipment in-transit RM	Capital work-in-progress * RM	Right-of-use assets RM	Total RM
Cost									
At 1 January 2024	1,433,333	6,900,626	1,934,112	10,028,508	5,978,155	130,426	-	3,919,932	30,325,092
Additions	-	-	-	1,216,698	40,962	36,500	50,900	437,524	1,782,584
Disposals	-	-	-	(19,730)	-	-	-	-	(19,730)
Exchange difference	-	-	-	(6,562)	-	-	-	-	(6,562)
At 31 December 2024	1,433,333	6,900,626	1,934,112	11,218,914	6,019,117	166,926	50,900	4,357,456	32,081,384
Accumulated depreciation and impairment loss									
At 1 January 2024									
Accumulated depreciation	-	1,571,719	918,373	5,107,523	2,440,249	-	-	885,666	10,923,530
Accumulated impairment loss	-	-	-	71,783	-	-	-	-	71,783
	-	1,571,719	918,373	5,179,306	2,440,249	-	-	885,666	10,995,313
Charge for financial year	-	134,903	234,409	1,389,192	1,196,562	-	-	314,656	3,269,722
Disposals	-	-	-	(19,239)	-	-	-	-	(19,239)
Exchange difference	-	-	-	(1,534)	-	-	-	-	(1,534)
	-	134,903	234,409	1,368,419	1,196,562	-	-	314,656	3,248,949
At 31 December 2024									
Accumulated depreciation	-	1,706,622	1,152,782	6,475,942	3,636,811	-	-	1,200,322	14,172,479
Accumulated impairment loss	-	-	-	71,783	-	-	-	-	71,783
	-	1,706,622	1,152,782	6,547,725	3,636,811	-	-	1,200,322	14,244,262
Carrying amount									
At 31 December 2024	1,433,333	5,194,004	781,330	4,671,189	2,382,306	166,926	50,900	3,157,134	17,837,122

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Furniture and fittings, office equipment and renovation RM	Plant and machinery and testing equipment RM	Equipment in-transit RM	Right-of-use assets RM	Total RM
Cost								
At 1 January 2023	1,433,333	6,900,626	918,480	7,131,940	5,367,500	232,967	3,244,926	25,229,772
Acquisition of subsidiary (Note 9)	-	-	-	74,023	-	-	-	74,023
Additions	-	-	1,015,632	2,593,285	610,655	130,426	675,006	5,025,004
Reclassification	-	-	-	232,967	-	(232,967)	-	-
Exchange difference	-	-	-	(3,707)	-	-	-	(3,707)
At 31 December 2023	1,433,333	6,900,626	1,934,112	10,028,508	5,978,155	130,426	3,919,932	30,325,092
Accumulated depreciation and impairment loss								
At 1 January 2023								
Accumulated depreciation	-	1,431,331	703,501	4,023,175	1,274,982	-	765,536	8,198,525
Accumulated impairment loss	-	-	-	71,783	-	-	-	71,783
	-	1,431,331	703,501	4,094,958	1,274,982	-	765,536	8,270,308
Charge for the financial year	-	140,388	214,872	1,084,527	1,165,267	-	120,130	2,725,184
Exchange difference	-	-	-	(179)	-	-	-	(179)
	-	140,388	214,872	1,084,348	1,165,267	-	120,130	2,725,005
At 31 December 2023								
Accumulated depreciation	-	1,571,719	918,373	5,107,523	2,440,249	-	885,666	10,923,530
Accumulated impairment loss	-	-	-	71,783	-	-	-	71,783
	-	1,571,719	918,373	5,179,306	2,440,249	-	885,666	10,995,313
Carrying amount								
At 31 December 2023	1,433,333	5,328,907	1,015,739	4,849,202	3,537,906	130,426	3,034,266	19,329,779

NOTES TO THE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM	Buildings RM	Furniture and fittings, office equipment and renovation RM	Capital work-in-progress * RM	Total RM
2024					
Cost					
At 1 January	1,433,333	2,866,667	9,820	-	4,309,820
Additions	-	-	-	27,000	27,000
At 31 December	1,433,333	2,866,667	9,820	27,000	4,336,820
Accumulated depreciation					
At 1 January	-	745,334	7,720	-	753,054
Charge for the financial year	-	57,333	741	-	58,074
At 31 December	-	802,667	8,461	-	811,128
Carrying amount					
At 31 December	1,433,333	2,064,000	1,359	27,000	3,525,692
2023					
Cost					
At 1 January/31 December	1,433,333	2,866,667	9,820	-	4,309,820
Accumulated depreciation					
At 1 January	-	688,000	6,963	-	694,963
Charge for the financial year	-	57,334	757	-	58,091
At 31 December	-	745,334	7,720	-	753,054
Carrying amount					
At 31 December	1,433,333	2,121,333	2,100	-	3,556,766

** Capital work-in-progress comprises office renovation cost.*

Included in the above property, plant and equipment are:

(a) Freehold land and buildings of the Group and of the Company charged to a financial institution for unutilised credit facilities granted to the Group. The carrying amount of assets pledged for bank facilities are as follows:

	Group and Company 2024 RM	2023 RM
Freehold land	1,433,333	1,433,333
Office buildings	2,064,000	2,121,333
	3,497,333	3,554,666

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

The Group leases land and building for its operation site and office space.

Information about leases for which the Group is lessees is presented below:

	Leasehold land RM	Building RM	Total RM
Carrying amount			
At 1 January 2023	2,479,390	-	2,479,390
Additions	-	675,006	675,006
Depreciation	(101,380)	(18,750)	(120,130)
At 31 December 2023	2,378,010	656,256	3,034,266
Additions	437,524	-	437,524
Depreciation	(89,655)	(225,001)	(314,656)
At 31 December 2024	2,725,879	431,255	3,157,134

The leases generally have lease terms between 3 and 60 years (2023: 3 to 60 years).

6. INVESTMENT PROPERTY

	Group and Company	
	2024 RM	2023 RM
Cost		
At 1 January/31 December	4,800,000	4,800,000
Accumulated depreciation		
At 1 January	264,000	168,000
Charge for the financial year	96,000	96,000
At 31 December	360,000	264,000
Carrying amount		
At 31 December	4,440,000	4,536,000

The following are recognised in profit or loss in respect of investment property:

	Group and Company	
	2024 RM	2023 RM
Rental income	(60,000)	(60,000)
Direct operating expenses for income generating investment property	100,147	100,655

NOTES TO THE FINANCIAL STATEMENTS
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6. INVESTMENT PROPERTY (CONTINUED)

Fair value information

Fair value of investment property is categorised as follows:

	Group and Company Level 2 RM
2024	
Bungalow	4,700,000
2023	
Bungalow	4,800,000

Level 2 fair value

Level 2 fair value of building has been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings.

The fair value of investment property is determined by an external independent property valuer with appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

7. GOODWILL ON BUSINESS COMBINATION

	Note	Group 2024 RM	Group 2023 RM
At 1 January		22,675,946	18,561,563
Acquisition of subsidiary	9	-	4,114,383
At 31 December		22,675,946	22,675,946

The carrying amount of goodwill allocated to the Group's cash generating unit ("CGU") is based on the CGU's excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. The goodwill was allocated to the Group's cloud computing business segment.

The recoverable amount of the CGU is determined using a value-in-use calculation that projects pre-tax cash flows from financial budgets and projection approved by management covering a 4-year period. Cash flows beyond the 4-year period are extrapolated.

The following describes the key assumptions for which management has based its cash flows projection to undertake the impairment testing of goodwill:

31.12.2024	**CGU 1**	**CGU 2**
Average gross margin	15%	8%
Average annual sales growth	19%	10%
Discount rate	14%	9%
31.12.2023		
Average gross margin	11%	11%
Average annual sales growth	20%	16%
Discount rate	14%	11%

7. GOODWILL ON BUSINESS COMBINATION (CONTINUED)

(i) Average gross margin – based on historical achieved margins and assumes no significant changes in cost structure or input prices.
(ii) Average annual sales growth – based on management's estimation and industry growth rates.
(iii) Discount rate – based on the industry weighted average cost of capital of the CGU. The discount rate applied to the cash flows projection is pre-tax and reflects an estimate of the risk specific to the CGU at the date of assessment.

Based on the sensitivity analysis performed, the directors believe that there is no reasonably possible change in key assumptions that would cause the carrying amount of the CGU to exceed its recoverable amount.

8. OTHER INTANGIBLE ASSETS

Group	Development costs RM	Computer software RM	Total RM
2024			
Cost			
At 1 January	2,018,600	337,549	2,356,149
Additions	1,640,648	-	1,640,648
At 31 December	3,659,248	337,549	3,996,797
Accumulated amortisation			
At 1 January	-	288,407	288,407
Charge for financial year	-	16,192	16,192
At 31 December	-	304,599	304,599
Carrying amount			
At 31 December	3,659,248	32,950	3,692,198
2023			
Cost			
At 1 January	-	337,549	337,549
Additions	2,018,600	-	2,018,600
At 31 December	2,018,600	337,549	2,356,149
Accumulated amortisation			
At 1 January	-	272,193	272,193
Charge for financial year	-	16,214	16,214
At 31 December	-	288,407	288,407
Carrying amount			
At 31 December	2,018,600	49,142	2,067,742

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8. OTHER INTANGIBLE ASSETS (CONTINUED)

Company	Computer software RM
2024	
Cost	
At 1 January/31 December	230,480
Accumulated amortisation	
At 1 January/31 December	230,480
Carrying amount	
At 31 December	-
2023	
Cost	
At 1 January/31 December	230,480
Accumulated amortisation	
At 1 January/31 December	230,480
Carrying amount	
At 31 December	-

Development costs are associated with the development of ventilator project which is in the final development stage and therefore not amortised during the financial year.

