



**CLOUD**



**EMS**



**HEALTHCARE**

# 2025

ANNUAL REPORT

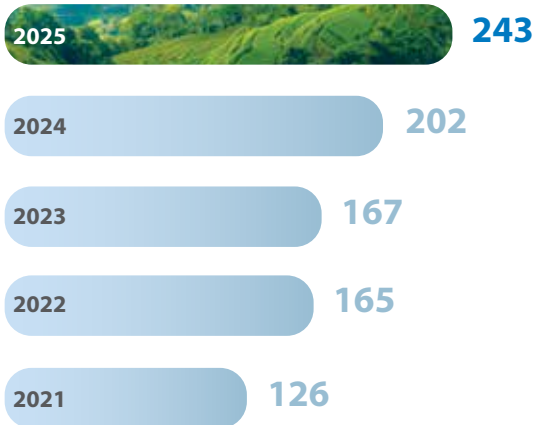


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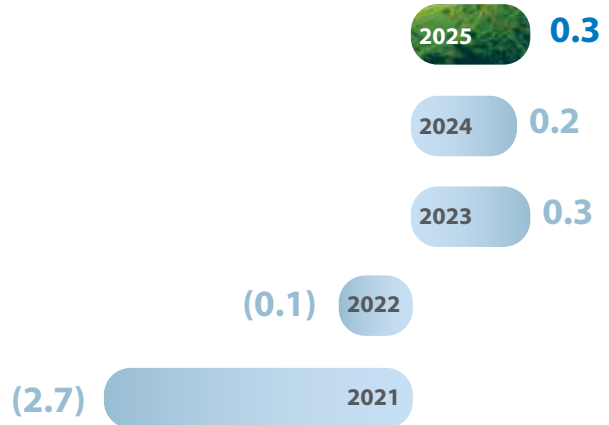
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## PAST FINANCIAL INFORMATION SUMMARY

### SALES (RM MILLION)



### PROFIT (RM MILLION)



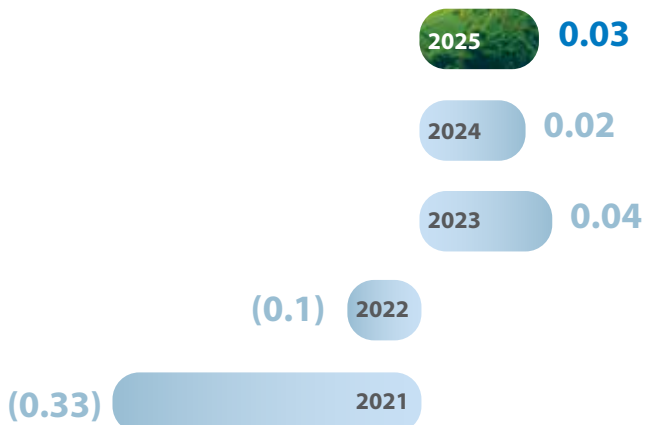
### TOTAL ASSETS (RM MILLION)



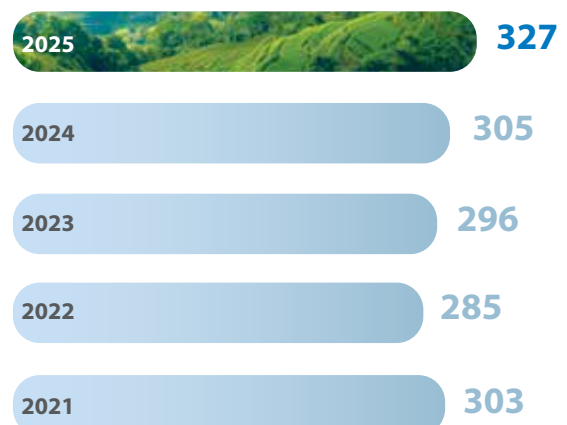
### SHAREHOLDER EQUITY (RM MILLION)



### EARNINGS PER SHARE (SEN)



### HUMAN RESOURCES (NO. OF EMPLOYEES)



# 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)

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

**Edward Ka Yen Chee**  
(Independent  
Non-Executive Director)

**Peggy Liew Li Choo**  
(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@boardroom  
limited.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 7, Mercu 3, No. 3, Jalan Bangsar  
KL Eco 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

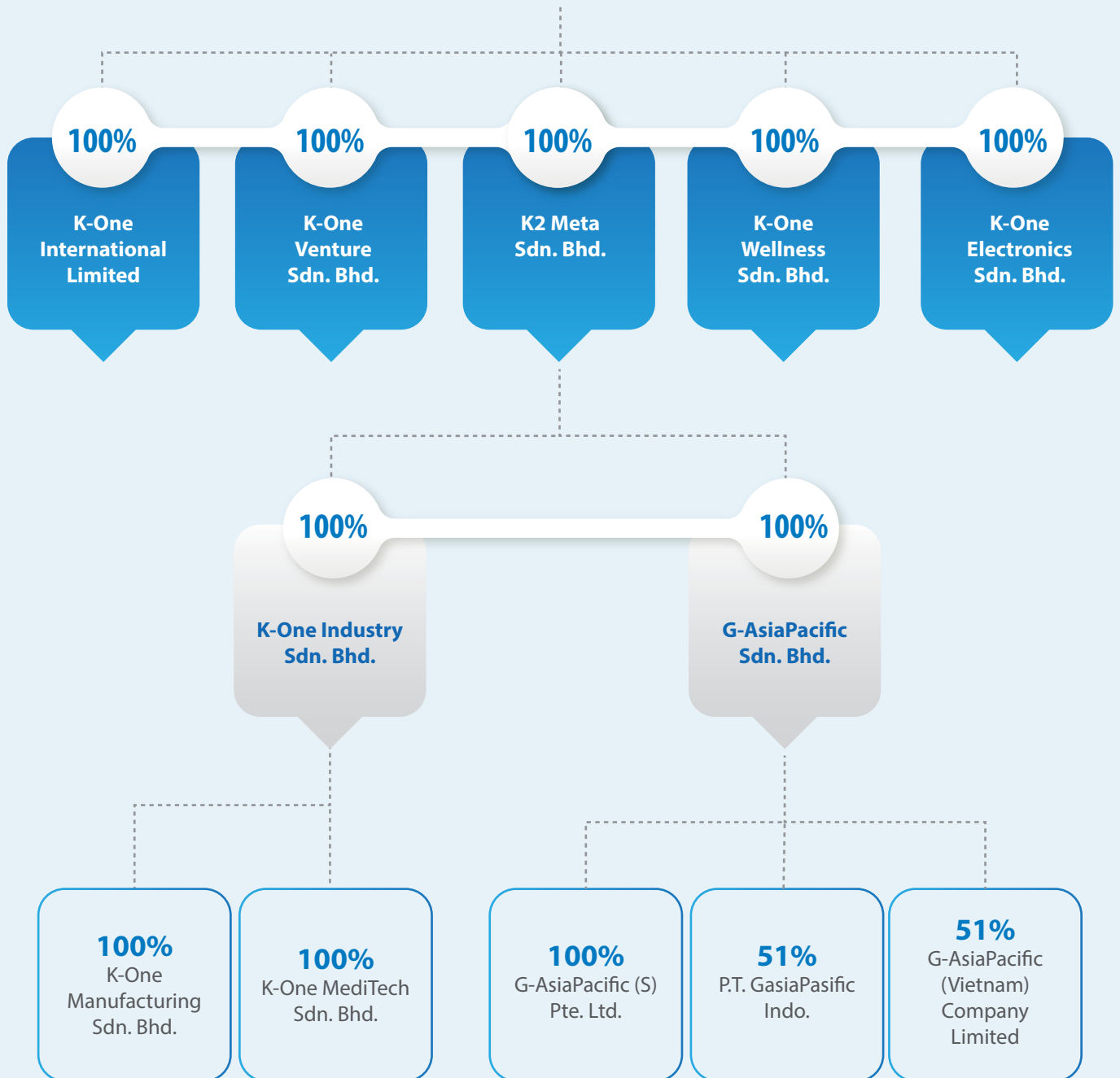
[www.k-one.com](http://www.k-one.com)

## CORPORATE STRUCTURE



# K-One

Technology  
Berhad



## DIRECTORS' PROFILE

**IR. EDWIN LIM BENG FOOK****Executive Chairman | Malaysian | Age 68**

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, G-AsiaPacific (Vietnam) Company Limited and AI Robomac Sdn Bhd.

**DATO' MARTIN LIM SOON SENG****Chief Executive Officer | Malaysian | Age 63**

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.

## DIRECTORS' PROFILE

Cont'd

### **BJØRN BRÅTEN**

**Non-Independent Non-Executive Director | Norwegian | Age 68**

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.

### **DATO' AZLAM SHAH BIN ALIAS**

**Independent Non-Executive Director | Malaysian | Age 65**

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.

## DIRECTORS' PROFILE

Cont'd

### EDWARD KA YEN CHEE

Independent Non-Executive Director | Malaysian | Age 38

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.

### PEGGY LIEW LI CHOO

Independent Non-Executive Director | Malaysian | Age 56

Peggy Liew Li Choo was appointed as an Independent Non-Executive Director of K-One Technology Berhad on 6 June 2025.

She holds a professional qualification in marketing from the Chartered Institute of Marketing.

She is the Chairwoman of the Remuneration Committee and a member of the Audit & Risk Management Committee and the Nomination Committee respectively.

She has more than 35 years of experience, mainly in the fund management and financial services industry. She previously served as the Chief Operating Officer (COO) of AHAM Asset Management (AHAM) where she represented management on the Board, Audit Committee, Nomination Committee and Remuneration Committee. She was also a core member of various key committees, including the Management Committee, C-level Strategy Committee, Compliance & Risk Oversight Committee, Group Sustainability Management Committee, Business Continuity Committee and Integration Management Committee of AHAM.

Prior to joining AHAM, she spent 7 years in a multinational fund management house, 6 years in a local bank-banked unit trust management company, 2 years in the commercial field and 2 years in the banking industry.

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. None of the Directors had any convictions for offences within the past 10 years, except for traffic offences nor do they have any conflict of interest or potential conflict of interest, including any interest in any competing business or in any business arrangement involving the Company and its subsidiaries. The attendance of Directors at Board meetings held in 2025 is as disclosed in page 48; Corporate Governance Overview Statement. The Directors' interest in the securities of the Company is as disclosed in page 121; Analysis of Shareholdings.

## 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 2025. ”**

### BUSINESS PERFORMANCE FOR 2025



The EMS business registered sales of RM101.5 million in 2025 versus RM86.1 million in 2024, representing growth of 18%. The sales increase was attributed to demand uptick from existing customers and especially streaming of new customers in the manufacturing of medical/healthcare devices and industrial equipment. On the overall, almost all business segments, including electronic headlamps, medical/healthcare devices, IoT gadgets, floorcare products, spare parts/sub-assemblies for maintenance, industrial equipment and data centre controller sub-systems contributed to the sales rise.

#### Group Business

The Group’s sales revenue surged to a new peak and fresh historical high of RM243.2 million in 2025 from RM201.7 million in 2024, denoting an increase of 21%.



#### Cloud Business



The Cloud business generated sales of RM141.7 million in 2025 versus RM115.6 million in 2024, marking an increase of 23%. The Cloud business maintained its robust growth driven by sturdy recurring revenue, streaming of new customers from the enterprise (ie large customer) space, notably a 5G telecommunication customer and growing sales contributions from overseas subsidiaries. The Group’s wholly-owned Cloud subsidiary, G-AsiaPacific Sdn Bhd earned the Premier Tier Partner status with Managed Service Provider (MSP) badge from Amazon Web Services (AWS) in October 2025 as a key milestone.

#### EMS Business



## EXECUTIVE CHAIRMAN'S STATEMENT

Cont'd



It is the first homegrown (Malaysia) Premier Tier Partner with MSP badge which certainly provides it the edge to unlock large opportunities in the enterprise sector. With AWS and Google having launched their local data centres in Malaysia in late 2024, its Cloud business has strategically positioned itself to capitalize on new opportunities in the financial and public sectors that require local data centre residency.

Furthermore, it has broadened its service offerings to include Gen AI applications and cybersecurity solutions to cater to expanding customer demands while adding on new partnerships with Lark and Snowflake to meet specific customer needs.

#### Group Earnings

The Group recorded profit attributable to equity holders of the parent company of RM0.3 million in 2025, notching up a marginal increase from a profit of RM0.2 million in 2024.

#### EMS Earnings

The EMS business's loss widened to RM3.7 million in 2025 from a loss of RM2.4 million in 2024 mainly due to the recognition of RM1.2 million impairment on ventilator development costs capitalised in prior years and foreign exchange loss of RM1.1 million.

#### Cloud Earnings

The Cloud business made a profit of RM4.0 million in 2025 as compared to RM2.6 million in 2024, representing an increase of 54% due mainly to increased sales, incentives from a principal for targets achievement and improved operational efficiency.



#### PROSPECTIVE BUSINESS OUTLOOK

Although the Israel-Palestine conflict had subsided, the world is still haunted by the Russia-Ukraine war, a volatile USD foreign exchange market, and the recent eruption of the US/Israel-Iran war. President Trump continued to fuel his global tariff war which engulfed many nations in the world with hardly any country being spared. It is envisaged that the world will continue to be in a volatile state in 2026. Nevertheless, the K-One Group anticipates brighter prospects in 2026 as it will use its experience, wisdom and resources to navigate through the volatile and uncertain global economy.

For the EMS business, the Group will continue to focus in the medical/healthcare devices market while in the meantime nurture the consumer electronics, industrial, floorcare, data centre and IoT segments. It will reach out equally to key geographical areas such as Europe, North Asia, Australia and Canada, besides US for business expansion to mitigate the unpredictable US tariff headwinds. As for US, it will favour customers which are less sensitive to tariff but with the objective to have multi-sites in different geographical locations to mitigate their supply risks.



It is timely to streamline the EMS business development and project management activities to enhance its approach and improve its productivity in capturing new customers.

## EXECUTIVE CHAIRMAN’S STATEMENT

Cont'd



On the same EMS front, it may consider competing for the manufacturing outsourcing business presented by multinationals based in Malaysia which it had hardly touched in the past. This could be a new revenue stream with much manufacturing business opportunities.



For the Cloud business, it is expected to follow through with sturdy business upswing in 2026, attributed to the carry forward opportunities from the 5G telecommunication customer and its associated Mobile Virtual Network Operators (MVNO), AWS and Google data centres launched in Malaysia opening the gates in the financial and public sectors requiring local data centre residency and the insatiable appetite of the markets in ASEAN in embracing Cloud to stay technologically competitive and relevant. Cloud in conjunction with AI is the new oil for digital transformation. The Group’s Premier Tier Partner status in both AWS and Google together with its numerous accolades such as Managed Service Provider badge, Migration Competency Partner badge and Public Sector Partner badge and one of three finalists in the Global MSP Partner of the Year (2025) affirmed by AWS and All-Star (Sales) Award bestowed by Google puts it in good stead to expeditiously penetrate the fast-expanding ASEAN market.



On the emerging Healthcare business, which includes hygiene-care products distribution, it has made inroads in marketing Diversey wipes, sanitizers, detergents to the hospitals and hospitality fraternities as its exclusive distributor in Malaysia. It is also strengthening its marketing reach to include institutional channels and digital platforms such as Shopee to provide access to small businesses and individual customers.