9. INVESTMENT IN SUBSIDIARIES

	Note	Company 2024 RM	2023 RM
Unquoted shares, at cost			
In Malaysia		48,814,658	48,814,658
Outside Malaysia		1	1
		48,814,659	48,814,659
ESOS granted to employees of subsidiaries		15,146,479	15,146,479
		63,961,138	63,961,138
Less: Impairment losses	(a)		
At 1 January		(10,654,232)	(6,004,232)
Charge for the financial year		(501,000)	(4,650,000)
Reversal of impairment losses		3,562,000	-
At 31 December		(7,593,232)	(10,654,232)
		56,367,906	53,306,906
Quasi loans	(b)	42,604,117	42,591,792
Less: Impairment losses	(a)		
At 1 January		(9,282,669)	(6,044,669)
Charge for the financial year		(317,000)	(3,238,000)
At 31 December		(9,599,669)	(9,282,669)
		33,004,448	33,309,123
		89,372,354	86,616,029

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Impairment loss has been provided for investment in certain subsidiaries and quasi loans when the subsidiary has become inactive or when recoverable amount is less than its carrying amount. The recoverable amount is determined using value-in-use of the subsidiaries.

(b) Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest/ Voting right 2024	2023
K2 Meta Sdn. Bhd.	Malaysia	Investment holding	100%	100%
K-One Wellness Sdn. Bhd.	Malaysia	Design, development, manufacture, trading, distribution, supply and provision of medical and healthcare consumables, devices, sub-systems and services through distribution network, online platforms or direct to hospitals, pharmacies and healthcare institutions	100%	100%
K-One Electronics Sdn. Bhd.	Malaysia	Development, manufacturing, supply and trading of consumer electronic products, healthcare equipment, digital devices and associated accessories via distribution network and/or online platforms and design, development and manufacturing of production tools	100%	100%
K-One Venture Sdn. Bhd.	Malaysia	Investment in business by capital funding and business advisory services	100%	100%
K-One International Limited *	Hong Kong	Dormant	100%	100%
G-AsiaPacific Sdn. Bhd. ("GAP") ^	Malaysia	Provision of cloud computing and its related services	100%	100%
Subsidiary of K2 Meta Sdn. Bhd.				
K-One Industry Sdn. Bhd.	Malaysia	Design and development of manufacturing process/tools and manufacturing of electronic end products and sub-systems	100%	100%
Subsidiaries of K-One Industry Sdn. Bhd.				
K-One Manufacturing Sdn. Bhd.	Malaysia	Design and development of manufacturing process/tools and manufacturing of electronic end products and sub-systems	100%	100%
K-One MediTech Sdn. Bhd.	Malaysia	Design, development, manufacturing and distribution of medical/healthcare devices and consumables	100%	100%

NOTES TO THE FINANCIAL STATEMENTS
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9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of company	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest/ Voting right 2024	2023
Subsidiaries of G-AsiaPacific Sdn. Bhd.				
G-AsiaPacific (S) Pte. Ltd.#	Singapore	Provision of cloud computing and its related services	100%	100%
P.T. GasiaPasific Indo ("GAP Indo")#	Indonesia	Provision of cloud computing and its related services	51%	51%
G-AsiaPacific (Vietnam) Company Limited ("GAP Vietnam")*	Vietnam	Provision of cloud computing and its related services	51%	51%

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.
^ G-AsiaPacific Sdn. Bhd.'s shares are held in trust by K2 Meta Sdn. Bhd. as a trustee for the Company.
# Audited by an independent member firm of Baker Tilly International.

(a) Incorporation of GAP Vietnam

On 21 July 2023, GAP established GAP Vietnam with a 51% equity interest for a total cash consideration of approximately RM0.7 million. Consequently, GAP Vietnam became an indirect subsidiary of the Company.

(b) Acquisition of additional interest in GAP Indo

On 19 June 2023, GAP acquired an additional 36% equity interest in GAP Indo for a total cash consideration of approximately RM4.9 million. Consequently, GAP Indo became an indirect subsidiary of the Company.

(i) Fair value of consideration transferred:

	2023 RM
Cash consideration	4,932,036

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	2023 RM
Non-current asset	
Plant and equipment	74,023
Current assets	
Receivables, deposits and prepayments	2,837,313
Cash and cash equivalents	344,662
	3,181,975
Total assets	3,255,998

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of additional interest in GAP Indo (Continued)

(ii) Fair value of the identifiable assets acquired and liabilities recognised: (Continued)

	2023 RM
Current liabilities	
Trade and other payables	1,276,010
Contract liability	119,322
Current tax liabilities	13,542
Total liabilities	1,408,874
Total identifiable net assets acquired	1,847,124
Goodwill arising on acquisition (Note 7)	4,114,383
Non-controlling interest	(896,243)
Foreign exchange reserve	(133,228)
Fair value of consideration transferred	4,932,036

(iii) Effects of acquisition on cash flows:

	2023 RM
Consideration paid in cash	4,932,036
Less: Cash and cash equivalents of subsidiary acquired	(344,662)
Net cash outflows on acquisition	4,587,374

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:

	2023 RM
Revenue	6,932,401
Loss for the financial year	(54,627)

If the acquisition had occurred on 1 January 2023, the consolidated results for the financial year ended 31 December 2023 would have been as follows:

	2023 RM
Revenue	11,104,417
Profit for the financial year	19,530

NOTES TO THE FINANCIAL STATEMENTS
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9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Non-controlling interest ("NCI") in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

	GAP Indo RM	GAP Vietnam RM	Total RM
2024			
NCI percentage of ownership interest and voting interest	49%	49%	
Carrying amount of NCI	883,020	791,332	1,674,352
Profit allocated to NCI	114,781	303,030	417,811
Total other comprehensive profit allocated to NCI	114,781	303,030	417,811
2023			
NCI percentage of ownership interest and voting interest	49%	49%	
Carrying amount of NCI	886,828	567,252	1,454,080
Loss allocated to NCI	(26,767)	(91,596)	(118,363)
Total other comprehensive loss allocated to NCI	(26,767)	(91,596)	(118,363)

(d) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	GAP Indo RM	GAP Vietnam RM
Summarised statements of financial position as at 31 December 2024		
Non-current assets	52,346	147,719
Current assets	4,884,428	2,558,279
Current liabilities	(3,134,692)	(1,091,034)
Net assets	1,802,082	1,614,964
Summarised statements of comprehensive income for the financial year ended 31 December 2024		
Revenue	11,828,497	9,110,486
Profit for the financial year	234,247	618,428
Total comprehensive profit	234,247	618,428
Summarised cash flows information for the financial year ended 31 December 2024		
Cash flows from operating activities	483,513	1,047,490
Cash flows from/(used in) investing activities	4,102	(3,791)
Net increase in cash and cash equivalents	487,615	1,043,699

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interests (Continued)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows: (Continued)

	GAP Indo RM	GAP Vietnam RM
Summarised statements of financial position as at 31 December 2023		
Non-current assets	68,138	-
Current assets	3,541,541	1,280,125
Current liabilities	(1,799,826)	(122,468)
Net assets	1,809,853	1,157,657
Summarised statements of comprehensive income for the financial year ended 31 December 2023		
Revenue	6,932,401	95,051
Loss for the financial year	(54,627)	(186,930)
Total comprehensive loss	(54,627)	(186,930)
Summarised cash flows information for the financial year ended 31 December 2023		
Cash flows from operating activities	1,447,815	110,105
Cash flows (used in)/from investing activities	(73,185)	274
Cash flows from financing activities	-	1,340,944
Net increase in cash and cash equivalents	1,374,630	1,451,323

10. DEFERRED TAX ASSETS

The components of deferred tax assets during the financial year prior to offsetting are as follows:

	At 1 January 2024 RM	Recognised in profit or loss (Note 27) RM	At 31 December 2024 RM
Group			
Deferred tax assets			
Contract liabilities	2,690,500	1,557,031	4,247,531
Deductible temporary differences in respect of expenses	34,500	40,400	74,900
Lease liabilities	157,900	(50,000)	107,900
Unabsorbed tax losses and unutilised capital allowance	1,458,500	(289,254)	1,169,246
Right-of-use assets	(157,500)	54,000	(103,500)
Property, plant and equipment	(882,300)	239,000	(643,300)
	3,301,600	1,551,177	4,852,777

NOTES TO THE FINANCIAL STATEMENTS
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10. DEFERRED TAX ASSETS (CONTINUED)

The components of deferred tax assets during the financial year prior to offsetting are as follows: (Continued)

	At 1 January 2023 RM	Recognised in profit or loss (Note 27) RM	At 31 December 2023 RM
Group			
Deferred tax assets			
Contract liabilities	2,193,600	496,900	2,690,500
Deductible temporary differences in respect of expenses	32,600	1,900	34,500
Lease liabilities	-	157,900	157,900
Unabsorbed tax losses and unutilised capital allowance	-	1,458,500	1,458,500
Right-of-use assets	-	(157,500)	(157,500)
Property, plant and equipment	(566,700)	(315,600)	(882,300)
	1,659,500	1,642,100	3,301,600

	At 1 January 2024 RM	Recognised in profit or loss (Note 27) RM	At 31 December 2024 RM
Company			
Deferred tax asset			
Unabsorbed tax losses	465,000	-	465,000
Taxable temporary differences in respect of income	(2,000)	-	(2,000)
	463,000	-	463,000

	At 1 January 2023 RM	Recognised in profit or loss (Note 27) RM	At 31 December 2023 RM
Company			
Deferred tax asset			
Unabsorbed tax losses	-	465,000	465,000
Taxable temporary differences in respect of income	-	(2,000)	(2,000)
	-	463,000	463,000

10. DEFERRED TAX ASSETS (CONTINUED)

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Differences between the carrying amounts of property, plant and equipment and their tax base	-	2,000	-	-
Taxable temporary difference	2,000	3,000	-	-
Unutilised capital allowance	17,000	13,000	-	-
Unabsorbed tax losses	2,834,000	3,077,000	511,000	1,012,000
	2,853,000	3,095,000	511,000	1,012,000
Potential deferred tax at 24% (2023: 24%)	684,720	742,800	122,640	242,880

The unutilised tax losses which are available for offset against future taxable profits of the Group and of the Company will expire in the following financial years:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Year of assessments				
2028	1,968,000	2,469,000	511,000	1,012,000
2029	43,000	43,000	-	-
2030	17,000	17,000	-	-
2032	22,000	22,000	-	-
2033	526,000	526,000	-	-
2034	258,000	-	-	-
	2,834,000	3,077,000	511,000	1,012,000

11. INVENTORIES

	Group	
	2024	**2023**
	RM	**RM**
At cost		
Raw materials	14,050,204	20,084,873
Work-in-progress	6,751,645	7,675,372
Finished goods	3,242,055	5,288,614
	24,043,904	33,048,859

(a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM73,352,787 (2023: RM79,385,248).

(b) In the previous year, the cost of inventories of the Group recognised as cost of sales in respect of write-off of inventories was RM507,880.

NOTES TO THE FINANCIAL STATEMENTS
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12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Current					
Trade					
Trade receivables	(a)	40,549,163	29,549,587	1,031,163	163,647
Less: Allowance for impairment losses		(196,921)	(364,182)	-	-
		40,352,242	29,185,405	1,031,163	163,647
Non-trade					
Other receivables		6,405,847	6,085,140	5,893,297	5,863,591
Less: Allowance for impairment losses		(5,820,235)	(5,820,235)	(5,820,235)	(5,820,235)
		585,612	264,905	73,062	43,356
GST/SST/VAT refundable		179,900	154,032	-	-
Deposits		366,268	289,557	2,070	2,070
Prepayments	(b)	7,325,753	3,086,081	75,308	31,972
Advances to suppliers		1,711,477	804,686	-	-
Total trade and other receivables		50,521,252	33,784,666	1,181,603	241,045

(a) The normal credit terms extended to customers range from 30 to 90 days (2023: 30 to 90 days).

(b) Included in prepayment of the Group is an amount of RM3,000,000 (2023: RM Nil) paid for the acquisition advances, as disclosed in Note 34.

13. CONTRACT COSTS

Costs to fulfil a contract

Costs to fulfil a contract are costs incurred for contracts that are yet to be approved as at the reporting date. These costs will be used in satisfying the performance obligation in the future and expected to be recovered.

These costs are amortised in accordance with the pattern of transfer of goods or services to which the asset relates.

14. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Contract assets	6,566,442	3,085,061	-	-
Contract liabilties	(19,198,468)	(13,023,798)	-	(368,551)
	(12,632,026)	(9,938,737)	-	(368,551)

14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Significant changes in contract balances

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	(9,938,737)	(6,036,548)	(368,551)	(9,379)
Revenue recognised during the year	101,959,104	70,316,539	368,551	9,379
Billings during the year	(104,652,393)	(74,218,728)	-	(368,551)
At 31 December	(12,632,026)	(9,938,737)	-	(368,551)

The contract assets relate to the Group's right to consideration for services rendered but not yet billed as at the reporting date.

The contract liabilities relate to advance considerations received from customers for services of which the revenue will be recognised over the remaining contract of the specific contract it relates to, ranging from 1 to 30 months (2023: 1 to 30 months).

15. SHORT-TERM CASH INVESTMENT

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash management fund with investment management companies	5,665,969	8,634,064	1,369,409	2,134,064

The investment is redeemable upon 1 day (2023: 1 day) in notice.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	25,335,845	17,949,781	789,864	482,580
Deposits placed with licensed banks	22,663,200	21,974,000	10,800,000	17,000,000
	47,999,045	39,923,781	11,589,864	17,482,580
Less: Non-short term deposits	(20,300,000)	(8,000,000)	(10,800,000)	(8,000,000)
	27,699,045	31,923,781	789,864	9,482,580

The deposits placed with licensed banks of the Group and of the Company at the end of the financial year bear effective interest at rates ranging from 1.60% to 6.00% (2023: 3.20 % to 6.00%) and 2.50% to 3.55% (2023: 3.80% to 4.05%) respectively per annum and with maturity period ranging from 1 to 12 months (2023: 1 to 12 months) and 6 to 12 months (2023: 3 to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS

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17. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	Amount	Number of shares	Amount
	Units	RM	Units	RM
Issued and fully paid up (no par value):				
At 1 January/31 December	832,006,928	123,643,978	832,006,928	123,643,978

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. FOREIGN EXCHANGE RESERVE

The foreign exchange reserve comprises all foreign currency differences arising from translation of the financial statements of the entities within the Group with functional currencies other than RM.

19. TRADE AND OTHER PAYABLES

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Non-current:					
Non-trade					
Other payable	(a)	-	33,098	-	-
Current:					
Trade					
Trade payables	(b)	32,212,653	30,122,199	339,294	19,036
Accruals		9,875,664	5,246,220	413,048	95,268
		42,088,317	35,368,419	752,342	114,304
Non-trade					
Other payables		1,324,950	343,224	189,131	243,175
GST/SST/VAT payables		56,754	58,316	-	-
Amount due to directors	(c)	3	10,982	-	-
Amount due to subsidiaries	(d)	-	-	40,159	6,725,243
Advances from customers		3,408,462	2,389,350	-	-
Accruals		2,493,587	2,801,526	38,353	84,758
Deposits received		768,174	710,082	7,442	7,442
		8,051,930	6,313,480	275,085	7,060,618
Total trade and other payables (current)		50,140,247	41,681,899	1,027,427	7,174,922
Total trade and other payables (non-current and current)		50,140,247	41,714,997	1,027,427	7,174,922

19. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Other payable of the Group represents the acquisition cost of equipment payable to a third party. This amount is non-interest bearing and is not expected to be settled within the twelve months after the reporting date.

(b) The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2023: 30 to 90 days).

(c) The amount due to directors is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

(d) The amount due to subsidiaries is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

20. DEFERRED INCOME

	2024 RM	2023 RM
Non-current		
Government grants:		
At 1 January	-	-
Received during the financial year	1,339,253	-
Recognised in profit or loss (Note 24)	(301,126)	-
Less: Amount to be recognised within next twelve months	(370,501)	-
At 31 December	667,626	-
Current		
Government grants:		
At 1 January	-	-
Add: Amount to be recognised within next twelve months	370,501	-
At 31 December	370,501	-
	1,038,127	-

Government grant related to assets

Government grant received from the Malaysian Investment Development Authority (MIDA) during the financial year is in relation to the purchase of specific machineries of the Group. There are no unfulfilled conditions or contingencies attached to these grants.

21. LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
Non-current		
Lease liabilities	221,045	446,977
Current		
Lease liabilities	225,932	211,079
	446,977	658,056

The weighted average incremental borrowing rate applied to the lease liabilities was 6.82% (2023: 6.82%) per annum.

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21. LEASE LIABILITIES (CONTINUED)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2024	2023
	RM	RM
Minimum lease payments:		
- not later than one year	248,031	248,031
- later than one year but not later than five years	227,362	475,393
	475,393	723,424
Less: Future finance charges	(28,416)	(65,368)
Present value of minimum lease payments	446,977	658,056
Present value of minimum lease payments:		
- not later than one year	225,932	211,079
- later than one year but not later than five years	221,045	446,977
	446,977	658,056
Less: Amount due within 12 months	(225,932)	(211,079)
Amount due after 12 months	221,045	446,977

22. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from contract customers:				
Research, design and development of electronic end products and sub-systems	4,815,757	900,860	3,261,726	689,297
Manufacturing of electronic end products and sub-systems	70,561,079	76,746,859	-	-
Cloud computing services	115,573,664	75,115,565	-	-
Sale and manufacturing of medical and healthcare devices and consumables	10,793,502	14,487,015	-	-
	201,744,002	167,250,299	3,261,726	689,297
Revenue from other source:				
Dividend income from a subsidiary	-	-	-	750,000
	201,744,002	167,250,299	3,261,726	1,439,297