It managed to secure the distribution rights to market Mindray’s Automated External Defibrillators (AEDs) across manufacturing, public amenities and the retail sectors. With anticipated regulatory requirements for AED installations in public places expected in 2026, the Group is well-positioned to respond to emerging opportunities.

### DESIGN AND DEVELOPMENT



The Group’s R&D engineers were kept busy on the final stages of upgrading 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. Additionally, it was involved in the development of various other medical devices brought forward from last year, 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.

## EXECUTIVE CHAIRMAN'S STATEMENT

Cont'd

### 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 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 2025. Most importantly, it has not violated any human rights issue thus far.

### HUMAN RESOURCE

The headcount on the production floors stood more or less status quo although sales increased in the EMS business in 2025. This was achieved through improved productivity by continuous training and automation implementation in certain processes.



The Cloud business faced staff attrition challenges as international competitors entering the lucrative Malaysian market started to pinch for talents. Despite temporary setbacks, it managed to replenish 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. Fortunately, it was selected to join AWS's special HR program (APN Hiring Side of Innovation Program) which provided training for the Group's Cloud business to adopt AWS's methodology on hiring best practice, interview standard, performance evaluation, job grading and employer branding.

### CORPORATE

The Group will not pay any dividend for 2025 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.

On 1 January 2025, the Group successfully implemented LHDN's e-invoice system in all its business units.

### 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 Management and staff for their perseverance, dedication and contribution in 2025.

**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 the financial year ended 31 December 2025 increased to RM243.2 million from RM201.7 million in 2024, representing growth of 21%, contributed mainly by sales increases from both the Electronics Manufacturing Services (EMS) and Cloud Computing (Cloud) businesses.

The EMS business delivered sales revenue of RM101.5 million in 2025, up 18% from RM86.1 million in the preceding year. The sales growth was primarily driven by higher production volumes from existing customers, complemented by the successful launch and ramp-up of new projects from new customers, notably in the medical and healthcare devices and industrial equipment segments.

The Cloud business continued its strong growth trajectory, delivering revenue of RM141.7 million in 2025, up from RM115.6 million in 2024, marking an increase of 23% on robust recurring revenue and onboarding of new customers in the local Malaysia front, and growing sales contributions from overseas subsidiaries.

The Group recorded a net profit of RM0.3 million in 2025, a gradual improvement in overall performance from RM0.2 million in 2024. The EMS business widened its loss to RM3.7 million from RM2.4 million in the preceding year due to recognition of impairment on ventilator development costs capitalised in prior years and foreign exchange losses. The Cloud business delivered stronger contributions, with profit rising to RM4.0 million from RM2.6 million in the preceding year, supported by more projects executed, increased sales and sustained recurring revenue.

The Group continued to be debt free and with a cash surplus of RM51.1 million as at end 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd



## 2. BUSINESS OBJECTIVES

Since 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' 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 device(s) or as authorized representative, which encompassed ventilators, Diversey brand hygiene-care products and automated external defibrillators (AEDs), 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 device(s) gradually take traction. In the long term, the medical/healthcare devices are expected to anchor the EMS business in light of higher barrier of entry, business stability and better margins.

Since March 2019, the K-One Group has diversified into the Cloud business via the acquisition of G-AsiaPacific Sdn Bhd (GAP) which has been a wholly-owned subsidiary since 2020. 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. The business serves customers across both public and private sectors in Malaysia and selected ASEAN markets. The Group continues to periodically review the scale, performance and strategic fit of this segment as part of its overall business objectives.

In addition, the Group has established a Healthcare business focused on the distribution and supply of healthcare and medical devices as well as hygiene-care products. This includes the exclusive distributorship of Diversey hygiene-care products, a non-exclusive distributorship of Mindray AEDs for the public (commercial) sector (excluding hospitals), and various agency arrangements for healthcare and medical consumables. This segment complements the Group's EMS activities and supports its broader participation in the healthcare value chain.



## 3. BUSINESS AND FINANCIAL REVIEW

### Business Performance

#### Group Business

The Group's sales in 2025 soared to a new peak of RM243.2 million from RM201.7 million in 2024, recording a strong double-digit growth of 21% with equally sturdy contributions from both the EMS and Cloud businesses.

#### EMS Business

EMS sales logged in at RM101.5 million in 2025 as compared with RM86.1 million in the preceding year, representing an increase of 18%. The strong performance was underpinned by higher production for existing customers and the successful execution of new projects for new customers, particularly in the medical/healthcare devices and industrial equipment segments.

While continuing to capture opportunities with new customers in the medical and healthcare devices segment, the Group strategically re-focused its EMS business towards the "tariff trouble-free" markets in Europe, Japan, Australia and Canada. For US, the Group prioritises on potential customers seeking multi-manufacturing site requirements (China + 1) to ensure operational resilience and risk mitigation, irrespective of tariff rates. With this sales strategy, the Group aims to mitigate its geographical business risks, hence enhancing revenue quality and ensuring sales growth.

# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd



## Cloud Business

The Cloud business generated sales revenue of RM141.7 million in 2025 as compared with RM115.6 million in the previous year, inking a stellar growth rate of 23%, supported by sturdy performance in recurring sales from existing customers and onboarding of new customers in the Malaysian market and rising sales from its subsidiaries in Indonesia and Vietnam.

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 earned the AWS Premier Tier Partner status in October 2025 under the Managed Services Provider (MSP) competency, further strengthening its strategic alignment with Amazon Web Services (AWS). In addition, the Group's wholly-owned Cloud subsidiary is working towards securing the relevant approvals to provide Cloud services to the public sector. The consistent recognitions underscore GAP's commitment to Cloud excellence and its strong market position.

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 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 uphold its position as a leading Cloud service provider in Malaysia and across ASEAN.

## Healthcare Business

As for the Healthcare business, it is emerging with uneven sales but the foundations have been laid for future growth. Its distribution of the Diversey brand of hygiene-care products has garnered positive reception from hospitals and the hospitality sector. 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 addition, the Group is collaborating with MyResQ to provide CPR and First Aid training, both as an additional revenue stream and as a strategic sales window for AEDs.

## Financial Performance



## Group Earnings

The Group recorded a net profit of RM0.3 million in 2025, representing an uptick from RM0.2 million in 2024. The improved performance was driven by higher overall revenue, particularly from the Cloud business.

## EMS Earnings

The EMS business reported a loss of RM3.7 million for 2025 as compared with a loss of RM2.4 million in the preceding year. Although the EMS business remained loss-making, performance improved in the latter part of the year, supported by margin enhancement initiatives and a more favourable product mix, including contributions from newly commenced projects from new customers, particularly from the medical/healthcare segment. These improvements position the EMS business for further earnings recovery as volumes scale.

## MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd

### Cloud Earnings

The Cloud segment delivered a net profit of RM4.0 million in 2025, a significant increase from RM2.6 million in 2024. The rise was driven by higher revenue, stronger project contributions and effective operational management. The Cloud business continues to strengthen the Group's overall competitive positioning and is expected to generate increasing strategic and financial advantages over time.

### Corporate Development

As part of its ongoing corporate and strategic review during the financial year, the Group evaluated the performance, capital requirements and long-term strategic fit of its various business segments with the objective of enhancing focus and optimising shareholder value.

On 16 March 2026, K-One Venture Sdn Bhd (K-One Venture), a subsidiary of the Group, entered into a Shareholders' Agreement with Mr. Chong Chin Kan and Mr. Koh Kean Mum to participate in a joint venture by establishing AI Robomac Sdn Bhd (AI Robomac). The joint venture was established to develop and commercialise AI-powered robotic solutions for application in the agriculture, plantation and industrial sectors. K-One Venture holds a 45% equity interest in AI Robomac, with 10% reserved as trust shares for future strategic stakeholders. This initiative reflects the Group's ongoing efforts to explore advance technological applications with new high growth opportunities.

### Capital Resources and Liquidity

The Group's robust and resilient 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 3% to RM194.1 million in 2025 from RM189.0 million in the previous year.

Inventories at the end of 2025 increased to RM27.0 million from RM24.0 million in the preceding year, primarily attributed to higher production volumes and inventory build-up to support order fulfilment requirements from increased sales. Inventory levels remained well-managed and aligned with the Group's operational needs.

The Group continued to maintain a strong cash position, with cash and cash equivalents comprising time deposits and short-term cash funds of RM51.1 million as at year end, broadly stable as compared to RM53.7 million in the prior year. This healthy cash balance provides sufficient liquidity to fund day-to-day operations, meet working capital requirements, support future growth initiatives and pursue potential merger and acquisition opportunities (M&A).

In 2025, the Group undertook a reassessment of the ventilator branded Medkaire in relation to the development costs upon commencement of commercialisation. In this regard, an impairment was recognised during the financial year and represents a prudent alignment of historical development costs with current commercial assumptions. To recap, the Group secured a non-exclusive worldwide licence from NASA's Jet Propulsion Laboratory (NASA/JPL) in 2020 to manufacture and distribute the said ventilator with enhancements from the Group's R&D.

### Gearing

The Group does not have any borrowings as at end 2025.

### Dividend

No dividend would be paid or declared for the year (2025) as the Group needed 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 and geopolitical challenges. The key strategic business drivers of the Group are illustrated as below:

BUILD RESILIENCE	DRIVE GROWTH	NURTURE CAPABILITIES
<ul style="list-style-type: none"> <li>■ Maintain zero gearing and ample liquidity across all business units.</li> <li>■ Enhance balance sheet strength with careful capital expenditure planning and working capital management.</li> <li>■ Practise cost optimization.</li> <li>■ Monetise low-yielding assets.</li> </ul>	<ul style="list-style-type: none"> <li>■ Product diversification into "sunrise" markets.</li> <li>■ Focus on key growth areas.</li> <li>■ Develop new ventures complementary to the Group's core businesses.</li> <li>■ Enhance growth through strategic M&amp;A.</li> </ul>	<ul style="list-style-type: none"> <li>■ Speed up digital transformation by embracing innovation, AI and Industry 4.0.</li> <li>■ Implement sustainability best practices across the Group.</li> <li>■ Foster workforce agility and build future-ready competencies that are responsive to market changes.</li> <li>■ Adhere to high standards of risk management.</li> <li>■ Enhance accountability and performance-based reward system.</li> </ul>

### Build Resilience

The global economy remained beset by a series of persistent challenges, in particular the US tariff war when Trump took office as the 47th US President in January 2025. The threat of an economic downturn on lingering inflation and debt concern, compounded by trade tensions 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.

In 2025, it generated a net cash inflow of RM3.0 million from operating activities. By prioritizing prudent capital expenditure management and optimizing working capital efficiency, the Group managed to uphold its healthy balance sheet. At the end of 2025, cash and cash equivalents stood at RM51.1 million, compared to RM53.7 million in the preceding year, while preserving a zero-debt position.

EMS supply chains are becoming increasingly complex as suppliers are dispersed worldwide. Evolving manufacturing processes, shifting consumer preferences and disruptive innovations are reshaping these established supply chains. 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, climate-related disruptions, such as extreme weather events can exacerbate supply chain vulnerabilities. To mitigate these risks, the Group may reluctantly resort to maintain higher inventory levels, potentially leading to excess stock, operational inefficiencies and reduced profit.

Nonetheless, the Group is not resting on its laurels but continuously reshaping its supply chain to enhance resilience 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. Although the Group's inventory increased to RM27.0 million as at end 2025 as compared to RM24.0 million a year earlier, the inventory turnover was maintained at about the same level in view of the sales increase in 2025.

### Drive Growth

The present global business landscape is characterized by rapid change and volatility. Persistent inflationary pressures and geopolitical tensions such as the unabated Russia-Ukraine war and the 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, complete mitigation is virtually impossible and beyond the Group's control.

In response to the challenging global economic conditions, the EMS business strategically intensified its diversification into the development and manufacturing of medical/healthcare devices and industrial equipment which are more resilient in the face of a global economic downturn.

# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd

On the Healthcare business front, 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 making promising headways. The Group is experiencing growth in the distribution of Diversy brand hygiene-care products, particularly in hospitals, nursing homes and the F&B industry. Concurrently, the distribution of Mindray's AEDs to commercial/public enterprises (non-hospital sector) which is experiencing escalating demand is expanding the Group's healthcare product offerings.

With US President Trump embarking on his second term, intensified trade competition is imminent. By regularly promoting its capabilities and competencies through targeted marketing campaigns and exhibitions, the Group is able to consistently promote its Malaysian manufacturing facilities as the preferred alternative second manufacturing source for customers seeking supply chain diversification and risk mitigation. Building on its ongoing recalibration of the EMS business, besides targeting on US customers, the Group is also focussing towards high-potential markets in Europe, Japan, Australia and Canada.

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 expansion and consolidation of the Group's presence in Singapore, 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 is focused on its pursuit of cultivating core competencies to maintain a competitive edge within the market. Its digital transformation initiative encompasses a continuous enhancement of its Group-wide Oracle and Autocount systems respectively and adapting them to integrate with the mandatory e-invoice system launched by LHDN in phases commencing 1 August 2024. Furthermore, significant strides are being made in the implementation of automation within its manufacturing processes in alignment with Industry 4.0 objectives. This gradual transition towards smart manufacturing is to boost production efficiency.

The Group is cognizant that its future success depends to a large extent on 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 2026 to be characterized by persistent geopolitical tensions, heightened volatility in foreign exchange markets, escalating costs, evolving customer preferences and the potential for increased tariffs between the United States and other nations, particularly China. These factors contribute to a dynamic and unpredictable operating environment, necessitating the Group's ability to navigate uncertainty and adapt to rapidly evolving conditions.

The Group is nevertheless cautiously optimistic on its prospects in 2026 as illustrated in the ensuing core business outlook sections.



### EMS Business

Growth is projected across several key product segments, including consumer electronics, industrial equipment, floorcare products, spare parts/sub-assemblies for maintenance, data centre controller sub-systems, IoT gadgets and last but not least, especially medical/healthcare devices.

The Group has signed up numerous reputable medical/healthcare customers from US and Europe towards the end of 2025 which are expected to generate significant business potential in the coming year. The Group's EMS business has always been export-oriented since its inception about 25 years ago with more than 95% on average of its EMS business derived from overseas. For 2026, it is likely to adopt a 2-pronged approach with a revised sales strategy targeting both international and domestic EMS business. The Group believes the multinationals based in Malaysia may present significant EMS business potential, although competition may be stiff.

Looking ahead to financial year 2026, the Group will intensify its efforts to revise selling prices to existing customers to make up for the strong RM vs USD as its payments by customers are substantially denominated in USD. Transformation initiatives relating to people, processes and execution discipline are expected to continue, with the objective of enhancing operational resilience and competitiveness.

# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Cont'd

## Cloud Business



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. Armed with the AWS Premier Tier Partner status under the Managed Service Provider (MSP) competency which was earned in end 2025, the Group's wholly-owned Cloud subsidiary will refine its strategic plan by augmenting its resource allocation and intensifying its focus on acquiring prominent and high-potential enterprise clientele both domestically and internationally. This strategic endeavour aims to foster exponential business growth.

With AWS and Google having set up their data centres in Malaysia towards the end of 2024, it has opened doors to Cloud business opportunities in the public and financial sectors in the local front. The Group is working hand-in glove with its Cloud principals to get its fair share of lucrative Cloud business in these sectors.