22. REVENUE (CONTINUED)

(a) Disaggregation of revenue

The Group and the Company report the following major segments: research, design, development and sales, manufacturing and cloud computing in accordance with MFRS 8 Operating Segments. For the purpose of disclosure for the disaggregation of revenue, the Group and the Company disaggregate revenue into primary geographical markets, major goods or services, timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Research, design, development and sales	Manufacturing	Cloud computing	Total
	RM	RM	RM	RM
Group - 2024				
Primary geographical markets:				
Malaysia	144,129	1,690,407	68,260,217	70,094,753
Asia (excluding Malaysia)	-	23,708,751	46,867,778	70,576,529
Europe	4,449,702	39,985,378	188,135	44,623,215
Oceania	-	3,236,839	246,217	3,483,056
United States of America	221,926	11,761,101	-	11,983,027
Others	-	972,105	11,317	983,422
	4,815,757	81,354,581	115,573,664	201,744,002
Major goods or services:				
Electronic products	-	70,561,079	-	70,561,079
Research, design and development	4,815,757	-	-	4,815,757
Cloud computing	-	-	115,573,664	115,573,664
Medical and healthcare devices and consumables	-	10,793,502	-	10,793,502
	4,815,757	81,354,581	115,573,664	201,744,002
Timing of revenue recognition:				
At a point in time	4,815,757	81,354,581	2,339,541	88,509,879
Over time	-	-	113,234,123	113,234,123
	4,815,757	81,354,581	115,573,664	201,744,002

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22. REVENUE (CONTINUED)

(a) Disaggregation of revenue (Continued)

	Research, design, development and sales RM	Manufacturing RM	Cloud computing RM	Total RM
Group - 2023				
Primary geographical markets:				
Malaysia	42,261	3,166,990	42,146,917	45,356,168
Asia (excluding Malaysia)	103,153	23,396,161	32,768,005	56,267,319
Europe	663,308	50,401,476	111,035	51,175,819
Oceania	-	1,678,055	78,297	1,756,352
United States of America	92,138	12,591,192	11,311	12,694,641
	900,860	91,233,874	75,115,565	167,250,299
Major goods or services:				
Electronic products	-	76,746,859	-	76,746,859
Research, design and development	900,860	-	-	900,860
Cloud computing	-	-	75,115,565	75,115,565
Medical and healthcare devices and consumables	-	14,487,015	-	14,487,015
	900,860	91,233,874	75,115,565	167,250,299
Timing of revenue recognition:				
At a point in time	900,860	91,233,874	21,494,505	113,629,239
Over time	-	-	53,621,060	53,621,060
	900,860	91,233,874	75,115,565	167,250,299

	Research, design, development and sales RM	Total RM
Company - 2024		
Primary geographical markets:		
Malaysia	32,924	32,924
Europe	3,006,876	3,006,876
United States of America	221,926	221,926
	3,261,726	3,261,726
Major goods or services:		
Research, design and development	3,261,726	3,261,726
Timing of revenue recognition:		
At a point in time	3,261,726	3,261,726

22. REVENUE (CONTINUED)

(a) Disaggregation of revenue (Continued)

	Research, design, development and sales RM	Total RM
Company - 2023		
Primary geographical markets:		
Europe	663,308	663,308
United States of America	25,989	25,989
	689,297	689,297
Major goods or services:		
Research, design and development	689,297	689,297
Timing of revenue recognition:		
At a point in time	689,297	689,297

(b) Transaction price allocated to the remaining performance obligations

Group	Within 1 year RM	Between 1 to 3 years RM	Total RM
As at 31 December 2024			
Revenue expected to be recognised on:			
- Cloud computing	9,484,750	9,713,718	19,198,468
As at 31 December 2023			
Revenue expected to be recognised on:			
- Cloud computing	13,023,798	-	13,023,798

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

23. COST OF SALES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Research, design and development of electronic end products and sub-systems	2,334,898	359,435	1,420,306	250,744
Cost of manufacturing of electronic end products and sub-systems	63,484,634	68,558,578	-	-
Cloud computing services	98,760,110	62,347,681	-	-
Cost of sale and manufacturing of medical and healthcare devices and consumables	9,868,153	13,088,722	-	-
	174,447,795	144,354,416	1,420,306	250,744

NOTES TO THE FINANCIAL STATEMENTS
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24. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration				
(i) Statutory audit:				
- Baker Tilly Monteiro Heng PLT	257,000	239,000	86,500	79,400
- Member firms of Baker Tilly International	75,256	42,529	-	-
- Other auditors	18,989	31,190	-	-
(ii) Other services:				
- Baker Tilly Monteiro Heng PLT	6,000	6,000	6,000	6,000
Amortisation of computer software	16,192	16,214	-	-
Depreciation of:				
- property, plant and equipment	3,269,722	2,725,184	58,074	58,091
- investment property	96,000	96,000	96,000	96,000
Directors' fees	218,525	259,574	198,000	239,200
Directors' other emoluments	3,752,537	3,719,850	18,000	21,000
Expenses relating to short-term lease	159,971	187,984	-	-
Expenses relating to lease of low value assets	16,232	15,223	5,916	5,686
Inventories written off	-	507,880	-	-
Interest expense on lease liabilities	36,953	3,719	-	-
Net (reversal)/impairment loss on trade receivables	(127,133)	290,616	-	-
Net (reversal)/impairment loss on investment in subsidiaries	-	-	(2,744,000)	7,888,000
Foreign exchange loss/(gain)				
- realised	1,241,959	762,063	8,761	(5,833)
- unrealised	(323,297)	(583,301)	24,142	(8,274)
Fair value gain on short-term cash investment	(331,904)	(59,533)	(35,344)	(59,533)
Gain on disposal of property, plant and equipment	(6,009)	-	-	-
Amortisation of government grant income (Note 20)	(301,126)	-	-	-
Government grant related to income	(2,104,977)	-	-	-
Interest income	(1,311,403)	(783,383)	(523,237)	(332,842)
Rental income of:				
- premises	(68,366)	(74,766)	(41,366)	(38,766)
- investment property	(60,000)	(69,000)	(60,000)	(69,000)

NOTES TO THE FINANCIAL STATEMENTS
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25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Executive directors' fees	20,525	20,374	-	-
Executive directors' salary and other emoluments	3,734,537	3,698,850	-	-
Wages, salaries and bonus	15,040,521	13,587,539	903,884	724,145
Employees Provident Fund	2,001,397	1,697,179	37,728	38,982
SOCSO	192,929	180,197	3,651	3,475
Other personnel costs	667,131	728,294	28,126	52,743
	21,657,040	19,912,433	973,389	819,345

26. DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors of the Company				
Executive:				
Salary and other emoluments	2,210,880	2,172,800	-	-
Non-executive:				
Fees	198,000	239,200	198,000	239,200
Allowances	18,000	21,000	18,000	21,000
	2,426,880	2,433,000	216,000	260,200
Directors of the subsidiaries				
Executive:				
Fees	20,525	20,374	-	-
Salary and other emoluments	1,523,657	1,526,050	-	-
	1,544,182	1,546,424	-	-
Total directors' remuneration	3,971,062	3,979,424	216,000	260,200

NOTES TO THE FINANCIAL STATEMENTS
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27. TAX EXPENSE/(CREDIT)

The major components of income tax expense for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax:				
Malaysian income tax:				
Current financial year	2,231,155	1,528,260	130,000	-
Under/(Over) provision in prior financial years	144,828	(68,001)	-	-
	2,375,983	1,460,259	130,000	-
Foreign income tax:				
Current financial year	422,703	98,118	-	-
Deferred tax (Note 10):				
(Reversal)/Origination of temporary differences	(1,552,577)	47,136	-	183,600
Recognition of deferred tax assets previously not recognised	-	(1,691,900)	-	(646,600)
Under provision in prior financial years	1,400	2,664	-	-
	(1,551,177)	(1,642,100)	-	(463,000)
Tax expense/(credit)	1,247,509	(83,723)	130,000	(463,000)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit/(loss) for the financial year. Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expenses are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before tax	1,867,577	147,830	3,286,181	(7,680,483)
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	448,200	35,500	788,700	(1,843,300)
Effect of lower tax rate in foreign jurisdiction	(89,160)	(31,914)	-	-
Tax effect on non-deductible expenses	912,880	816,419	128,583	2,221,200
Tax effect on non-taxable income	(78,058)	(16,460)	(667,043)	(194,300)
Deemed interest income	20,919	17,295	-	-
Recognition of deferred tax liability previously not recognised	-	1,266,400	-	-
Deferred tax assets not recognised	62,300	6,400	-	-
Utilisation of previously unrecognised tax losses	(120,380)	(371,700)	(120,240)	-
Recognition of deferred tax assets previously not recognised	-	(1,691,900)	-	(646,600)
Tax exemptions	(55,420)	(48,426)	-	-
Under/(Over) provision in prior years				
- current tax	144,828	(68,001)	-	-
- deferred tax	1,400	2,664	-	-
	1,247,509	(83,723)	130,000	(463,000)

28. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share is based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024	**2023**
	RM	**RM**
Profit for the financial year attributable to owners of the Company	202,257	349,916
Weighted average number of ordinary shares outstanding during the financial year	818,577,759	818,577,759
Basic earnings per ordinary share (sen)	0.02	0.04

(b) Diluted

The diluted earnings per share of the Company for the financial year ended 2024 and 2023 is same as the basic earnings per ordinary share of the Company as there were no potential dilutive ordinary shares.

29. CORPORATE GUARANTEE

	Company	
	2024	**2023**
	RM	**RM**
Corporate guarantee for credit facilities granted to subsidiary:		
- K-One Industry Sdn. Bhd.	22,576,000	22,576,000

30. RELATED PARTIES

(a) Identify of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has related party relationship with its subsidiaries and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS
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30. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Paid or payable to certain directors of the Company				
Rental of factory	90,000	90,000	-	-
Received and receivable from a subsidiary				
Dividend income	-	-	-	(750,000)
Rental income	-	-	(12,000)	(12,000)

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Note 19 to the financial statements.

(c) Compensation of key management personnel

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors of the Company and subsidiaries				
Fees	218,525	259,574	198,000	239,200
Salaries and other emoluments	3,336,700	3,308,415	18,000	21,000
Post-employment benefits	415,837	411,435	-	-
	3,971,062	3,979,424	216,000	260,200

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Fair value through profit or loss ("FVPL")
(ii) Amortised cost ("AC")
(iii) Designated fair value through other comprehensive income ("DFVOCI")

	FVPL	AC	DFVOCI	Total
	RM	RM	RM	RM
2024				
Group				
Financial assets				
Receivables and deposits *	-	41,304,122	-	41,304,122
Short-term cash investment	5,665,969	-	-	5,665,969
Cash and cash equivalents	-	47,999,045	-	47,999,045
	5,665,969	89,303,167	-	94,969,136
Financial liabilities				
Trade and other payables #	-	46,675,031	-	46,675,031

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

	FVPL RM	AC RM	DFVOCI RM	Total RM
2023				
Group				
Financial assets				
Receivables and deposits *	-	29,739,867	-	29,739,867
Short-term cash investment	8,634,064	-	-	8,634,064
Cash and cash equivalents	-	39,923,781	-	39,923,781
	8,634,064	69,663,648	-	78,297,712
Financial liabilities				
Trade and other payables #	-	39,267,331	-	39,267,331

* *Exclude GST/SST/VAT refundable, prepayments and advances to suppliers.*

\# *Exclude GST/SST/VAT payables and advances from customers.*

	FVPL RM	AC RM	Total RM
2024			
Company			
Financial assets			
Receivables and deposits *	-	1,106,295	1,106,295
Short-term cash investment	1,369,409	-	1,369,409
Cash and bank balances	-	11,589,864	11,589,864
	1,369,409	12,696,159	14,065,568
Financial liabilities			
Trade and other payables	-	1,027,427	1,027,427
2023			
Company			
Financial assets			
Receivables and deposits *	-	209,073	209,073
Short-term cash investment	2,134,064	-	2,134,064
Cash and bank balances	-	17,482,580	17,482,580
	2,134,064	17,691,653	19,825,717
Financial liabilities			
Trade and other payables	-	7,174,922	7,174,922

* *Exclude GST/SST/VAT refundable, prepayments and advances to suppliers.*

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31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Executive Director and Head of Finance. The Audit and Risk Management Committee provides independent oversight on the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile

The exposure of credit risk for trade receivables as at the end of the financial year by geographic region are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Malaysia	12,900,906	5,919,742	32,924	-
Asia (excluding Malaysia)	15,950,234	12,345,952	-	-
Europe	10,445,902	10,986,806	998,239	163,647
United States of America	1,165,762	297,087	-	-
Oceania	86,359	-	-	-
	40,549,163	29,549,587	1,031,163	163,647

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's and the Company's trade receivables as at 31 December 2024 and 2023 respectively are as follows:

	Gross carrying amount	Expected credit loss allowance	Net balance
	RM	**RM**	**RM**
Group			
At 31 December 2024			
Contract assets			
Current (not past due)	6,566,442	-	6,566,442
Trade receivables			
Current (not past due)	26,169,140	-	26,169,140
1 to 30 days past due	6,353,010	-	6,353,010
31 to 60 days past due	3,265,394	-	3,265,394
61 to 90 days past due	1,505,553	-	1,505,553
91 to 120 days past due	554,844	-	554,844
More than 120 days past due	2,701,222	(196,921)	2,504,301
	47,115,605	(196,921)	46,918,684

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31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables as at 31 December 2024 and 2023 respectively are as follows: (Continued)

	Gross carrying amount RM	Expected credit loss allowance RM	Net balance RM
Group			
At 31 December 2023			
Contract assets			
Current (not past due)	3,085,061	-	3,085,061
Trade receivables			
Current (not past due)	19,258,154	-	19,258,154
1 to 30 days past due	5,915,625	-	5,915,625
31 to 60 days past due	1,726,507	-	1,726,507
61 to 90 days past due	1,204,028	-	1,204,028
91 to 120 days past due	678,839	-	678,839
More than 120 days past due	766,434	(364,182)	402,252
	32,634,648	(364,182)	32,270,466

	Gross carrying amount RM	Expected credit loss allowance RM	Net balance RM
Company			
At 31 December 2024			
Current (not past due)	712,144	-	712,144
1 to 30 days past due	179,457	-	179,457
61 to 90 days past due	139,562	-	139,562
	1,031,163	-	1,031,163
At 31 December 2023			
Current (not past due)	6,883	-	6,883
1 to 30 days past due	97,585	-	97,585
31 to 60 days past due	16,446	-	16,446
More than 120 days past due	42,733	-	42,733
	163,647	-	163,647

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movements in the impairment of trade receivables are as follows:

	Group	
	2024	**2023**
	RM	**RM**
At 1 January	364,182	74,285
(Reversed)/Additions - individually assessed	(127,133)	290,616
Acquisition of a subsidiary	-	2,395
Written off	(32,160)	-
Exchange differences	(7,968)	(3,114)
At 31 December	196,921	364,182

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Group's and the Company's other receivables that are impaired at the reporting date and the reconciliation of movements in the impairment of other receivables are as follows:

	Group/Company	
	2024	**2023**
	RM	**RM**
At 1 January/31 December	5,820,235	5,820,235

Amounts due from subsidiaries

Intercompany loans between entities within the Group are repayable on demand. The Group monitors the results of the subsidiaries in determining the recoverability of intercompany balances. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient liquid reserves when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the advances.

As at the end of the reporting date, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance for impairment is required.

NOTES TO THE FINANCIAL STATEMENTS
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31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade, other payables and lease liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
Group				
2024				
Financial liabilities				
Trade and other payables	46,675,031	46,675,031	46,675,031	-
Lease liabilities	446,977	475,393	248,031	227,362
	47,122,008	47,150,424	46,923,062	227,362
2023				
Financial liabilities				
Trade and other payables	39,267,331	39,267,331	39,234,233	33,098
Lease liabilities	658,056	723,424	248,031	475,393
	39,925,387	39,990,755	39,482,264	508,491
Company				
2024				
Financial liabilities				
Trade and other payables	1,027,427	1,027,427	1,027,427	-
2023				
Financial liabilities				
Trade and other payables	7,174,922	7,174,922	7,174,922	-

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group has transactional currency exposures arising on sales and purchases that are denominated in currencies other than the functional currency of the Group's entities, primarily RM. The foreign currencies in which these transactions are denominated mainly include United States Dollar ("USD"), Euro ("Euro"), Sterling Pound ("GBP"), Singapore Dollar ("SGD"), Indonesian Rupiah ("IDR") and Vietnamese Dong ("VND").

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31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Foreign currency risk (Continued)

The Group's and the Company's exposure to foreign currency risk based on the carrying amounts as at the end of the financial year are as follows:

	Trade and other receivables RM	Cash and bank balances RM	Trade and other payables RM	Total RM
Group				
2024				
USD	14,649,077	6,647,361	(8,337,752)	12,958,686
EURO	9,185,994	2,015,070	(7,621,017)	3,580,047
GBP	-	894	(58,482)	(57,588)
SGD	415,834	762,631	(1,360,905)	(182,440)
IDR	2,736,590	3,291,918	(2,120,699)	3,907,809
VND	1,045,948	1,674,138	(470,106)	2,249,980
	28,033,443	14,392,012	(19,968,961)	22,456,494
2023				
USD	14,544,516	3,869,760	(6,369,370)	12,044,906
EURO	8,546,606	502,409	(10,235,124)	(1,186,109)
GBP	-	931	(72,307)	(71,376)
SGD	555,476	751,582	(477,934)	829,124
IDR	604,445	1,840,457	(578,181)	1,866,721
VND	34,014	862,931	(27,593)	869,352
	24,285,057	7,828,070	(17,760,509)	14,352,618
Company				
2024				
USD	1,030,914	156,125	(3,580)	1,183,459
2023				
USD	163,647	163,520	(1,878)	325,289

NOTES TO THE FINANCIAL STATEMENTS
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31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the major currencies; United States Dollar ("USD"), Euro ("Euro"), Sterling Pound ("GBP"), Singapore Dollar ("SGD"), Indonesian Rupiah ("IDR") and Vietnamese Dong ("VND") exchange rates against the functional currency of the Group's entities, RM, with all other variables held constant.

		Effect on	
	Change in rate	Profit for the year	Equity
	%	RM	RM
Group			
2024			
USD/RM	+ 1%	98,500	98,500
	- 1%	(98,500)	(98,500)
EURO/RM	+ 5%	136,000	136,000
	- 5%	(136,000)	(136,000)
GBP/RM	+ 5%	(2,200)	(2,200)
	- 5%	2,200	2,200
SGD/RM	+ 1%	(1,400)	(1,400)
	- 1%	1,400	1,400
IDR/RM	+ 1%	29,700	29,700
	- 1%	(29,700)	(29,700)
VND/RM	+ 1%	17,100	17,100
	- 1%	(17,100)	(17,100)
2023			
USD/RM	+ 1%	91,500	91,500
	- 1%	(91,500)	(91,500)
EURO/RM	+ 5%	(45,100)	(45,100)
	- 5%	45,100	45,100
GBP/RM	+ 5%	(2,700)	(2,700)
	- 5%	2,700	2,700
SGD/RM	+ 1%	6,300	6,300
	- 1%	(6,300)	(6,300)
IDR/RM	+ 1%	14,200	14,200
	- 1%	(14,200)	(14,200)
VND/RM	+ 1%	6,600	6,600
	- 1%	(6,600)	(6,600)

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk (Continued)

	Change in rate	Effect on Profit for the year	Effect on Equity
	%	RM	RM
Company			
2024			
USD/RM	+ 1%	9,000	9,000
	- 1%	(9,000)	(9,000)
2023			
USD/RM	+ 1%	2,500	2,500
	- 1%	(2,500)	(2,500)

(c) Fair value measurement

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(i) Deposits, cash and bank balances, trade and other receivables and payables

The carrying amounts of deposits, cash and bank balances, trade and other receivables and payables are reasonable approximation of fair values due to the relatively short-term nature of these financial instruments.