It is the Group's strategy to deliver new collaborative Cloud offerings. As such, it has extended out to tap into other specialized Cloud services such as cybersecurity, AI and machine learning which are witnessing significant business potential. Additionally, it has also reached out to partner Lark and Snowflake to cater to specific customer needs. The Group places great emphasis on workforce management to ensure that it increases headcount with the right skill to drive the next stage of business expansion.

## Healthcare Business

The Healthcare business is poised to emerge as a key growth driver for the Group. It holds the exclusive distributorship rights for Diversey brand hygiene-care products within the Malaysian market. 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. On the medical device front, it is distributing Mindray's AEDs to the Malaysian commercial/public enterprises (non-hospital sector), enabling the Group to expand its healthcare and medical products portfolio while capitalizing on the significant growth potential within the AED market.

With anticipated business growth, it expects its earnings to improve in tandem for the year ahead. The Group remains actively engaged in exploring potential M&A opportunities with a focus on acquiring synergistic businesses. The Group recognizes M&A as a crucial avenue for growth and intends to leverage its strong financial position. As of the end of 2025, the Group maintained a debt-free balance sheet and a substantial cash surplus of RM51.1 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. 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



*Celebrating 25 Years of Innovation*

## INTRODUCTION

In conjunction with the celebration of 25 years of innovation, the K-One Group (Group or K-One), a leading technology provider in Electronics Manufacturing Services (EMS), Cloud Computing (Cloud) and Healthcare Products (Healthcare) listed on the ACE Market of Bursa Malaysia Securities Berhad (Bursa), reaffirms its unwavering commitment to sustainable economic growth. The Group continues to champion responsible governance, environmental protection commitment and social well-being support across the communities it serves.

K-One recognises that sustainability is a strategic imperative that drives long-term value creation for all its stakeholders. Since 2011, the Group has proudly registered as a participant in the United Nations Global Compact, aligning its business operations with ten universal principles encompassing human rights, labour, environmental protection and anti-corruption. The Sustainability Statement outlines the Group’s key sustainability initiatives and performance for the financial year. For a comprehensive understanding of how sustainability is integrated into K-One’s value creation journey, this Statement should be read in tandem with the Group’s Annual Report and Corporate Governance Report 2025.

## SCOPE AND REPORTING STANDARDS

This Statement presents the Environmental, Social and Governance (ESG) performances, key milestones and strategic initiatives undertaken by the Group across its core business segments – EMS, Cloud and Healthcare businesses.

<p><b>EMS</b></p>	<p>Collaborating with global partners to provide a complete suite of product design services, industrialization and turnkey manufacturing for cutting-edge technology products.</p>
<p><b>CLOUD COMPUTING</b></p>	<p>Partnering with AWS, Google, Microsoft, etc. to deliver Cloud solutions - including AI, data analytics and cybersecurity - to businesses and public sectors across Malaysia and ASEAN.</p>
<p><b>HEALTHCARE PRODUCTS</b></p>	<p>Making own medical devices such as ventilators, while also serving as authorized representatives (AR) for hygiene-care products and medical/healthcare devices such as AEDs in Malaysia.</p>

Prepared in alignment with the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad and guided by the Bursa Sustainability Reporting Guide, this Statement also reflects the Group’s commitment to the United Nations Sustainable Development Goals (UNSDGs). The Group’s enhanced Sustainability Reporting Framework is anchored on 10 UNSDGs that are most pertinent to its businesses and sustainability objectives. This global framework provides the foundation for the Group’s contribution to the worldwide network of sustainable development.

<b>Environment</b>	<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>	
<b>Social</b>	<p>5 GENDER EQUALITY</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>10 REDUCED INEQUALITIES</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
<b>Governance</b>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>	

K-One’s sustainability principles are set out in its 2025 ESG Policy which will be reviewed periodically to ensure continued alignment with evolving regulatory requirements.

## STATEMENT OF ASSURANCE

To enhance the credibility and transparency of this Statement, the sustainability performance data and processes have been subjected to an internal audit review conducted by the Group’s Internal Audit Department. Through this internal review, K-One underscores its commitment to reliable reporting and continuous improvement in sustainability performance. As the Statement has undergone rigorous internal validation to ensure integrity, the Group has opted not to pursue external assurance for the disclosures presented at this time.

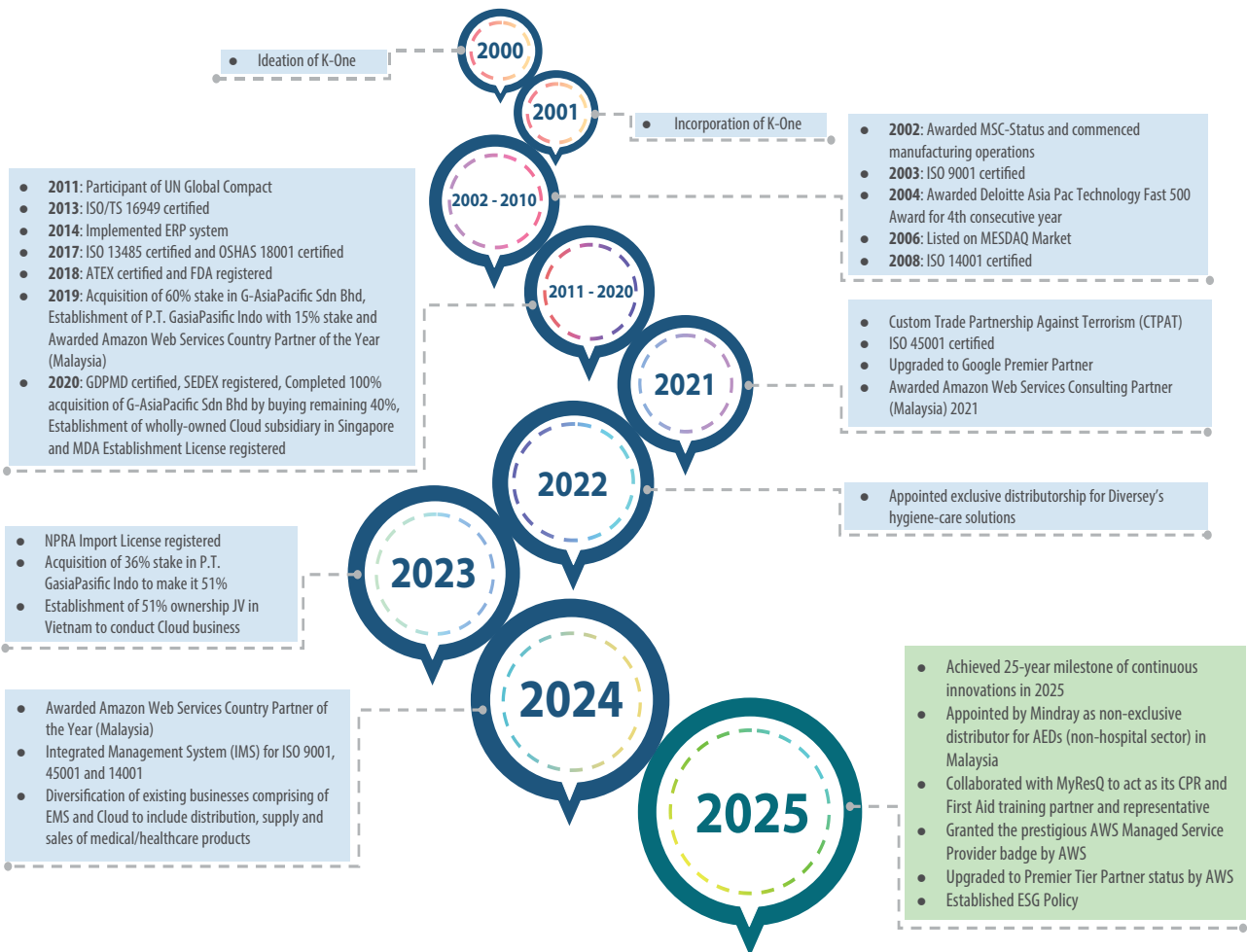
# SUSTAINABILITY STATEMENT

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## KEY SUSTAINABILITY HIGHLIGHTS

ENVIRONMENT	SOCIAL	GOVERNANCE
<p><b>0 CASE</b> of environmental non-compliance</p> <p><b>1.6%</b> reduction in total emissions (Scope 1 and Scope 2)</p> <p><b>12.4%</b> reduction in Scope 3 emissions (C6 and C7)</p> <p><b>0.0037</b> tonnes CO<sub>2</sub>e / RM'000 emission intensity</p> <p><b>3.7385</b> kWh / RM'000 energy intensity</p>	<p><b>0 CASE</b> of incidents of human rights violations</p> <p><b>0 CASE</b> of fatalities and injuries at workplace</p> <p><b>100%</b> local employees</p> <p><b>32%</b> representation of women at Managerial level</p> <p><b>23%</b> long service of more than 10 years</p>	<p><b>3-STAR</b> under FTSE Russell ESG Rating</p> <p><b>ESG POLICY</b> established</p> <p><b>100%</b> employees trained on anti-corruption</p> <p><b>0 INCIDENT</b> of bribery and corruption</p> <p><b>0 COMPLAINT</b> of breach of customer privacy or loss of data</p>

## ROAD TO SUSTAINABILITY



# SUSTAINABILITY STATEMENT

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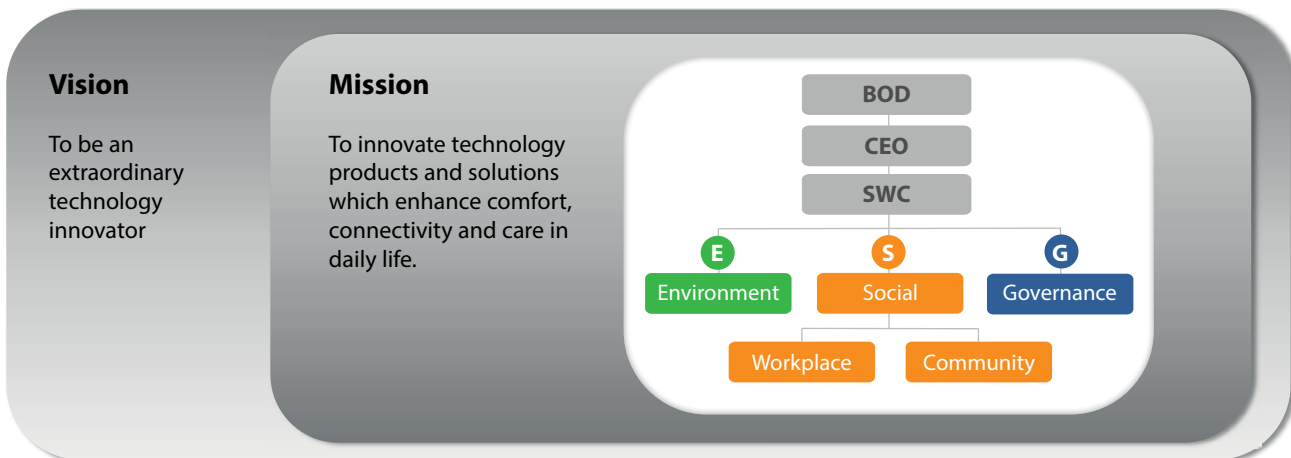
## SUSTAINABILITY MANAGEMENT

K-One is making bold strides toward a sustainable future by embedding Environmental, Social and Governance (ESG) principles into every facet of its operations. This transformative commitment marks a fundamental shift in how the Group conducts its business, ensuring that sustainability is a shared responsibility across all levels of the organization.

To drive this vision, K-One has established a robust Sustainability Governance Structure (SGC) encompassing the Board of Directors (BOD or Board), CEO and Sustainability Working Committee (SWC) through to functional team responsible for execution. This integrated framework ensures that sustainability strategies are effectively formulated, communicated and executed throughout the Group. The SGC plays a key role in developing sustainability policies and leading initiatives that improve cost efficiency and operational effectiveness while strengthening business integration. It supports clear communication, regular monitoring, timely reporting and informed decision-making to ensure sustainability is effectively implemented throughout the organization.

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

<b>BOD</b>	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</b>	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.
<b>SWC</b>	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.



## MATERIALITY ASSESSMENT

A structured materiality assessment is integral to the Group's sustainability reporting journey as it enables the systematic identification and prioritisation of key ESG matters. The process of materiality assessment is summarised below:



# SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Matters Identification

The Group conducts an annual materiality assessment to identify and evaluate ESG-related risks impacting its business and operations. This process provides clarity on the most pressing sustainability issues that are most significant to both stakeholders and the Group and informs strategic responses to mitigate current and emerging risks. The outcome ensures that sustainability efforts are focused, relevant and aligned with the Group's overarching goals.

## Stakeholders Engagement

K-One recognizes that meaningful engagement with stakeholders is essential to understanding their expectations and concerns within the Group's operating landscape. As part of this approach, active dialogue and collaboration enable the Group to better understand stakeholder priorities and cultivate future partnerships that advance its sustainability agenda. The sustainability concerns of the stakeholders are summarised below:-

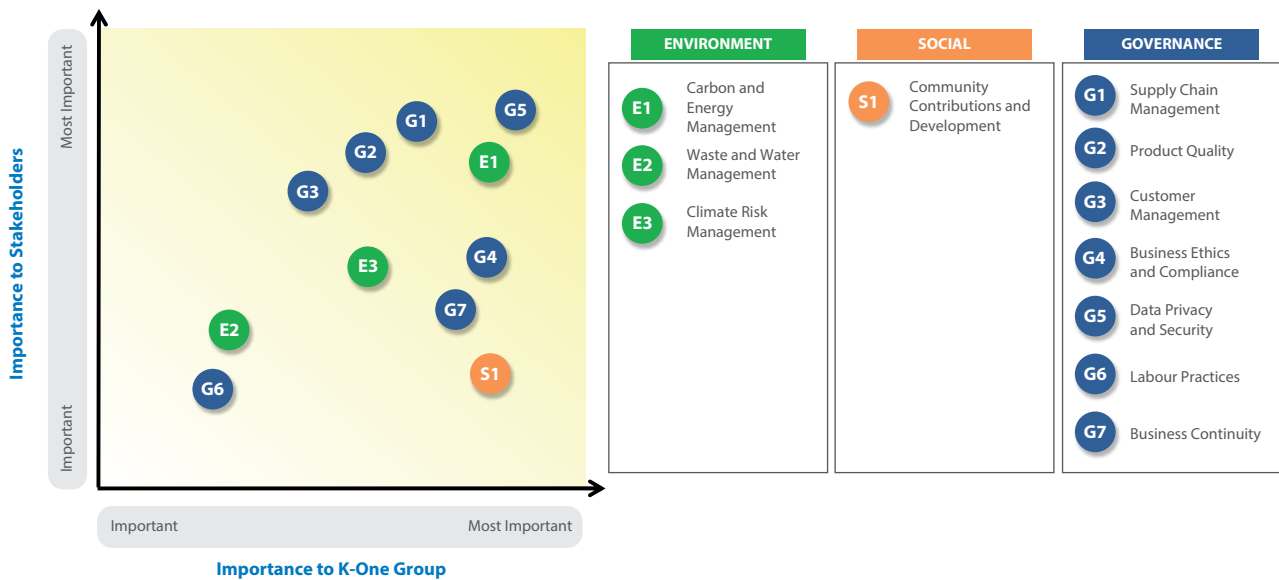
Stakeholder	Sustainability Concern	Engagement Approach
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Business performance and growth</li> <li>• Return on investment</li> <li>• Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and extraordinary general meetings</li> <li>• Financial and corporate announcements</li> </ul>
<b>Board</b> 	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Business strategy</li> <li>• Continuous business and operational improvements</li> <li>• Risk management and compliance with laws and regulations</li> <li>• Financial results</li> <li>• Interests of stakeholders and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Annual and extraordinary general meetings</li> <li>• Corporate organised events</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Fair remuneration</li> <li>• Fair employment practices</li> <li>• Career development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly forums</li> <li>• Employee performance appraisal</li> <li>• Group organised events</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Manufacturing quality</li> <li>• Manufacturing capacity</li> <li>• Research and development</li> <li>• Product quality and safety</li> <li>• Supply chain disruption</li> <li>• Labour practices</li> </ul>	<ul style="list-style-type: none"> <li>• Plant audits</li> <li>• Virtual meetings</li> <li>• Ad hoc meetings</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Fair tender practices</li> <li>• Sustainable prices</li> <li>• Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier audits</li> <li>• Ad hoc meetings</li> </ul>
<b>Government/Regulatory Authorities</b> 	<ul style="list-style-type: none"> <li>• Manufacturing standards and policies</li> <li>• Compliance with applicable laws</li> <li>• Economic, environmental, social and governance impacts</li> <li>• Collaborative programmes related to national agenda</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous interaction</li> <li>• Formal and informal meetings</li> <li>• Participation in government programmes and initiatives</li> </ul>
<b>Non-Governmental Organisations and Local Communities</b> 	<ul style="list-style-type: none"> <li>• Working conditions</li> <li>• Labour rights</li> <li>• Job creation for local communities</li> <li>• Support for community development</li> </ul>	<ul style="list-style-type: none"> <li>• Public events</li> <li>• Face-to-face interaction</li> <li>• Donations and financial aids</li> <li>• Company website and social media platforms</li> </ul>

# SUSTAINABILITY STATEMENT

Cont'd

## Materiality Matrix

A structured materiality assessment is a vital component of K-One’s sustainability reporting framework as it enables the Group to accurately identify, evaluate and prioritize Material Sustainability Matters (MSM). MSM for 2025 were re-assessed to ensure continued relevance and responsiveness to evolving business dynamics. ‘Waste Management’ was revised to ‘Waste and Water Management’ to highlight the broader scope of the Group’s environmental resource management efforts. In addition, ‘Climate Risk Management’ was added as a new material topic this year. This assessment process is guided by the Group’s Risk Management framework and Bursa’s Sustainability Reporting Guide. Below is the Group’s Materiality Matrix for 2025:



## ENVIRONMENT, SOCIAL AND GOVERNANCE SUSTAINABLE PRACTICES

### 1. ENVIRONMENT

K-One remains committed to minimizing the environmental impact of its business operations, with a strong focus on reducing carbon footprint, optimizing energy consumption and addressing climate change implications, ensuring that business growth is achieved without compromising the planet’s future. In line with this commitment, K-One strictly adheres to all legal and regulatory requirements set forth by the relevant authorities, including the Department of Environment. To-date, no instance of non-compliance with environmental regulations has been recorded.



**TARGET**  
100% compliance to environmental laws and regulations

	Baseline (case)	2023 (case)	2024 (case)	2025 (case)
Number of environmental non-compliance	-	-	-	-
Fines and penalties in relation to environmental non-compliance (RM)	-	-	-	-

K-One’s Cloud business by itself exemplifies sustainable innovation and contributes positively to environmental decarbonization efforts. By adopting Cloud solutions, enterprises reduce energy usage through digitalization and server virtualization. This shift minimizes the physical server footprint and promotes resource efficiency. As of 2025, K-One’s Cloud business has delivered Cloud services to more than 3,000 customers across Malaysia and ASEAN. This growing presence highlights the Group’s dedication to scalable and low-carbon digital transformation. Cloud technology is central to K-One’s greener IT practices, enabling a resource-efficient and climate-resilient future.

**Cloud Services**

Accelerate business to transition to a sustainable environment platform

**Reduce Physical Server Footprints**

Cloud reduces the number of physical servers needed, lowering energy use



**Pay-as-you-use Model**

Cloud allows consumers to pay only for the resources they use, improving cost efficiency



**Reduce Paper Usage**

Cloud workflows enable digital processes, cutting down on paper use



**Reduce Environmental Footprints**

Cloud-based operations use resources more efficiently, helping lower energy use and emissions

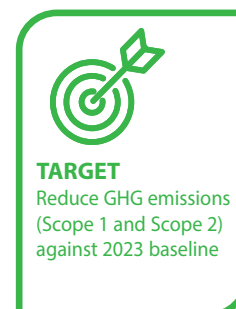


# SUSTAINABILITY STATEMENT

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## E1 - Carbon And Energy Management

K-One is committed to responsible carbon and energy management across its business operations. While the EMS business operates locally in Malaysia, the Cloud business spans Malaysia, Singapore, Indonesia and Vietnam. Both businesses are predominantly service-based and operate with minimal physical infrastructure, resulting in lower energy consumption. Due to the nature of its operations, the Group maintains a relatively low greenhouse gas (GHG) emissions profile. Since 2023, the Group started tracking Scope 1 and 2 emissions to monitor and reduce its carbon footprint. Scope 1 emissions primarily come from mobile combustion and fuel/diesel consumption, while Scope 2 emissions are attributed to electricity consumption.



GHG Emissions by Scope (Tonnes CO <sub>2</sub> e)		2023	2024	2025
Scope 1	Direct GHG emissions from sources that are owned and controlled by the Group (eg fuel, diesel, etc).	5.12	15.09	14.69
Scope 2	Indirect GHG emissions from the generation of electricity purchased by the Group.	799.5	683.44	672.76
<b>Total GHG emissions for the year (Tonnes CO<sub>2</sub>e)</b>		<b>804.62</b>	<b>698.53</b>	<b>687.45</b>
<b>Baseline (Tonnes CO<sub>2</sub>e)</b>		<b>804.62</b>	<b>804.62</b>	<b>804.62</b>
<b>Sales (RM'000)</b>		<b>167,250</b>	<b>201,744</b>	<b>243,166</b>
<b>Emission Intensity (Tonnes CO<sub>2</sub>e/RM'000)</b>		<b>0.0048</b>	<b>0.0035</b>	<b>0.0028</b>

In 2025, K-One's total GHG Emissions (Scope 1 and Scope 2) decreased by 1.6%, from 698.53 Tonnes CO<sub>2</sub>e recorded in 2024 to 687.45 Tonnes CO<sub>2</sub>e in 2025, reflecting the Group's continued commitment to responsible carbon and energy management. 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 Management in K-One

Energy Efficient LEDs and Occupancy Sensors

Energy Usage Monitoring

Awareness and Training

In 2025, energy consumption rose by 2.9% as compared to 2024, primarily driven by EMS business expansion and manpower increase for the Cloud business to cater for sales growth. As a result, the energy intensity (KwH/RM'000) has been reduced by 14.6% for the corresponding periods.



Energy Consumption (KwH)					
Premise	Ipoh	PJ	Puchong	Sunway	Total
Baseline	952,226	65,717	49,155	21,189	1,088,287
2023	915,250	63,165	47,246	-	1,025,661
2024	780,949	60,339	21,869	20,365	883,522
<b>2025</b>	<b>785,067</b>	<b>62,460</b>	<b>37,032</b>	<b>24,512</b>	<b>909,071</b>

Year	2023	2024	2025
Total Energy Consumption (KwH)	1,025,661	883,522	909,071
Sales (RM'000)	167,250	201,744	243,166
<b>Energy Intensity (KwH/RM'000)</b>	<b>6.1325</b>	<b>4.3794</b>	<b>3.7385</b>

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

Scope 3 GHG Emissions	2023	2024	2025
C6 - Business Travel (Tonnes CO <sub>2</sub> e)	62.25	62.16	44.13
C7 - Employee Commuting (Tonnes CO <sub>2</sub> e)	176.43*	171.09	160.13
<b>Total Scope 3 Emission (Tonnes CO<sub>2</sub>e)</b>	<b>238.68</b>	<b>233.25</b>	<b>204.26</b>
<b>Baseline (Tonnes CO<sub>2</sub>e)</b>	<b>238.68</b>	<b>238.68</b>	<b>238.68</b>
<b>Sales (RM'000)</b>	<b>167,250</b>	<b>201,744</b>	<b>243,166</b>
<b>Emission Intensity (Tonnes CO<sub>2</sub>e/RM'000)</b>	<b>0.0014</b>	<b>0.0012</b>	<b>0.0008</b>

\* Updated value reflects accurate recalculation methodology

# SUSTAINABILITY STATEMENT

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As Scope 3 emissions represent a significant proportion of the Group's total GHG emissions, efforts are underway to address other indirect emissions in relation to the processing of materials purchased from suppliers and outsourced logistics for future reporting. 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.

## Looking Ahead:

To ensure a more holistic view of its carbon footprint, 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). Recognizing that its supply chain is predominantly composed of Small and Medium Enterprises (SMEs), the Group intends to cascade its ESG initiatives on a gradual basis throughout its supply chain.

### Related UNSDGs:



## E2 - Waste And Water Management

K-One is committed to minimizing its environmental footprint through proactive waste and water management strategies. Guided by the principle that the most effective way to reduce waste is not to create it in the first place, the Group aims to reduce waste generation at the source. The Group's EMS business consistently applies the 3Rs – Reduce, Reuse and Recycle, across all feasible aspects of its operations. Due to the nature of its businesses, most waste generated is non-hazardous, comprising domestic trash such as paper, plastic, cardboard boxes, etc. Whenever possible, recyclable packaging is encouraged to reduce resource consumption and environmental impact. K-One also prioritizes suppliers who demonstrate a strong commitment to sustainable practices and actively seek alternatives for sustainably sourced materials, services and products. Data on the recycled waste collection is indicated below:

Recycled Waste Collection (kg)							
	Carton Boxes	Plastic Bags	Rubber Parts	Metal Parts	Plastic Parts	Packaging Parts	Total
2023	32,272	1,962	228	676	8,414	757	44,309
2024	32,537	4,599	9	3,302	3,738	665	44,850
<b>2025</b>	<b>35,517</b>	<b>1,565</b>	<b>353</b>	<b>153</b>	<b>587</b>	<b>231</b>	<b>38,406</b>

The Group has engaged two (2) waste contractors licensed by Department of Environment to perform recycling. The appointed licensed waste contractors would manage offsite processing and recycling of collected waste.

Scheduled Waste Generated (kg)	2023	2024	2025
SW110	1,208	843	870
SW409	83	41	73
SW410	114	17	24
<b>Total</b>	<b>1,405</b>	<b>901</b>	<b>967</b>

Last but not least, K-One uses water responsibly, considering a balance between operational needs and cost efficiency. As part of these efforts, rainwater harvesting tanks have been installed to collect and store rainwater for non-potable uses such as gardening and general cleaning. Similarly, the water intensity (m<sup>3</sup>/RM'000) was reduced to 0.0329 in 2025. The Group will continuously identify opportunities to reduce, recycle or reuse water across its facilities.

### Water Management in K-One

Rainwater Harvesting System

Leak Detection and Repair

Awareness and Training

# SUSTAINABILITY STATEMENT

Cont'd

Water Consumption (m <sup>3</sup> )				
Premise	Ipoh	PJ	Puchong	Total
Baseline	5,180	269	342	5,791
2023	4,979	259	329	5,567
2024	4,693	286	54	5,033
<b>2025</b>	<b>7,486</b>	<b>310</b>	<b>195</b>	<b>7,991</b>

Year	2023	2024	2025
Total Water Consumption (m <sup>3</sup> )	5,567	5,033	7,991
Sales (RM'000)	167,250	201,744	243,166
<b>Water Intensity (m<sup>3</sup>/RM'000)</b>	<b>0.0333</b>	<b>0.0249</b>	<b>0.0329</b>



### Looking Ahead:

Recognizing the substantial environmental and operational benefits of reducing paper usage, K-One is set to launch a paper-light initiative as part of its broader sustainability strategy. This initiative aims to minimize paper consumption across the Group's operations, which is an effective step toward conserving natural resources, reducing waste and enhancing digital efficiency. As part of this commitment, the Group has begun tracking the annual volume of A4 paper orders, laying the groundwork for measurable improvements in resource usage.

### Related UNSDGs:



## E3 - Climate Risk Management

K-One acknowledges that climate change poses material risks to its operations, supply chains and long-term competitiveness. Oversight of climate-related risks is firmly embedded within the Group's governance framework, with quarterly ESG and Risk Management meetings serving as key platforms for discussion. The SWC also reviews climate-related risks where relevant, recognizing that such risks are transboundary in nature. K-One's assessment of climate-related risks is anchored in two key categories: physical risks and transition risks.

### ❖ Physical Risks

Physical risks arising from climate change can be event driven (acute) or reflect longer-term shifts (chronic) in climate patterns. These risks can affect K-One's ability to operate efficiently and reliably.

Type of Physical Risks	Potential Financial/Operational Implications
Acute risks (Short-term)	➤ Extreme weather events (e.g., heatwaves, storms, floods) may cause significant infrastructure disruptions, including power outages and interruptions to water supply.
Chronic risks (Long-term)	➤ A gradual rise in average temperatures can lead to increased energy consumption and higher operational costs.

### ❖ Transition Risks

Transition risks stem from the global shift toward a low-carbon and climate resilient economy. These risks may influence how K-One adapts and positions itself within an evolving business landscape. Under the Task Force on Climate-Related Financial Disclosures (TCFD) Framework, there are four types of transition risks, namely:

Type of Transition Risks	Potential Financial/Operational Implications
Policy and legal risks	➤ Increased operational expenses driven by increased compliance requirements and stricter emissions reporting obligations.
Technology risks	➤ Significant capital investments required for new equipment and systems due to the adoption of low-carbon or energy-efficient technologies.
Market risks	➤ Changing customer preferences toward low-carbon products and services. ➤ Potential loss of market share if offerings fail to align with evolving climate trends.
Reputation risks	➤ Exposure to negative publicity and diminished investor confidence resulting from poor sustainability practices or non-compliance with climate standards.