(ii) Short-term cash investment

The fair value of short-term cash investment is determined by reference to the redemption price at the reporting date.

The carrying amounts of financial assets and liabilities recognised in the financial statements are reasonable approximation of their fair values.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, the lowest level input that is significant to the fair value measurement as whole:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS
Cont'd

31. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (Continued)

Fair value hierarchy (Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets:

	Fair Value Measurement			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Group				
Financial assets at fair value				
2024				
- Short-term cash investment	5,665,969	-	-	5,665,969
2023				
- Short-term cash investment	8,634,064	-	-	8,634,064
Company				
Financial assets at fair value				
2024				
- Short-term cash investment	1,369,409	-	-	1,369,409
2023				
- Short-term cash investment	2,134,064	-	-	2,134,064

32. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on a monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segments under MFRS 8 are as follows:

Research, design, development and sales	Research, design and development of healthcare, medical, Internet of Things ("IoT"), industrial, consumer electronics end products and sub-systems and service sales.
Manufacturing	Manufacturing of electronic end products, sub-systems, medical/healthcare devices and consumables.
Cloud computing	Provision of advanced cloud technology comprising of infrastructure as a service (IAAS), platform as a service (PAAS), cloud design, consulting and management services and mobile application and development.
Investment holding	Investment holding and dormant companies.

Performance is measured based on segment loss before tax and interest, as included in the internal management reports that are reviewed by the Group's chief operation decision maker. Segment (loss)/profit is used to measure performance as the management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before interest and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

32. SEGMENT INFORMATION (CONTINUED)

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment excluding tax assets, as included in the internal management reports that are reviewed by the Group's and Company's executive directors. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment excluding deferred tax liabilities, borrowings, current tax liabilities and amount due to directors, as included in the internal management reports that are reviewed by the Group's and Company's executive directors.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and intangible assets other than goodwill.

	Research, design and development and sales	Manufacturing	Cloud computing	Investment holding	Consolidated
	RM	RM	RM	RM	RM
2024					
Total external revenue	4,815,757	81,354,581	115,573,664	-	201,744,002
Segment profit/(loss)	154,333	(5,519,610)	3,945,404	3,287,450	1,867,577
Tax expense	(217,586)	(57,020)	(972,384)	(519)	(1,247,509)
Profit for the financial year					620,068
Other information					
Segment assets	16,612,989	74,442,341	79,427,275	12,959,273	183,441,878
Unallocated corporate assets					5,558,545
Consolidated total assets					189,000,423
Other information					
Segment liabilities	1,053,775	28,809,958	40,960,083	-	70,823,816
Unallocated corporate liabilities					1,611,025
Consolidated total liabilities					72,434,841
Capital expenditure	27,000	2,520,866	875,366	-	3,423,232
Amortisation of computer software	-	16,192	-	-	16,192
Depreciation of property, plant and equipment	69,054	2,524,633	676,035	-	3,269,722
Depreciation of investment property	-	-	-	96,000	96,000
Reversal of impairment loss on trade and other receivables	-	-	(127,133)	-	(127,133)

NOTES TO THE FINANCIAL STATEMENTS
Cont'd

32. SEGMENT INFORMATION (CONTINUED)

	Research, design and development and sales RM	Manufacturing RM	Cloud computing RM	Investment holding RM	Consolidated RM
2023					
Total external revenue	900,860	91,233,874	75,115,565	-	167,250,299
Segment profit/(loss)	312,890	(1,012,182)	4,245,689	(3,398,567)	147,830
Tax (expense)/credit	418,785	797,295	(1,131,645)	(712)	83,723
Loss for the financial year					231,553
Other information					
Segment assets	9,678,652	76,756,436	61,891,834	19,616,644	167,943,566
Unallocated corporate assets					4,045,567
Consolidated total assets					171,989,133
Segment liabilities	1,864,260	27,723,642	25,797,967	-	55,385,869
Unallocated corporate liabilities					147,027
Consolidated total liabilities					55,532,896
Capital expenditure	-	5,076,155	2,022,688	-	7,098,843
Amortisation of computer software	-	16,214	-	-	16,214
Depreciation of property, plant and equipment	66,284	2,508,626	205,513	-	2,780,423
Depreciation of investment property	-	-	-	96,000	96,000
Impairment loss on trade and other receivables	2,520	-	288,096	-	290,616

Geographical information

The Group's Electronic Manufacturing Service ("EMS") business is derived mainly from three geographical areas. About 98% (2023: 97%) of the business activities are derived from outside Malaysia. The Group primarily exports design and development services and finished goods of electronic end products/sub-systems and medical/healthcare devices to Europe, United States of America and Asia (excluding Malaysia). The manufacturing activities are mainly conducted in Malaysia.

The operating activities of the cloud computing segment is mainly conducted in Malaysia and specific ASEAN countries.

Revenue and non-current assets (excluding deferred tax assets and financial instruments) and information is presented based on the segment's country of domicile. Non-current assets do not include financial instruments and deferred tax assets.

32. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

	Revenue		Non-current assets	
	2024	2023	2024	2023
	RM	RM	RM	RM
Malaysia **	70,094,753	45,356,168	48,498,878	48,541,329
Asia (excluding Malaysia)	70,576,529	56,267,319	146,388	68,138
Europe	44,623,215	51,175,819	-	-
Oceania	3,483,056	1,756,352	-	-
United States of America	11,983,027	12,694,641	-	-
Others	983,422	-	-	-
	201,744,002	167,250,299	48,645,266	48,609,467

*** Includes RM68,260,217 (2023: RM42,146,917) from Cloud business.*

Information about major customer in EMS business

The Group has 2 (2023: 1) major international customer contributing more than 29% of the Group revenue which amounted to RM58,633,356 (2023: RM36,895,874).

33. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 2023.

The Group and the Company do not have any borrowings as at the financial years ended 31 December 2024 and 2023. As such, no disclosure of the gearing ratio is shown as it is not meaningful.

The Group is not subject to any externally imposed capital requirements.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 4 October 2024, the Company announced that its wholly-owned subsidiary, K-One MediTech Sdn. Bhd. entered into a sales and purchase agreement with two directors of the Company for the proposed acquisition of a piece of leasehold land and building located at Ipoh for a total consideration of RM3,000,000.

The proposed acquisition was completed on 6 February 2025.

STATEMENT BY DIRECTORS
(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **IR. LIM BENG FOOK** and **DATO' LIM SOON SENG**, being two of the directors of K-ONE TECHNOLOGY BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 63 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

....
IR. LIM BENG FOOK
Director

....
DATO' LIM SOON SENG
Director

Date: 17 April 2025

STATUTORY DECLARATION
(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **CHOI KENG MUN**, being the person primarily responsible for the financial management of K-ONE TECHNOLOGY BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 63 to 115 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

....

CHOI KENG MUN
(MIA Membership No.: 11309)

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the state of Selangor Darul Ehsan on 17 April 2025.

Before me,

....

LOH PEI XUAN (B 669)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K-ONE TECHNOLOGY BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of K-One Technology Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 63 to 115.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters below to be the key audit matters to be communicated in our report.

Group

Goodwill on business combination (Notes 4.1 and 7 to the financial statements)

The Group recorded goodwill on business combination amounting to RM22,675,946 arising from the acquisition of its subsidiaries. The Group is required to assess the recoverable amount of goodwill annually.

We focused on this area because the determination of the recoverable amount of goodwill requires significant judgements by the Group on the discount rate applied and the assumptions supporting the underlying cash flow projections, including forecast growth rates, operating expenses and gross profit margin.