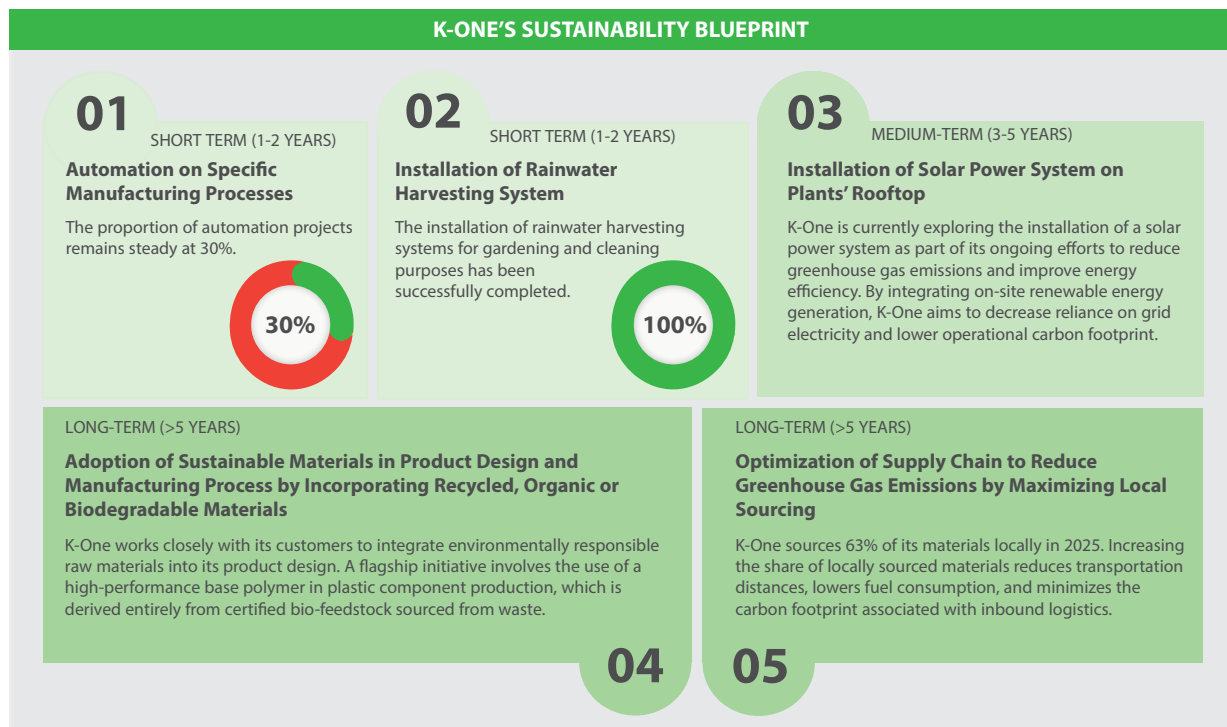
# SUSTAINABILITY STATEMENT

Cont'd

## ❖ Sustainability Blueprint Toward a Low-Carbon Economy

K-One has adopted a pragmatic approach to mitigating climate change. The Group's immediate focus is on reducing emissions generated from its own operations, specifically Scope 1 emission (direct) and Scope 2 emission (indirect). At the same time, K-One continues to monitor its GHG emissions annually and implement best practices to drive further reductions.

Since 2023, K-One's Sustainability Blueprint has outlined five core targets to support the Group's transition toward a low-carbon economy.



### Looking Ahead:

K-One will proactively research and adopt the National Sustainability Reporting Framework (IFRS S1 and S2), with a strong focus on climate-related disclosures and driving actionable climate and sustainability initiatives.

### Related UNSDGs:



## 2. SOCIAL

In addition to its focus on "Environmental" and "Governance" priorities, the Group places equal emphasis on "Social" dimensions of sustainability. This commitment is reflected in how it cares for its employees and neighbourhood communities and in its role as a socially responsible corporate citizen that promotes inclusion, engages with communities and supports stakeholders' well-being.

### Caring for our Community

The Group is committed to engaging with local communities and society at large, actively promoting goodwill and "giving back" through diverse initiatives. Its outreach programs aim to deliver meaningful benefits and foster long-term social value, contributing to the betterment of the communities it serves. The Management places strong emphasis on community care and social development, supporting activities that reflect the Group's dedication to being a responsible and compassionate corporate citizen.

# SUSTAINABILITY STATEMENT

Cont'd

## ❖ Hope Amidst the Floods

In November 2025, Tropical Storm Senyar unleashed devastating floods across several Malaysian states, displacing families and forcing them to seek refuge at relief centres. On 3 December 2025, K-One's CSR team swiftly mobilized to deliver essential supplies including toiletries and food to around 50 affected families sheltering at two Flood Relief Centres in Beruas, Perak. Beyond providing physical aid, the team offered emotional support and, in the process, witnessed the resilience, unity and strength amongst the affected communities.



## ❖ Supporting Stray Cats with Compassion

On 20 February 2025, K-One staff visited Persatuan Prihatin Kucing Jalanan Ipoh, Perak, a non-governmental organization founded by a retired police officer and his spouse, who have devoted their lives to rescuing stray and abandoned cats. Currently caring for around 150 cats, the couple's compassion and dedication deeply inspired the K-One team. To support their noble mission, K-One contributed RM1,000 worth of cat food, playing a part in this meaningful cause and hoping the gesture will encourage others to make a truly "pawsitive" impact for these furry friends.



## ❖ Collaboration with MyResQ to Advance CPR Education

On 7 August 2025, the Group's Healthcare business entered into a Memorandum of Agreement with MyResQ Sdn Bhd (MyResQ) which is affiliated to University Malaya Medical Centre (UMMC), to act as its Cardiopulmonary Resuscitation (CPR) and First Aid Training Partner and Representative. Thus, K-One would be able to enhance its CPR capabilities and reach out effectively to promote and educate the working population and communities at large on CPR and AED installation/usage.



## SUSTAINABILITY STATEMENT

Cont'd

### ❖ K-One MyJanji Program

In line with its commitment to social responsibility, the Group continued to extend financial assistance through its K-One MyJanji program established since 2018. This initiative supports underprivileged and disadvantaged members of society by helping them meet essential daily living needs. Beneficiaries have expressed sincere appreciation for the monthly financial support received, which has made a meaningful difference in their lives.

In response to rising inflation, the financial support was increased effective November 2025. The Committee was also tasked to identify and propose an additional one to two more deserving cases as beneficiaries. The Group remains deeply committed to fostering inclusive and compassionate community development.

### ❖ Provision of Internships to University Students

Education is a fundamental pillar for shaping a better future. Guided by this belief, the Group has consistently supported the academic community by offering internship opportunities to university and polytechnic students throughout the year since its inception. Demonstrating its commitment to improving quality of life and nurturing future leaders, the Group continues to invest in the development of the next generation.

In 2025, K-One continued to welcome a cohort of interns from engineering and business disciplines, equipping them with practical experience and industry exposure to prepare them for the professional world upon graduation.

### Caring for our Employees

The Group places strong emphasis on cultivating a healthy and conducive work environment, recognizing that employee well-being is essential to long-term success. It is committed to enhancing the quality of life for its workforce through structured training, skill development and career advancement opportunities. Employees are among the Group's most valued assets, where human capital is the driving force. In line with this, the Group continues to invest substantial time and resources in continuous learning and development initiatives, empowering its people to grow professionally and contribute meaningfully to the organization's progress.

### ❖ Empowering K-One Staff with First Aid and CPR Training

As part of its ongoing commitment to workplace safety and emergency preparedness, K-One conducted multiple sessions of Advanced Occupational First Aid and CPR Training for its staff. This initiative reflects the Group's dedication to equipping its workforce with essential life-saving skills that extend beyond the workplace and into the broader community. Led by En. Faisal, a certified professional paramedic, the training covered critical topics including identification of vital signs, types of bleeding, musculoskeletal injuries, medical emergency management, CPR techniques and the use of AED. This training represents a key milestone in K-One's efforts to foster a safety-conscious culture and empower its team with practical, impactful skills. By the end of the training sessions, the Group is proud that a total of 44 staff were certified as Advanced Occupational First Aid practitioners in 2025.



## SUSTAINABILITY STATEMENT

Cont'd

### ❖ **Sports Club**

The Group fosters employee well-being by promoting and encouraging a healthy lifestyle through its Sports Club. The Sports Club actively hosts sports activities such as bowling, badminton, pickleball, etc., which are enthusiastically supported by staff across the Group. Beyond encouraging physical fitness, the Sports Club serves as a valuable platform for team-building, strengthening camaraderie among employees and enhancing workplace cohesion. By supporting the Sports Club, the Group reinforces its belief that a healthy, connected workforce is key to long-term success for both the employees and the organization.



### ❖ **25<sup>th</sup> Anniversary Gala Celebration**

On 30 May 2025, K-One commemorated its 25<sup>th</sup> anniversary with a gala celebration at the AC Marriot Hotel, Ipoh. This silver jubilee celebration served not only as a tribute to the Group's enduring legacy of innovation, resilience and unity, but also as a reaffirmation of its commitment to sustainable development. The founder (Edwin Lim) and co-founders (Bjorn Braaten and Dato' Martin Lim) gave heartfelt speeches and signed a commemorative plaque, bearing the legacy of 25 years of innovation. The evening featured a nostalgic look at K-One's milestones since its ideation, a vibrant talent show, interactive games and awards for best-dressed and top performers. The celebration peaked with a champagne toast and dancing to "Celebration by Kool & The Gang", marking a memorable tribute to 25 years of success and a glorious future ahead.



# SUSTAINABILITY STATEMENT

Cont'd

## 3. GOVERNANCE

As a member of the UN Global Compact since 2011, the Group remains steadfast in its commitment to uphold the highest standards of integrity, transparency and ethical governance with stakeholders in all business dealings. The Group acknowledges that effective Board leadership and sound governance practices serve as the pillars to instil a culture of sustainability and deliver long-term value to stakeholders.

The Vision Statement, Mission Statement and Core Values on ESG are available on K-One's website at <https://k-one.com/about-us/>, reflecting its dedication to responsible business conduct and sustainable development. To reinforce its governance framework, the Group has established a range of policies, frameworks and procedures that collectively demonstrates its unwavering dedication to ethical practices, regulatory compliance and sustainable growth.

1 Code of Conduct and Ethics	5 Company Handbook	9 Occupational Health and Safety Policy
2 Anti-Corruption Policy	6 IT Policy: Computer and Network Usage	10 Fit and Proper Policy
3 Whistle Blowing Policy	7 Purchasing Process and Control Policy	11 ESG Policy
4 Risk Management Policy	8 Personal Data Protection Policy	

In 2025, the newly appointed Independent Non-Executive Director, Peggy Liew Li Choo completed Part I of the Mandatory Accreditation Programme (MAP) on 10 and 11 September 2025 and Part II – ESG on 10 and 11 February 2026. Accordingly, all current board members are in compliance with Bursa's requirement.

### G1 - Supply Chain Management

The Group is committed to building a sustainable supply chain, considering both environmental and social impacts from raw material sourcing to production, storage, delivery and transportation. Sustainable supply chain management and procurement practices are deeply embedded in the Group's culture, guided by the principles and standards outlined in its Code of Conduct and Ethics and Whistle Blowing Policies. These policies ensure that employees engage responsibly with suppliers and stakeholders, fostering ethical and transparent business practices. K-One is also registered with the Supplier Ethical Data Exchange (SEDEX), a global platform promoting responsible supply chain management. In this regard, the Group is required to undergo bi-yearly SEDEX Members Ethical Trade Audit (SMETA) covering labour standards, health and safety and business ethics which it consistently satisfy requirements.

To uphold an effective and transparent procurement process, K-One adheres to standardized ISO procedures that encompass supplier qualification, performance evaluation and continuous monitoring. The Materials team manages procurement to ensure compliance and operational efficiency. Shortlisted suppliers must complete a Pre-Qualification Form and undergo site visits with Project/QA/Engineering personnel. Approval is contingent upon achieving a score above the established threshold. Supplier performance is periodically reviewed through audits, quality assessments and checks. Suppliers receiving unsatisfactory ratings are formally notified and required to implement corrective action plans.

#### Supplier Assessment Criteria in K-One



Cost Competitiveness



Delivery Reliability



Product Quality



Service Standard



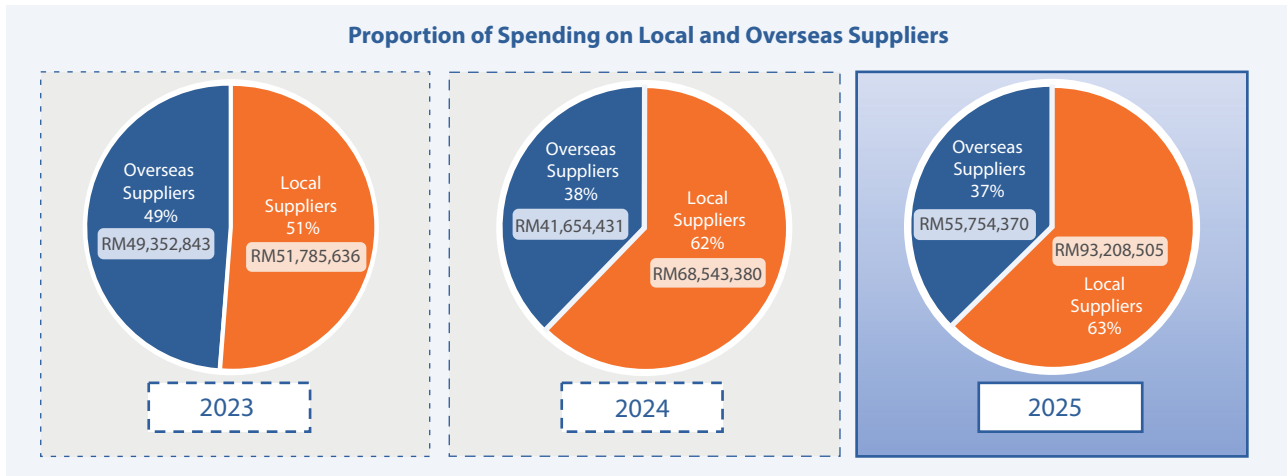
Support Responsiveness

# SUSTAINABILITY STATEMENT

Cont'd

## Key Performance 2025

The Group places strong emphasis on sourcing from local suppliers to optimise cost and fulfil its pledge to support the local economy. In 2025, spending on local suppliers increased by 1% as compared to 2024. Building on this momentum, the Group remains committed to optimizing the use of local resources wherever feasible while strategically partnering with key international vendors when specialized expertise/capabilities cannot be met locally. This balanced sourcing strategy ensures the Group maintains exceptional standards of quality and efficiency across its operations.



### Looking Ahead:

In 2025, K-One’s Management has enhanced its ESG Assessment Questionnaire by integrating climate change-related elements. This strategic addition enables the Group to effectively gain insights pertaining to climate related risks and factors affecting the business operations of suppliers and stakeholders. Moving forward, K-One’s Management plans to embed ESG considerations as a formal criterion in the supplier selection and evaluation process. This initiative reflects the Group’s dedication to fostering a responsible and resilient supply chain aligned with sustainable business practices.

#### Related UNSDGs:



## G2 - Product Quality

The Group believes that maintaining high product quality, upholding safety standards and providing good service are essential for repeat business. The Board adamantly emphasizes strict measures to be put in place to uphold the preceding standards across all operations.

In its EMS and Healthcare businesses, the Group’s commitment to quality is demonstrated through a comprehensive suite of certifications and regulatory compliances, including:

#### Certification

- ✓ **ISO 9001:** Quality Management System
- ✓ **ISO 13485:** Quality Management System for Medical Devices
- ✓ **ISO 14001:** Environmental Management System
- ✓ **ISO 45001:** Occupational Health and Safety Management System
- ✓ **IATF 16949:** Manufacturing and Development of PCBs for Automotive Applications
- ✓ **ATEX:** Equipment for Explosive Atmospheres
- ✓ **cGMP:** Current Good Manufacturing Practice

#### Registration

- ✓ **FDA**
- ✓ **MDA**

# SUSTAINABILITY STATEMENT

Cont'd

To maintain the certifications and registrations which are subject to annual review, the Group strictly adheres to standard operating procedures (SOPs) in performing specific tasks. The SOPs are designed to ensure consistency, traceability and compliance with regulatory and customer requirements.

Robust Quality Assurance (QA) protocols are in place to ensure that products consistently meet customer requirements and expectations. QA testing is performed rigorously to ensure that the Group's customers receive superb quality products that meet their requirements and expectations. Inspection and testing are carried out for incoming parts, in-process and finished goods. Customers feedback or complaint are promptly attended to by the project co-ordinator along with the relevant QA personnel. Corrective and preventive actions are implemented and monitored to prevent recurrence, while ongoing analysis of customer feedback helps refine products and services.

As one of the pioneers in the Cloud space in Malaysia, the Group's Cloud business continuously invests in staff development through various training and certification courses, in particular those offered by its key principals; namely, AWS and Google 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 extensive product knowledge. The Group leverages on its multiple accolades and partnership awards such as the Google Premier Tier Partner status, AWS Premier Tier Partner status, AWS Migration Competency badge and AWS Managed Service Partner badge, etc. to put it in a competitive position to innovate and help its clients to transform their business digitally in keeping abreast with technology advancement.

## Key Performance 2025

The EMS business continues to make significant strides toward its goal of becoming a smart factory by leveraging IoT applications and integrating all systems into a centralized digital platform. Building on progress from the previous year, K-One has implemented several automated and semi-automated processes in 2025, driven by Management's strong belief that automation of manual manufacturing tasks enhances efficiency, boosts productivity and quality consistency.

The Group is proud to share that its Cloud business was granted the prestigious AWS Managed Service Provider (MSP) badge by AWS in 2025. In the same year, it was upgraded to Premier Tier Partner status by AWS. Notably, K-One's wholly-owned Cloud subsidiary is the only company in Malaysia with Premier Tier Partner status combined with MSP, while Premier Partner is the highest level of recognition in the AWS Partner Network. The number of staff with foundational, associate, professional and/or specialty certifications accredited by the key principals in 2025 continued to rise. As the Cloud business expands its workforce to drive the next phase of growth, this upward trend in accredited talent is expected to persist year-over-year.

### Looking Ahead:

The EMS business will continue to enhance its automated production capabilities backed by Cloud-based solutions in its assembly lines. The ultimate 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). To strengthen customer engagement, the marketing team is exploring investment in a Customer Relationship Management (CRM) system in the near future.

### Related UNSDGs:



## G3 - Customer Management

The Group places strong emphasis on its customers and remains committed to meeting their evolving needs. Accordingly, the Group adopts a customer-centric approach in meeting their needs, understanding the inevitable price sensitivities, quality requirements and service expectations. Customer satisfaction is seen as the foundation of retention and a pathway to expanding market share in a competitive business environment.

The Group's dedicated customer account managers and auxiliary teams provide 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 technology solution provider.

## SUSTAINABILITY STATEMENT

Cont'd

Through regular engagements, including meetings and performance reviews, the Group aligns its products and services with evolving customer expectations. The Group always listens to the customers' needs and collaborates hand-in-glove with them. The fact that many of its multinational customers have engaged K-One for more than 15 years is testimonial of K-One's prowess in serving the peculiar requirements of each customer.

### Key Performance 2025:

Below is the segregation of the Group's revenue by geographical markets in 2025:

<b>Primary Geographical Markets – 2025</b>	<b>EMS and Healthcare (RM'000)</b>	<b>Cloud Computing (RM'000)</b>	<b>Total (RM'000)</b>
Malaysia	6,177	92,852	99,029
Asia (excl. Malaysia)	29,626	48,021	77,647
Europe	48,507	302	48,809
United States of America	11,312	81	11,393
Oceania	4,043	258	4,301
Middle East	1,874	113	1,987
<b>Total</b>	<b>101,539</b>	<b>141,627</b>	<b>243,166</b>

K-One's EMS business proudly marked its 25<sup>th</sup> anniversary of continuous innovation since its ideation in 2000. With a strong global footprint, the EMS business has consistently exported over 95% on average of its products and design/development services to more than 20 countries. Despite headwinds from US tariff uncertainties and broader global macroeconomic challenges, the Group's exposure to the US has been limited and it managed to sustain commendable business growth.

The Cloud business experienced robust sales in 2025, fuelled by increasing Cloud adoption and the accelerating demand for AI-driven applications. The growth was further augmented by the Group's regional presence across Singapore, Vietnam and Indonesia. The recently acquired awards including the prestigious AWS Premier Tier Partner status and AWS MSP badge are bound to solidify its leadership in the Cloud space.

Meanwhile, the Group has stepped up efforts on the supply of healthcare/medical products which is resilient to recession. Its Healthcare business has entered into an exclusive distribution agreement with UK-based CIGA Healthcare to distribute CIGA's fertility and general healthcare test-kits in Malaysia. In addition, it was also appointed by MR Global (HK) Limited (Mindray) as a non-exclusive distributor for automated external defibrillators (AEDs) to commercial/public enterprises (non-hospital sector), hence, further enriching its medical/healthcare products portfolio.

### Looking Ahead:

To mitigate risks from the unpredictable US tariff policies, the EMS business will diversify its market exposure by targeting customers in regions with stable trade policies like Europe, Japan, Australia and Canada, including looking at local EMS business opportunities presented by multinationals located in Malaysia. It will also pursue US-based customers which are less sensitive to tariff changes but seeking manufacturing sites across multiple geographical locations. The Management believes that the Group's manufacturing footprint based in Malaysia and with a skilled workforce provide a strategic advantage aligned with the global "China +1 or +2" supply chain diversification trend, positioning K-One as a dependable alternative within the Asia-Pacific region.

The Cloud business is well positioned to capture the next wave of transformation under Malaysia's National Cloud Computing Policy (NCCP) which aims to establish leadership in the regional Cloud and digital hub space by 2030. To alleviate customer service and meet expanding demand, the Cloud business will expand into specialized areas such as cybersecurity, data analytics, generative AI and machine learning. Employees are actively encouraged to pursue certifications and training in these emerging fields to support this evolution.

In the Healthcare business, the Group will continue to explore and identify viable healthcare products, hygiene-care solutions and medical devices for distribution in Malaysia to further strengthen its presence in this recession resilient sector.

### Related UNSDGs:



# SUSTAINABILITY STATEMENT

Cont'd

## G4 - Business Ethics And Compliance

The Group firmly believes that sound governance and ethical conduct are essential pillars for fostering stakeholder trust and long-term business sustainability. In line with this belief, the Group remains steadfast in its adherence to its Code of Conduct and Ethics and Whistle Blowing Policies. These frameworks apply comprehensively across all levels of the organization from the Board to every employee and extends to suppliers, customers and business associates within the Group's supply chain.



### Key Performance 2025

All employees are required to comply with local laws and maintain a high standard of personal conduct while dealing with various stakeholders. Notably, the Group concluded 2025 without any instance of compliance breaches.

	2023 (case)	2024 (case)	2025 (case)
<i>Code of Conduct and Ethics – Number of compliance violations</i>	-	-	-
<i>Confirmed cases resulting in disciplinary action, including termination and suspension</i>	-	-	-

The Group enforces a zero-tolerance policy against all forms of bribery, corruption, extortion and embezzlement, including the act of promising, offering, giving or accepting bribes. 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 2025.

	2023 (case)	2024 (case)	2025 (case)
<i>Anti-Corruption – Number of reported cases</i>	-	-	-
<i>Percentage of operations assessed for corruption-related risks</i>	100%	100%	100%
<i>Percentage of employee who received anti-corruption training</i>	100%	100%	100%
<i>Fines and penalties in relation to corruption (RM)</i>	-	-	-

To further strengthen ethical conduct, the Group has implemented a Whistle Blowing Policy that empowers both internal and external stakeholders to confidentially report any unethical or unlawful conduct. Proper channels have been established to foster trust in employees and third parties, enabling them to raise concerns about any irregular practices and to mitigate risks and losses through the early detection of such activities. The said policy provides guidance on how a report can be made, handled and resolved while ensuring protection to the whistle-blower against retaliation. There was no whistle-blower case reported in 2025.

	2023 (case)	2024 (case)	2025 (case)
<i>Whistle blowing – Number of reported cases</i>	-	-	-

In compliance with the Inland Revenue Board's (IRB) directive on e-invoicing, the Group successfully implemented the middleware system on 1 January 2025. During the year, the Group submitted 4,301 e-invoices to LHDN through the system, marking a key milestone in digital compliances.

	2025 (No. of e-invoices submitted)
<i>EMS and Healthcare</i>	569
<i>Cloud computing</i>	3,732

### Looking Ahead:

To reinforce the Group's commitment to integrity and ethical business practices, all Directors, employees, customers, suppliers and business associates will continue to receive annual briefings on the Anti-Corruption Policy. This initiative ensures that every stakeholder remains informed and aligned with the Group's high standards of conduct.

### Related UNSDGs:



# SUSTAINABILITY STATEMENT

Cont'd

## G5 - Data Privacy And Security

The Group recognizes the indispensable role of information technology (IT) in driving business automation, data processing and operational efficiency. With increasing reliance on IT systems, safeguarding digital infrastructure against intrusions, malicious attacks and unauthorized access remains a top priority. Towards this end, the Group adheres to recognized best practices in establishing, implementing and continuously enhancing its information security management system, ensuring robust protection across its IT ecosystem.

Confidentiality, privacy and integrity of personal data are core principles embedded in the Group’s Personal Data Protection Policy, which is aligned with the Personal Data Protection Act 2010 (PDPA). This alignment reflects the Group’s unwavering commitment to responsible data governance and the protection of customer information.

In July 2025 and December 2025, the Group conducted multiple sessions of cybersecurity training to strengthen employee awareness and competencies in data protection. These sessions helped to equip staff with the skills to identify and respond to threats such as ransomware, phishing scams, unauthorized access and suspicious digital content. With enhanced internal capabilities, K-One continues to deliver secure and reliable solutions to its customers.



The Group remains vigilant in upgrading its IT systems and fortifying its cybersecurity posture. The IT Department proactively monitors and enhances security mechanisms to ensure resilience against evolving cyber threats. During the year, a reputable third-party cybersecurity firm was engaged to conduct penetration testing on K-One’s network infrastructure, further reinforcing its commitment to data protection and system reliability.

### Key Performance 2025:

There were no complaints concerning data breaches, cyberattacks or software failures in 2025.

	Baseline (case)	2023 (case)	2024 (case)	2025 (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	-	-	-	-

**TARGET**  
To maintain zero reported case of data privacy and security breach

### Looking Ahead:

The Group will continue to implement and enhance cybersecurity controls to safeguard its entire IT infrastructure, ensuring the confidentiality, integrity and availability of data across all operations.

### Related UNSDGs:



# SUSTAINABILITY STATEMENT

Cont'd

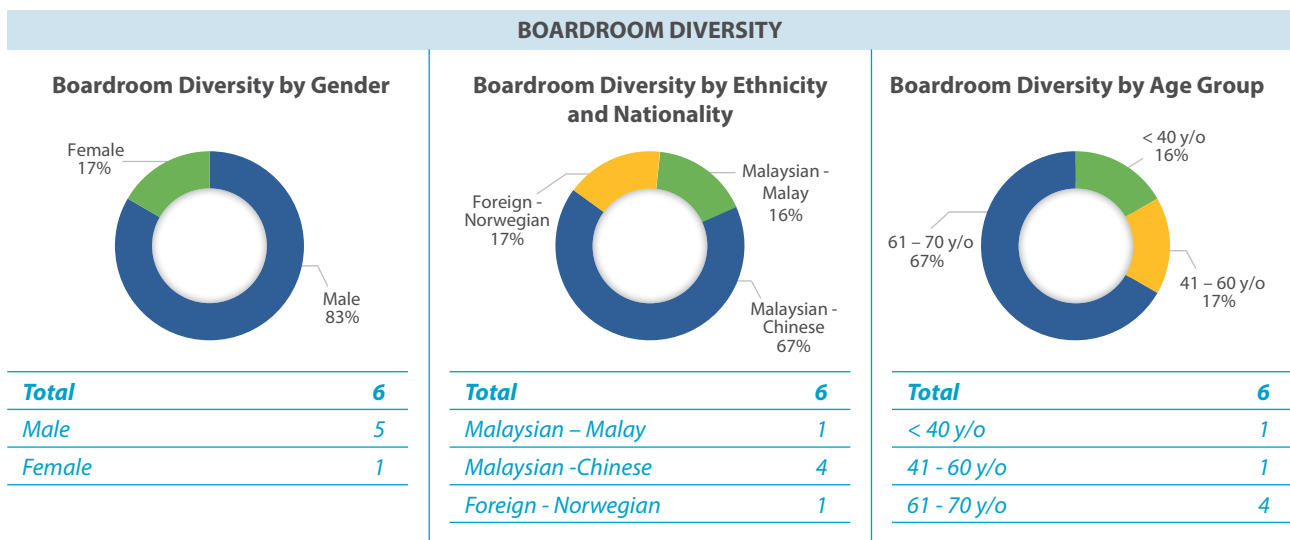
## G6 - Labour Practices

The Group remains steadfast in its commitment to upholding responsible labour practices which include but not limited to:

### Responsible Labour Practices in K-One



As part of good governance, the Group embraces diversity at the leadership level. The composition of its Board reflects a blend of gender, ethnicity, nationality and age:



The Group champions non-discrimination and equal opportunity across all facets of employment. No individual is discriminated based on gender, ethnicity, disability, nationality, religion, pregnancy, marital status or age. These principles are consistently applied in the Group's hiring practices and employment policies. Ensuring equitable access to career development, remuneration, benefits and welfare for all employees remains a core focus of the Group. To reflect its inclusive workforce, the Group provides the following employment diversity data (**excluding headcounts from Cloud subsidiaries in Indonesia and Vietnam**):

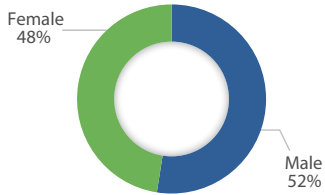
**TARGET**  
To maintain zero complaint concerning human rights violation

# SUSTAINABILITY STATEMENT

Cont'd

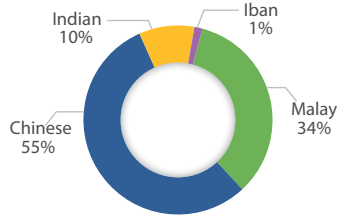
## EMPLOYMENT DIVERSITY

**\*Employment Diversity by Gender**



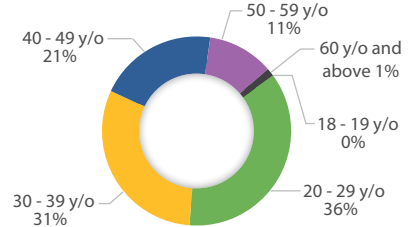
<b>Total</b>	<b>221</b>
Male	116
Female	105

**\*Employment Diversity by Ethnicity and Nationality**



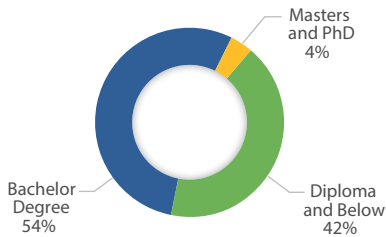
<b>Total</b>	<b>221</b>
Malay	75
Chinese	122
Indian	21
Iban	3

**\*Employment Diversity by Age Group**



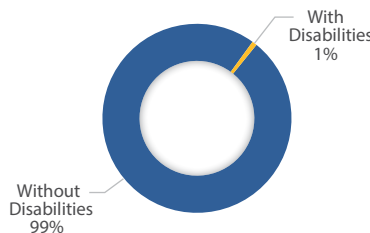
<b>Total</b>	<b>221</b>
18 - 19 y/o	0
20 - 29 y/o	80
30 - 39 y/o	68
40 - 49 y/o	45
50 - 59 y/o	25
60 y/o and above	3

**\*Employment Diversity by Education Level**



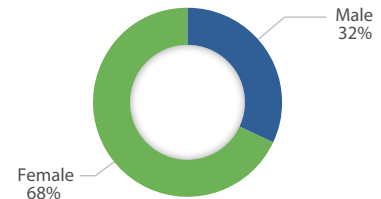
<b>Total</b>	<b>221</b>
Diploma and below	92
Bachelor Degree	120
Master and PhD	9

**\*Proportion of Employees with Disabilities**



<b>Total</b>	<b>221</b>
Employee who are normal	219
Employee with disabilities	2

**\*\*Number of Contract Workers**



<b>Total</b>	<b>73</b>
Male	23
Female	50

\* Permanent \*\* Contract

The Safety and Health Committee is responsible for establishing, implementing and maintaining the Occupational Health and Safety (OH&S) management system guided by its Occupational Health and Safety Policy. Its systems are certified under ISO 45001, reflecting its commitment to international safety standards. To enhance emergency preparedness, the Group conducted fire and chemical spillage drills for its plant staff on 12 September 2025. These exercises are part of ongoing efforts to ensure employees have the skills and knowledge needed to prevent injuries and respond effectively to workplace mishaps. Comprehensive training and continuous supervision are provided to operators and personnel within production areas to ensure that safety remains their highest priority.