Our response:

Our audit procedures included, among others:

- understanding the methodology and method adopted by the directors in measuring the recoverable amount;
- comparing the cash flow projections to available business plan;
- comparing the actual results with previous budget to understand the performance of the business;
- comparing the directors' key assumptions in cash flow forecast to externally derived data, if any;
- discussing with the Group on their assessment and consideration of the current economic and business environment in relation to key inputs such as discount rates, forecast growth rates, inflation rates and gross profit margin;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Company

Investment in subsidiaries (Notes 4.2 and 9 to the financial statements)

The Company has a significant balance of investment in subsidiaries. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in subsidiaries. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investment.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to understand the performance of the business;
- comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration in relation to key assumptions;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K-ONE TECHNOLOGY BERHAD (INCORPORATED IN MALAYSIA)
Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K-ONE TECHNOLOGY BERHAD (INCORPORATED IN MALAYSIA)
Cont'd

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No. 03264/04/2027 J
Chartered Accountant

Kuala Lumpur

Date: 17 April 2025

LIST OF PROPERTIES
AS AT 31 DECEMBER 2024

LOCATION	DESCRIPTION	TENURE/ DATE OF EXPIRY	APPROXIMATE AGE OF BUILDINGS (YEARS)	APPROXIMATE BUILT-UP AREA (SQ. FEET)	DATE OF ACQUISITION	NET CARRYING AMOUNT AS AT 31/12/2024 (RM '000)
66, Jalan SS 22/21 Damansara Jaya 47400 Petaling Jaya Selangor	4-storey shoplot: Office	Freehold	35	6,000	4.7.2006	1,748
68, Jalan SS 22/21 Damansara Jaya 47400 Petaling Jaya Selangor	4-storey shoplot: Office	Freehold	35	6,000	4.7.2006	1,748
5, 7, 9, 11, 15 & 17 Persiaran Rishah 7 Kawasan Perindustrian Silibin 30100 Ipoh Perak	6 units of factory building cum office	Leasehold – 60 years expiring in 2084	35	45,000	9.8.2007	2,900
19, Lengkok Rishah 1 Kawasan Perindustrian Silibin 30100 Ipoh Perak	Single storey detached factory	Leasehold – 60 years expiring in 2084	35	10,721	21.8.2020	611
Lot 128249 Lengkok Rishah 1 Kawasan Perindustrian Silibin 30100 Ipoh Perak	Single storey detached factory	Leasehold – 60 years expiring in 2084	35	10,721	21.8.2020	611
Plot 24, Jalan Industri 3 Zon Perdagangan Bebas Jelapang 2 30020 Ipoh Perak	Industrial land measuring approximately 7,693 square meters (approximately 2 acres)	Leasehold – 60 years expiring in 2051	Not applicable	Not applicable	18.12.2017	769
Block I-7-5 Setiawalk Persiaran Wawasan Pusat Bandar Puchong 47160 Puchong Selangor	Multi-storey retail-office lot	Freehold	14	2,457	9.5.2014	966
3, Jalan PJU 1A/35 Ara Damansara 47301, Petaling Jaya Selangor	2-storey detached house	Freehold	16	8,450	7.4.2021	4,440

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2025

Issued and Fully Paid-Up Share Capital	:	RM123,643,978
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per share on a poll

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 2 APRIL 2025

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	181	1.53	7,654	0.00
100 to 1,000	869	7.32	504,310	0.06
1,001 to 10,000	4,656	39.23	28,796,348	3.46
10,001 to 100,000	5,236	44.11	189,737,902	22.80
100,001 to less than 5% of issued shares	924	7.79	423,704,951	50.93
5% and above of issued shares	2	0.02	189,255,763	22.75
Total	**11,868**	**100.00**	**832,006,928**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 2 APRIL 2025

	DIRECT		INDIRECT	
Name	No. of Shares	%	No. of Shares	%
Lim Beng Fook	126,772,273	15.24	-	-
Lim Soon Seng	108,618,078	13.05	-	-
Bjørn Bråten	31,492,432	3.79	-	-
Anita Chew Cheng Im	600,000	0.07	-	-
Azlam Shah bin Alias	-	-	-	-
Edward Ka Yen Chee	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 2 APRIL 2025

	DIRECT		INDIRECT	
Name	No. of Shares	%	No. of Shares	%
Lim Beng Fook	126,772,273	15.24	-	-
Lim Soon Seng	108,618,078	13.05	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025
Cont'd

LIST OF THIRTHY (30) LARGEST SHAREHOLDERS AS AT 2 APRIL 2025

No.	Names	No. of Shares	% of Issued Capital
1	Lim Beng Fook	101,248,885	12.17
2	Lim Soon Seng	88,006,878	10.58
3	Bjørn Bråten	31,492,432	3.79
4	Lim Beng Fook	25,523,388	3.07
5	Lim Soon Seng	20,611,200	2.48
6	CGS International Nominees Malaysia (Asing) Sdn Bhd *Exempt An For CGS International Securities Singapore Pte Ltd (Retail Clients)*	4,933,920	0.59
7	Lam Khuan Ying	4,113,700	0.49
8	Lim Moi Moi	3,805,600	0.46
9	Liew Thau Sen	3,550,000	0.43
10	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Khoon Beng (E-KLG)*	3,230,000	0.39
11	Lee Quee Siong	3,157,300	0.38
12	Ooi Leh Hong	3,066,220	0.37
13	New Jen Kok @ Nio Jen Kok	2,961,600	0.36
14	Lim Weng Hoov	2,906,000	0.35
15	Tey Kim Lay	2,899,000	0.35
16	M & A Nominee (Tempatan) Sdn Bhd *Pledged Securities Account For Chow Dai Ying (M&A)*	2,600,000	0.31
17	Ng Chin Heng	2,600,000	0.31
18	Maybank Nominees (Tempatan) Sdn Bhd *Cheng Chee Wai*	2,432,000	0.29
19	Wong Ah Yong	2,420,000	0.29
20	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee San Meng (024)*	2,329,200	0.28
21	Eugene Ang Choon Kit	2,000,000	0.24
22	Lee Tick Wah	2,000,000	0.24
23	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt an for UOB Kay Hian (Hong Kong) Limited (A/C Clients)*	2,000,000	0.24
24	Law Chin Chiang	1,830,700	0.22
25	Goo Kok Khian	1,800,025	0.22
26	Ong Ai Leng	1,800,000	0.22
27	Tey Kim Lay	1,757,000	0.21
28	Goh Chong Chuang	1,689,864	0.20
29	Lim Mau Wah	1,658,000	0.20
30	Tong Fong Realty Sdn Bhd	1,650,000	0.20

ANALYSIS OF WARRANTHOLDINGS
AS AT 2 APRIL 2025

ANALYSIS BY SIZE OF WARRANTHOLDINGS AS AT 2 APRIL 2025

Size of Shareholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	795	7.20	30,075	0.01
100 to 1,000	1,980	17.93	1,046,811	0.50
1,001 to 10,000	6,148	55.66	24,324,252	11.69
10,001 to 100,000	1,906	17.26	52,036,509	25.02
100,001 to less than 5% of issued shares	213	1.93	83,250,122	40.03
5% and above of issued shares	2	0.02	47,313,940	22.75
Total	**11,044**	**100.00**	**208,001,709**	**100.00**

DIRECTORS' WARRANTHOLDINGS AS AT 2 APRIL 2025

	DIRECT		INDIRECT	
Name	No. of Warrants	%	No. of Warrants	%
Lim Beng Fook	31,693,068	15.24	-	-
Lim Soon Seng	27,154,519	13.06	-	-
Bjørn Bråten	7,873,108	3.79	-	-
Anita Chew Cheng Im	150,000	0.07	-	-
Azlam Shah bin Alias	-	-	-	-
Edward Ka Yen Chee	-	-	-	-

SUBSTANTIAL WARRANTHOLDERS' SHAREHOLDINGS AS AT 2 APRIL 2025

	DIRECT		INDIRECT	
Name	No. of Warrants	%	No. of Warrants	%
Lim Beng Fook	31,693,068	15.24	-	-
Lim Soon Seng	27,154,519	13.06	-	-

ANALYSIS OF WARRANTHOLDINGS

AS AT 2 APRIL 2025
Cont'd

LIST OF THIRTHY (30) LARGEST WARRANTHOLDERS AS AT 2 APRIL 2025

No.	Names	No. of Warrants	% of Issued Capital
1	Lim Beng Fook	25,312,221	12.17
2	Lim Soon Seng	22,001,719	10.58
3	Bjørn Bråten	7,873,108	3.79
4	Lim Beng Fook	6,380,847	3.07
5	Lim Soon Seng	5,152,800	2.48
6	Cheah Tien Tien	2,365,000	1.14
7	Kenanga Nominees (Tempatan) Sdn Bhd *Liow Hock Siew*	2,000,000	0.96
8	Maybank Nominees (Tempatan) Sdn Bhd *Margaret Lim Jo Ee*	1,731,400	0.83
9	Ng Chiew Fong	1,500,000	0.72
10	Lim Chi Ken	1,411,600	0.68
11	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Cheng Wai Kit (E-MLB)*	1,400,000	0.67
12	Apex Securities Berhad *IVT PDR 201 Leonard Chin Yen Haw*	1,297,200	0.62
13	CGS International Nominees Malaysia (Asing) Sdn Bhd *Exempt an for CGS International Securities Singapore Pte Ltd (Retail Clients)*	1,190,350	0.57
14	Lam Khuan Ying	1,028,425	0.49
15	CGS International Nominees Malaysia (Tempatan) Sdn Bhd *Pledged Securities Account For Yoong Sin Kuen (MY1568)*	1,013,200	0.49
16	Liow Shang Bo	1,000,000	0.48
17	Maybank Nominees (Tempatan) Sdn Bhd *Cheng Chee Wai*	973,000	0.47
18	Lim Moi Moi	951,400	0.46
19	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Khoon Beng (E-KLG)*	807,500	0.39
20	Ong Seng Kee	800,000	0.39
21	Ooi Leh Hong	766,555	0.37
22	New Jen Kok @ Nio Jen Kok	740,400	0.36
23	Lim Weng Hoov	726,500	0.35
24	Tey Kim Lay	719,000	0.35
25	Chan Chen Keen	700,000	0.34
26	Lee Quee Siong	694,325	0.33
27	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tam Yoke Chen (E-BPJ)*	680,000	0.33
28	M & A Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Chow Dai Ying (M&A)*	650,000	0.31
29	Wong Ah Yong	605,000	0.29
30	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee San Meng (024)*	582,300	0.28

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting ("24th AGM") of the Company will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Wednesday, 28 May 2025 at 9.00 a.m., for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees to the Non-Executive Directors of up to RM240,000 from 28 May 2025 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service. **Ordinary Resolution 1**

3. To approve the payment of Directors' allowances to the Non-Executive Directors of up to RM20,000 from 28 May 2025 until the next Annual General Meeting of the Company. **Ordinary Resolution 2**

4. To re-elect the following Directors who retire by rotation in accordance with Clause 106 of the Company's Constitution, and being eligible, offered themselves for re-election:-

   (a) Mr. Bjørn Bråten **Ordinary Resolution 3**
   (b) Mr. Ka Yen Chee **Ordinary Resolution 4**

5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing financial year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution:

6. **Renewal of Authority for Directors to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 6**

   "THAT subject always to the Companies Act 2016 ("Act"), Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant governmental/regulatory bodies (if applicable), the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue new shares in the Company from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

   THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, unless revoked or varied by an ordinary resolution of the Company at a general meeting, whichever is the earlier.