**TARGET**  
To maintain zero injury and fatality at worksites

## SUSTAINABILITY STATEMENT

Cont'd

**Key Performance 2025:**

The key performance highlights on labour practices are as below:

- a. Human Rights: No incident of human rights or labour standards violation.

	Baseline (case)	2023 (case)	2024 (case)	2025 (case)
<i>Number of substantiated complaints concerning human rights violations</i>	-	-	-	-

- b. Workplace Safety: No major work-related accidents during 2025.

	2023 (case)	2024 (case)	2025 (case)
<i>Accident Reports – Fatality</i>	-	-	-
<i>Accident Reports – Injuries</i>	-	-	-

- c. Fair Compensation: Fully compliant with the government's revised minimum wage of RM1,700 per month effective 1 February 2025.

- d. Working Hours: Strict adherence to the Malaysian Employment Act, ensuring overtime does not exceed 45 hours per week.

- e. Local Talent Development: 100% of the Group's workforce in Malaysia comprises local staff.

- f. No Child/Forced Labour: K-One prohibits employment of individuals below 18 years of age and strictly disallows bonded or forced labour that is employed involuntarily against their own will.

- g. Gender Diversity: As of the financial year ended 2025, women represent 32% of the management team at the managerial level.

**Job Category by Gender**

	Male	Female	Total
<i>Directors and Managers</i>	36	17	53
<i>Executives</i>	66	51	117
<i>Non-Executives</i>	14	37	51
<b>Total</b>	<b>116</b>	<b>105</b>	<b>221</b>

- h. Long Service Recognition: K-One is proud that it has many long service staff which is a rarity these days.

<b>Length of Service</b>	<b>Number of staff</b>
≥ 20 years	12
≥ 15 – 19 years	17
≥ 10 – 14 years	21
≥ 5 – 9 years	51
< 5 years	120
<b>Total</b>	<b>221</b>

# SUSTAINABILITY STATEMENT

Cont'd

## Looking Ahead:

The Group is actively working towards achieving 30% female representation on its Board of Directors within the next 3 years.

### Related UNSDGs:

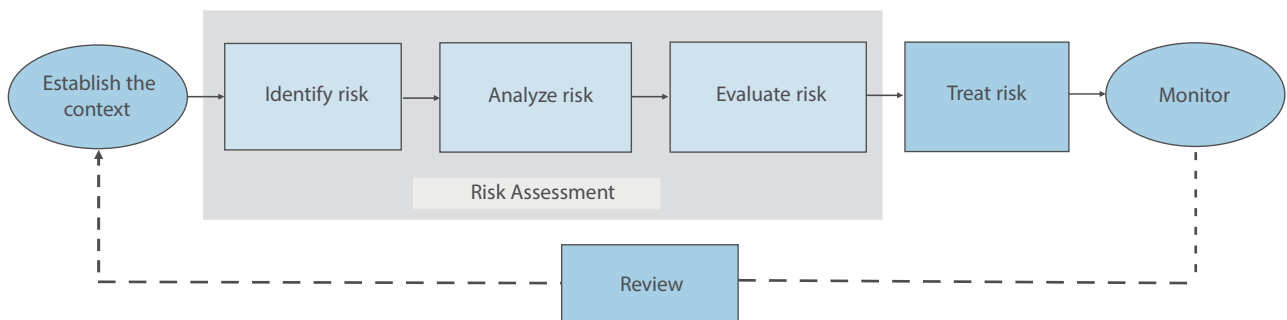


## G7 - Business Continuity

The Group is committed to maintaining and improving its business continuity system to safeguard operations, reduce disruptions and ensure quick recovery during unexpected events. Protocols are activated in the face of uncontrollable incidents such as infrastructure failures, natural disasters, asset breakdowns or IT issues. Recognizing today's complex risk environment, the Group is expanding its oversight to include emerging threats such as cross-border challenges, ESG concerns and climate-related risks.

To strengthen resilience, K-One holds quarterly ESG and Risk Management Meetings where senior management and key staff review and update risk strategies. These meetings help identify and monitor risks that may affect operations, keeping oversight agile and aligned with global and local developments. Key risks and updates are reported quarterly to the Audit and Risk Management Committee (ARMC) and the Board. More details can be found in the Statement on Risk Management and Internal Control (SOMRIC) in the Annual Report.

### Risk Management Process Overview



### Key Performance 2025:

In response to the transformative wave of Industrial 4.0, the Group's EMS business continues to capitalize on automation opportunities by streamlining manual manufacturing processes. These initiatives are aimed at enhancing operational and production efficiency while maintaining uncompromised product quality.

The Cloud business has recently achieved recognition as Malaysia's first homegrown AWS Premier Tier Partner with MSP competency. This validation requires a rigorous third-party audit to assess both technical and business competencies, including the robustness of its Business Continuity Plan.

## Looking Ahead:

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.

### Related UNSDGs:



## SUSTAINABILITY STATEMENT

Cont'd

## K-ONE TECHNOLOGY BERHAD

### BMLR Transition Period

Date & Time: 2026-04-01\_09:09:21  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Emissions Management)	Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	14.69	—	Internal
Bursa (Emissions Management)	Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	672.76	—	Internal
Bursa (Emissions Management)	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	204.26	—	Internal
Bursa (Energy Management)	Total energy consumption	Megawatt	909.071	1088.29	Internal
Bursa (Waste Management)	Total waste generated	Metric tonnes	0.967	—	Internal
Bursa (Waste Management)	Disclosure of three years of waste recycled (tonnes)	Metric tonnes	38.406	—	Internal
Bursa (Water)	Total volume of water used	Megalitres	7991	5.791	Internal
Bursa (Supply Chain Management)	Proportion of spending on local suppliers	Percentage	63%	—	Internal
Bursa (Data Privacy and Security)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal
Bursa (Anti-Corruption)	Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100%	100%	Internal
Bursa (Anti-Corruption)	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100%	100%	Internal
Bursa (Anti-Corruption)	Confirmed incidents of corruption and action taken	Number	0	—	Internal
Bursa (Diversity)	Percentage of employees by age group for management category : 18 - 19 years old	Percentage	0%	—	Internal

# SUSTAINABILITY STATEMENT

Cont'd

## K-ONE TECHNOLOGY BERHAD

BMLR Transition Period

Date &amp; Time: 2026-04-01\_09:09:21

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Percentage of employees by age group for management category : 20 - 29 years old	Percentage	0.90%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for management category : 30 - 39 years old	Percentage	5.43%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for management category : 40 - 49 years old	Percentage	9.05%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for management category : 50 - 59 years old	Percentage	7.24%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for management category : 60 years old and above	Percentage	1.36%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for executive category : 18 - 19 years old	Percentage	0%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for executive category : 20 - 29 years old	Percentage	31.22%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for executive category : 30 - 39 years old	Percentage	14.03%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for executive category : 40 - 49 years old	Percentage	5.88%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for executive category : 50 - 59 years old	Percentage	1.81%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for executive category : 60 years old and above	Percentage	0%	—	Internal

## SUSTAINABILITY STATEMENT

Cont'd

## K-ONE TECHNOLOGY BERHAD

### BMLR Transition Period

Date & Time: 2026-04-01\_09:09:21  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Percentage of employees by age group for non-executive category : 18 - 19 years old	Percentage	0%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for non-executive category : 20 - 29 years old	Percentage	4.07%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for non-executive category : 30 - 39 years old	Percentage	11.31%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for non-executive category : 40 - 49 years old	Percentage	5.43%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for non-executive category : 50 - 59 years old	Percentage	2.27%	—	Internal
Bursa (Diversity)	Percentage of employees by age group for non-executive category : 60 years old and above	Percentage	0%	—	Internal
Bursa (Diversity)	Percentage of employees by gender group for management category - Male	Percentage	16.29%	—	Internal
Bursa (Diversity)	Percentage of employees by gender group for management category - Female	Percentage	769%	—	Internal
Bursa (Diversity)	Percentage of employees by gender group for executive category - Male	Percentage	29.86%	—	Internal
Bursa (Diversity)	Percentage of employees by gender group for executive category - Female	Percentage	23.08%	—	Internal
Bursa (Diversity)	Percentage of employees by gender group for non-executive category - Male	Percentage	6.33%	—	Internal

# SUSTAINABILITY STATEMENT

Cont'd

## K-ONE TECHNOLOGY BERHAD

### BMLR Transition Period

Date & Time: 2026-04-01\_09:09:21  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Percentage of employees by gender group for non-executive category - Female	Percentage	16.75%	—	Internal
Bursa (Diversity)	Percentage of directors by gender - Male	Percentage	83.33%	—	Internal
Bursa (Diversity)	Percentage of directors by gender - Female	Percentage	16.67%	—	Internal
Bursa (Diversity)	Percentage of directors by age group : 40 years old and below	Percentage	16.67%	—	Internal
Bursa (Diversity)	Percentage of directors by age group : 41 - 60 years old	Percentage	16.67%	—	Internal
Bursa (Diversity)	Percentage of directors by age group : 61 - 70 years old	Percentage	66.66%	—	Internal
Bursa (Diversity)	Number of Board Directors	Number	6	—	Internal
Bursa (Diversity)	Number of independent Directors on the board	Number	3	—	Internal
Bursa (Diversity)	Number of women on the board	Number	1	—	Internal
Bursa (Diversity)	Number of contract workers	Number	73	—	Internal
Bursa (Diversity)	Proportion of normal/disabled employees	Percentage	0.90%	—	Internal
Bursa (Diversity)	Percentage of female employees	Percentage	4751%	—	Internal
Bursa (Labour Practices and Standards)	Number of substantiated complaints concerning human rights violations	Number	0	—	Internal
Bursa (Health and Safety)	Number of work-related fatalities	Number	0	—	Internal

# 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 2025 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 at <https://k-one.com/corporate-governance-report/>, as well as on Bursa Malaysia Berhad's website at [www.bursamalaysia.com](http://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 at <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 at <https://k-one.com/whistle-blowing-policy/>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## 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 at <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 Risk Management Committee (RMC) 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 RMC, 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. 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 at <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 2025 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 2025 are as follows:

	Salaries and Other Emoluments* RM'000	Fees RM'000	Meeting Allowances RM'000	Benefits- In-Kind RM'000	Total RM'000
<b>Executive Directors</b>					
Ir. Edwin Lim Beng Fook	1,158	-	-	-	1,158
Dato' Martin Lim Soon Seng	1,158	-	-	-	1,158
<b>Non-Executive Directors</b>					
Bjørn Bråten	-	-	-	-	-
Dato' Azlam Shah bin Alias	-	72	2	-	74
Edward Ka Yen Chee	-	72	2	-	74
Peggy Liew Li Choo ^	-	41	2	-	43
Anita Chew Cheng Im #	-	24	-	-	24
<b>Total</b>	<b>2,316</b>	<b>209</b>	<b>6</b>	<b>-</b>	<b>2,531</b>

Note:

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

# Resigned on 30 April 2025

^ Appointed on 6 June 2025

**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:-

- Audit & Risk Management Committee (ARMC);
- Nomination Committee (NC); and
- Remuneration Committee (RC).

The composition of the Board Committees and the attendance of members at Board Committees meeting held in 2025 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			2/2
Bjørn Bråten (Non-Independent Non-Executive Director)	4/4	4/4	2/2	
Dato' Azlam Shah bin Alias (Independent Non-Executive Director)	4/4	4/4	2/2*	
Edward Ka Yen Chee (Independent Non-Executive Director)	4/4	4/4*		2/2
Peggy Liew Li Choo ^ (Independent Non-Executive Director)	2/2	2/2	1/1	1/1*
Anita Chew Cheng Im # (Independent Non-Executive Director)	1/1	1/1		

Note:

\* Chairman of the Board/Committee.

# Resigned on 30 April 2025

^ Appointed on 6 June 2025

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## 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 2025, 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 to 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 2025.

## 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 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 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 28 May 2025, the Company conducted its 24th AGM physically at Tropicana Golf & Country Resort in Petaling Jaya, Selangor during which all members of the Board including the Board Chairman, Chairperson of ARMC, NC and RC plus the Senior Management were present to address questions raised by shareholders and/or their proxies. Voting at the meeting was conducted by way of poll and was independently scrutinised by an independent scrutineer.

### 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

### 3. Professional Development of Directors (Continued)

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

Director	Training/Seminar Attended
Ir. Edwin Lim Beng Fook	<ol style="list-style-type: none"> <li>1. Capital Markets &amp; M&amp;A Forum by ARC Group</li> <li>2. Advanced Occupational First Aid Training by Code One Medical Services</li> <li>3. Audit Oversight Board's Conversations with Audit Committee by Securities Commission</li> </ol>
Dato' Martin Lim Soon Seng	<ol style="list-style-type: none"> <li>1. Audit Oversight Board's Conversations with Audit Committee by Securities Commission</li> </ol>
Dato' Azlam Shah bin Alias	<ol style="list-style-type: none"> <li>1. National Sustainability Reporting Framework, IFRS S1 and IFRS S2 by Polar Advisory</li> <li>2. Integrated Reporting Awareness and Gap Analysis by Nova Fusion</li> <li>3. Business Continuity Management (BCM) Training Services and BCM Call Tree Implementation Guidelines and Approach by Centegy Governance Advisory</li> <li>4. Update and Recent Development on Anti-Bribery and Corruption Laws by Mr DIY in-house Legal</li> <li>5. Amendments to Personal Data Protection Act 2010 by Mr DIY in-house Legal</li> <li>6. Tariff War: Malaysia in the Midst of Global Uncertainties by University of Malaya</li> <li>7. Knowledge Sharing Session of Fintech – How Data, Regulation and AI are Changing the Future of Lending by University of Malaya</li> <li>8. Social Exchange Pilot Programme Knowledge Sharing Series – Empowering Communities for Environmental Stewardship and Sustainable Livelihoods by Securities Commission</li> <li>9. ASEAN Corporate Governance Conference by Minority Shareholders Watch Group</li> <li>10. Dialogue Session with Securities Commission Malaysia by Securities Commission</li> <li>11. Directors &amp; Officer Liability Insurance Briefing by Wells</li> <li>12. MyCC Competition Summit 2025 by Malaysia Competition Commission (MyCC)</li> </ol>
Edward Ka Yen Chee	<ol style="list-style-type: none"> <li>1. Sustainability Reporting and Assurance by Malaysian Institute of Accountants</li> <li>2. 2026 Budget Seminar by Malaysian Institute of Accountants</li> <li>3. Withholding Tax and the Tax Implications of Cross-Border Transactions by ACCA</li> <li>4. MBRS 2.0   KPMG MBRS Briefing by ACCA</li> </ol>
Peggy Liew Li Choo	<ol style="list-style-type: none"> <li>1. Mandatory Accreditation Programme Part I by Bursa Malaysia</li> <li>2. Mandatory Accreditation Programme Part II by Bursa Malaysia</li> </ol>

This Corporate Governance Overview Statement was approved by the Board of Directors on 25 February 2026.