   AND THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

   FURTHER THAT pursuant to Section 85 of the Act read together with Clause 51(1) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered with new shares ranking equally to the existing issued shares arising from the issuance and allotment of the new shares in the Company pursuant to Sections 75 and 76 of the Act AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING
Cont'd

7. **Retention of Independent Non-Executive Director based on application of Practice 5.3 of the Malaysian Code on Corporate Governance** **Ordinary Resolution 7**

   "THAT based on application of Practice 5.3 of the Malaysian Code on Corporate Governance, Ms. Anita Chew Cheng Im who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 11 April 2016, be and is retained as an Independent Non-Executive Director of the Company."

8. To transact any other business of the Company of which due notice shall be given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board
K-ONE TECHNOLOGY BERHAD

LIM LI HEONG
(MAICSA 7054716) (SSM Practising Certificate No. 202008001981)
WONG MEE KIAT
(MAICSA 7058813) (SSM Practising Certificate No. 202008001958)
Company Secretaries

Kuala Lumpur

29 April 2025

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 21 May 2025 shall be regarded as members and be entitled to attend, participate, speak and vote at the 24th AGM.

2. A member shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.

5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.

6. In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the 24th AGM as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).

7. The appointment of proxy may be made in hard copy or in electronic form. The instrument appointing a proxy must be submitted in the following manners, at least twenty-four (24) hours before the time for holding the meeting or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires the resolution set out in the Notice of 24th AGM to be voted by way of poll:-

   (i) In hard copy form
   To be deposited at the Company's Share Registrar's office at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan; or

   (ii) By electronic means
   Alternatively, the Form of Proxy may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Kindly refer to the Administrative Guide, which can be downloaded from the Company's website at www.k-one/investor/ for further information; or

   (iii) By email
   To be sent via e-mail to either:-
   - khairul.iqram@boardroomlimited.com
   - bsr.helpdesk@boardroomlimited.com

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING
Cont'd

EXPLANATORY NOTES TO THE AGENDA

1. Item 1 of the Agenda - Audited Financial Statement for the Financial Year Ended 31 December 2024

The Audited Financial Statements are for discussion only as the approval of the shareholders is not required pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

2. Ordinary Resolutions 3 and 4 - Re-election of Directors

The Nomination Committee ("NC") has considered the performance and contribution of the retiring Directors who stand for re-election, namely Mr. Bjorn Braten and Mr. Ka Yen Chee, and has also assessed their independence as Independent Non-Executive Director of the Company.

Both of them meet the fit and proper criteria. They possess the character, mix of skills, experience, expertise, integrity, competence and time to effectively discharge their role as Directors, and that they have provided independent, impartial and unbiased views in the Board's discussions and decisions in ensuring the interest of the Company is protected. The Board values their contribution towards the growth of the Company.

Based on the above, the Board supports the recommendation of the NC for re-election of them as Directors and seeks the shareholders to vote in favour of these resolutions.

The profiles of Mr. Bjørn Bråten and Mr. Ka Yen Chee and their interests in the securities of Company are set out in the Section of Directors' Profile and Analysis of Shareholdings of the Annual Report.

EXPLANATORY NOTES ON SPECIAL BUSINESS

3. Ordinary Resolution 6 - Renewal of Authority for Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 is a renewal of the general mandate obtained from the shareholders at the last AGM held on 19 June 2024. This Resolution if passed, will empower the Directors of the Company from the date of the 24th AGM, to issue and allot new shares in the Company for such purposes as the Directors considered would be in the best interests of the Company up to an aggregate not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company without convening separate general meetings.

This authority unless revoked or varied at a general meeting will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purposes of funding current and/or investments, projects, working capital and/or acquisition, and repayment of borrowings as deemed necessary.

As at the date of this notice of meeting, no new shares have been issued pursuant to the general mandate granted at the last AGM of the Company.

4. Ordinary Resolution 7 - Retention of Independent Non-Executive Director based on application of Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG")

The Board of Directors applied Practice 5.3 of the MCCG and seeks the shareholders' approval to continue retain Ms. Anita Chew Cheng Im, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years through a Two-tier Voting Process at this AGM.

The Nomination Committee has assessed the independence of Ms. Anita Chew Cheng Im as an Independent Director. To justify the retaining of the Independent Director, a rigorous review was undertaken to determine whether her independence has been impaired. The review focused not only on whether the Director's background and current activities qualify her as independent but also whether the Director can act independently of management.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Details of individuals who are standing for re-election at the 24th AGM

No individual is seeking re-election as Director at the 24th AGM of the Company other than the retiring Directors, namely Mr. Bjørn Bråten and Mr. Ka Yen Chee, who are seeking re-election.

The profiles of Mr. Bjørn Bråten and Mr. Ka Yen Chee and their interests in the securities of the Company are set out in the Section of Directors' Profile and Analysis of Shareholdings of the Annual Report.

2. Renewal of Authority for Directors to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are provided under the Explanatory Notes on Special Business in the Notice of the 24th AGM.

FORM OF PROXY

K-ONE TECHNOLOGY BERHAD

[Registration No.: 200101004001 (539757-K)]
(Incorporated in Malaysia)

CDS Account No.	
No of shares held	

*I/We ______________________________________ *NRIC No./Passport No./Registration No.
(full name in capital letters)

____________________ of ______________________________________
(full address)

______________________________ being a *Member/Members of K-One Technology Berhad ("Company"),

hereby appoint ______________________ *NRIC No./Passport No. ____________________

of ____,
(full address)

____________________, ____________________ and/or ____________________
(email address) (contact no.)

*NRIC No./Passport No. ____________________ of ______________________________

____________________, ____________________, ____________________
(full address) (email address) (contact no.)

or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting ("24th AGM") of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Wednesday, 28 May 2025 at 9.00 a.m. or at any adjournment thereof in the manner as indicated below:-

No.	Resolutions		For	Against
1.	Approval of payment of Directors' fees to the Non-Executive Directors of up to RM240,000 from 28 May 2025 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service.	*Ordinary Resolution 1*		
2.	Approval of payment of Directors' allowances to the Non-Executive Directors of up to RM20,000 from 28 May 2025 until the next Annual General Meeting of the Company.	*Ordinary Resolution 2*		
3.	Re-election of Mr. Bjørn Bråten as Director.	*Ordinary Resolution 3*		
4.	Re-election of Mr. Ka Yen Chee as Director.	*Ordinary Resolution 4*		
5.	Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company.	*Ordinary Resolution 5*		
6.	Renewal of Authority for Directors to issue and allot shares.	*Ordinary Resolution 6*		
7.	Retention of Ms. Anita Chew Cheng Im as Independent Non-Executive Director.	*Ordinary Resolution 7*		

[Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit]

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

Proxy's Name	No of Shares	Percentage
1		
2		
Total		100%

Dated this ________ day of ____________________ 2025

____
Signature of Shareholder or Common Seal

Fold this flap for sealing

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 21 May 2025 shall be regarded as members and be entitled to attend, participate, speak and vote at the 24th AGM.*
2. *A member shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.*
3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.*
6. *In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the 24th AGM as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).*
7. *The appointment of proxy may be made in hard copy or in electronic form. The instrument appointing a proxy must be submitted in the following manners, at least twenty-four (24) hours before the time for holding the meeting or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires the resolution set out in the Notice of 24th AGM to be voted by way of poll:-*

   (i) In hard copy form
   To be deposited at the Company's Share Registrar's office at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan; or

Then fold here

Affix
Stamp

THE SHARE REGISTRAR OF
K-ONE TECHNOLOGY BERHAD
[Registration No. 200101004001 (539757-K)]
BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor
Malaysia

1st fold here

   (ii) By electronic means
   Alternatively, the Form of Proxy may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Kindly refer to the Administrative Guide, which can be downloaded from the Campany's website at www.k-one.com/investor/ for further information; or

   (iii) By email
   To be sent via e-mail to either:-
   - *khairul.iqram@boardroomlimited.com*
   - *bsr.helpdesk@boardroomlimited.com*

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 24th AGM and any adjournment thereof.

www.k-one.com

K-One Technology Berhad
[Registration No. 200101004001 (539757-K)]

66 & 68 Jalan SS 22/21, Damansara Jaya
47400 Petaling Jaya, Selangor, Malaysia
Tel : +603 7728 1111 Email : investor@k-one.com