## 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	<i>Independent Non-Executive Director</i>
Members	Dato' Azlam Shah bin Alias	<i>Independent Non-Executive Director</i>
	Peggy Liew Li Choo	<i>Independent Non-Executive Director</i>
	Bjørn Bråten	<i>Non-Independent Non-Executive Director</i>

### 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 at <https://k-one.com/investor/>. 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 2025. The details of the attendance of each member of the Audit & Risk 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%
Dato' Azlam Shah bin Alias	Member/Independent Non-Executive Director	4/4	100%
Peggy Liew Li Choo #	Member/Independent Non-Executive Director	2/2	100%
Anita Chew Cheng Im *	Member/Independent Non-Executive Director	1/1	100%
Bjørn Bråten	Member/Non-Independent Non-Executive Director	4/4	100%

Note:

\* Resigned on 30 April 2025.

# Appointed on 6 June 2025.

### 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (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;
- Obtained written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement; and
- Conducted independent meeting with the External Auditors, without Management present.

### (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) Risk Management

- Reviewed the Risk Management report with particular focus on risks associated with specific business functions within the Group.

### (e) 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, Additional Compliance Information and Corporate Governance Overview Statement prior to their inclusion in the Company's Annual Report; and
- Reviewed the adequacy of the terms of reference of the Committee.

## INTERNAL AUDIT FUNCTION

An Internal Audit Department under the Senior 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 and 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/or software 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.

#### 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.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

## KEY ELEMENTS OF INTERNAL CONTROLS (CONTINUED)

### 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, SEDEX, and GMP 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 2025, 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 2025, 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.

## 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.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

## 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. With assurance engagement other than audits or reviews of historic financial information and reported to the Board that are 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 Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies 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 25 February 2026.

## 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;
- ensured compliance with MFRSs, IFRSs and the requirements of the Act;
- made estimates and judgements which are reasonable and prudent; and
- used 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

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interest.

### REVALUATION OF LANDED PROPERTIES

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

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

#### (a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Total Income</b>			
Revenue		243,165,640	201,744,002
Other income		1,419,672	3,190,788
Interest/Finance income		1,036,563	1,311,403
<b>Total</b>		<b>245,621,875</b>	<b>206,246,193</b>
<b>Total Assets</b>		<b>194,141,280</b>	<b>189,000,423</b>

#### (b) Business Activities

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Shariah Non-Compliant Activities</b>			
Interest income	Conventional	350,442	253,883
<b>Total</b>		<b>350,442</b>	<b>253,883</b>

## ADDITIONAL COMPLIANCE INFORMATION

Cont'd

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

#### (c) Component of Financial Position

##### (i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Deposits with licensed bank		<b>18,500,000</b>	20,300,000
Unit trust funds	Includes licensed investment banks	<b>5,768,429</b>	5,665,969
<b>Total Cash</b>		<b>24,268,429</b>	<b>25,965,969</b>

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank		<b>25,100,483</b>	25,310,129
Deposits with licensed bank		<b>1,220,000</b>	828,000
Short-term deposits		<b>483,293</b>	1,500,000
Other cash equivalents	Cash in hand	<b>53,371</b>	60,916
<b>Total Cash</b>		<b>26,857,147</b>	<b>27,699,045</b>

##### (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		Nil	Nil
Non-Current		Nil	Nil
<b>Total Financing</b>		<b>Nil</b>	<b>Nil</b>

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		Nil	Nil
Non-Current		Nil	Nil
<b>Total Debt</b>		<b>Nil</b>	<b>Nil</b>

# FINANCIAL STATEMENTS

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## 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 2025.

### 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 product and investment holding.

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

### RESULTS

	<b>Group</b>	<b>Company</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) for the financial year, net of tax	1,024,548	(381,421)
Attributable to:		
Owners of the Company	269,092	(381,421)
Non-controlling interests	755,456	-
	<u>1,024,548</u>	<u>(381,421)</u>

### 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 2025.

### 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.

# DIRECTORS' REPORT

Cont'd

## 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 RM385,090 and RM94,000 respectively.

## ISSUE OF SHARES AND DEBENTURES

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

## WARRANTS

On 21 January 2025, a total of 208,001,709 free warrants were allotted and listed on the ACE market of Bursa Securities under a deed poll dated 26 December 2024.

The salient terms of Warrants are disclosed in Note 16 to the financial statements.

The movement in the Company's warrants during the financial year is as follows:

	At 1 January 2025 RM	Allotment RM	Exercised RM	Lapsed RM	At 31 December 2025 RM
<b>Warrants</b>	-	208,001,709	-	-	208,001,709

# DIRECTORS' REPORT

Cont'd

## DIRECTORS OF THE COMPANY

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  
 Dato' Azlam Shah bin Alias  
 Ka Yen Chee  
 Liew Li Choo (Appointed on 6 June 2025)  
 Anita Chew Cheng Im (Resigned on 30 April 2025)

\* Directors of the Company and certain subsidiaries

## DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

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  
 Toh Zhen Ning  
 Choi Keng Mun (Resigned on 3 June 2025)

## 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 January 2025	Bought	Sold	At 31 December 2025
<b>Direct Interest:</b>				
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	-	(1,887,800)	29,604,632

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.

	Number of Warrants			
	At 1 January 2025	Allotted	Sold	At 31 December 2025
<b>Direct Interest:</b>				
Ir. Lim Beng Fook	-	31,693,068	-	31,693,068
Dato' Lim Soon Seng	-	27,154,519	-	27,154,519
Bjørn Bråten	-	7,873,108	-	7,873,108

**DIRECTORS' REPORT**

Cont'd

**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 29 to the financial statements.

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

	<b>Group RM</b>	<b>Company RM</b>
<b>Directors of the Company</b>		
<b>Executive:</b>		
Salary and other emoluments	2,315,264	-
<b>Non-executive:</b>		
Fees	209,000	209,000
Allowances	6,000	6,000
	2,530,264	215,000
<b>Directors of the subsidiaries</b>		
<b>Executive:</b>		
Fees	19,663	-
Salary and other emoluments	1,577,202	-
	1,596,865	-
	4,127,129	215,000

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.

**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 2026

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	18,999,194	17,837,122	3,464,529	3,525,692
Investment property	6	4,344,000	4,440,000	4,344,000	4,440,000
Goodwill on business combination	7	22,675,946	22,675,946	-	-
Other intangible assets	8	2,494,761	3,692,198	42,500	-
Investment in subsidiaries	9	-	-	96,838,390	89,372,354
Deferred tax assets	10	4,055,831	4,852,777	463,000	463,000
<b>Total non-current assets</b>		<b>52,569,732</b>	<b>53,498,043</b>	<b>105,152,419</b>	<b>97,801,046</b>
<b>Current assets</b>					
Inventories	11	26,956,891	24,043,904	-	-
Receivables, deposits and prepayments	12	55,979,560	50,521,252	776,361	1,181,603
Contract assets	13	7,233,596	6,566,442	-	-
Current tax assets		275,925	705,768	31,190	152,936
Short-term cash investment	14	5,768,429	5,665,969	1,405,490	1,369,409
Cash and cash equivalents	15	45,357,147	47,999,045	8,018,525	11,589,864
<b>Total current assets</b>		<b>141,571,548</b>	<b>135,502,380</b>	<b>10,231,566</b>	<b>14,293,812</b>
<b>TOTAL ASSETS</b>		<b>194,141,280</b>	<b>189,000,423</b>	<b>115,383,985</b>	<b>112,094,858</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	16	123,643,978	123,643,978	123,643,978	123,643,978
Foreign exchange reserve	17	(538,832)	(315,305)	-	-
Accumulated losses		(8,168,351)	(8,437,443)	(12,957,968)	(12,576,547)
		114,936,795	114,891,230	110,686,010	111,067,431
Non-controlling interests		2,546,719	1,674,352	-	-
<b>Total equity</b>		<b>117,483,514</b>	<b>116,565,582</b>	<b>110,686,010</b>	<b>111,067,431</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred income	18	297,125	667,626	-	-
Lease liabilities	19	-	221,045	-	-
<b>Total non-current liabilities</b>		<b>297,125</b>	<b>888,671</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	20	56,116,526	50,140,247	4,697,975	1,027,427
Contract liabilities	13	18,540,243	19,198,468	-	-
Current tax liabilities		1,112,326	1,611,022	-	-
Deferred income	18	370,501	370,501	-	-
Lease liabilities	19	221,045	225,932	-	-
<b>Total current liabilities</b>		<b>76,360,641</b>	<b>71,546,170</b>	<b>4,697,975</b>	<b>1,027,427</b>
<b>Total liabilities</b>		<b>76,657,766</b>	<b>72,434,841</b>	<b>4,697,975</b>	<b>1,027,427</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>194,141,280</b>	<b>189,000,423</b>	<b>115,383,985</b>	<b>112,094,858</b>

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

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	243,165,640	201,744,002	2,140,465	3,261,726
Cost of sales	22	(206,748,376)	(174,447,795)	(989,443)	(1,420,306)
<b>Gross profit</b>		36,417,264	27,296,207	1,151,022	1,841,420
Other income		1,419,672	3,190,788	459,165	2,886,026
Administrative expenses		(33,613,465)	(26,800,037)	(2,081,230)	(1,857,279)
Sales and distribution costs		(759,265)	(873,776)	(97,471)	(107,223)
Other operating expenses		(1,279,644)	(2,379,657)	-	-
Net reversal of impairment loss on trade receivables		18,317	122,649	-	-
		(35,634,057)	(29,930,821)	(2,178,701)	(1,964,502)
<b>Operating profit/(loss)</b>		2,202,879	556,174	(568,514)	2,762,944
Finance income		1,036,563	1,311,403	241,234	523,237
<b>Profit/(Loss) before tax</b>	23	3,239,442	1,867,577	(327,280)	3,286,181
Tax expense	26	(2,214,894)	(1,247,509)	(54,141)	(130,000)
<b>Profit/(Loss) for the financial year</b>		1,024,548	620,068	(381,421)	3,156,181
<b>Other comprehensive loss, net of tax income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		(642,058)	(510,723)	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		382,490	109,345	(381,421)	3,156,181
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the Company		269,092	202,257	(381,421)	3,156,181
Non-controlling interests		755,456	417,811	-	-
		1,024,548	620,068	(381,421)	3,156,181
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		45,565	(110,927)	(381,421)	3,156,181
Non-controlling interests		336,925	220,272	-	-
		382,490	109,345	(381,421)	3,156,181
<b>Earnings per ordinary share attributable to owners of the Company</b>					
Basic (sen)	27	0.03	0.02		
Diluted (sen)	27	0.03	0.02		

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

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	← Attributable to Owners of the Company →					
	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
<b>At 1 January 2024</b>	123,643,978	(2,121)	(8,639,700)	115,002,157	1,454,080	116,456,237
<b>Total comprehensive (loss)/income for the financial year</b>						
Profit for the financial year	-	-	202,257	202,257	417,811	620,068
<b>Other comprehensive (loss)/income</b>						
Foreign currency translation difference	-	(313,184)	-	(313,184)	(197,539)	(510,723)
<b>Total comprehensive (loss)/income</b>	-	(313,184)	202,257	(110,927)	220,272	109,345
<b>At 31 December 2024</b>	123,643,978	(315,305)	(8,437,443)	114,891,230	1,674,352	116,565,582
<b>At 1 January 2025</b>	123,643,978	(315,305)	(8,437,443)	114,891,230	1,674,352	116,565,582
<b>Total comprehensive (loss)/income for the financial year</b>						
Profit for the financial year	-	-	269,092	269,092	755,456	1,024,548
Foreign currency translation difference	-	(223,527)	-	(223,527)	(418,531)	(642,058)
<b>Total comprehensive (loss)/income</b>	-	(223,527)	269,092	45,565	336,925	382,490
Transactions with owners:						
- Non-controlling interest arising from subscription of additional share in a subsidiary	-	-	-	-	673,622	673,622
- Dividend paid to non-controlling shareholders of the subsidiaries	-	-	-	-	(138,180)	(138,180)
<b>At 31 December 2025</b>	123,643,978	(538,832)	(8,168,351)	114,936,795	2,546,719	117,483,514
<b>Company</b>				<b>Share capital RM</b>	<b>Accumulated losses RM</b>	<b>Total equity RM</b>
<b>At 1 January 2024</b>				123,643,978	(15,732,728)	107,911,250
<b>Total comprehensive loss for the financial year</b>						
Profit for the financial year, representing total comprehensive income for the financial year				-	3,156,181	3,156,181
<b>At 31 December 2024</b>				123,643,978	(12,576,547)	111,067,431
<b>Total comprehensive income for the financial year</b>						
Loss for the financial year, representing total comprehensive loss for the financial year				-	(381,421)	(381,421)
<b>At 31 December 2025</b>				123,643,978	(12,957,968)	110,686,010

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		3,239,442	1,867,577	(327,280)	3,286,181
Adjustments for:					
Net reversal on trade receivables		(18,317)	(127,133)	-	-
Net reversal on investment in subsidiaries		-	-	(316,318)	(2,744,000)
Amortisation of intangible asset		82,294	16,192	7,500	-
Impairment loss on intangible asset		1,165,143	-	-	-
Depreciation of:					
- property, plant and equipment		3,343,114	3,269,722	62,912	58,074
- investment property		96,000	96,000	96,000	96,000
Property, plant and equipment written off		200	-	-	-
Fair value gain on short-term cash investment		(102,460)	(331,904)	(36,081)	(35,344)
Gain on disposal of property, plant and equipment		-	(6,009)	-	-
Amortisation of government grant income		(370,501)	(301,126)	-	-
Interest expense on lease liabilities		22,099	36,953	-	-
Interest income		(1,036,563)	(1,311,403)	(241,234)	(523,237)
Net unrealised loss/(gain) on foreign exchange		1,135,507	(323,297)	126,309	24,142
<b>Operating profit/(loss) before changes in working capital</b>		<b>7,555,958</b>	<b>2,885,572</b>	<b>(628,192)</b>	<b>161,816</b>
<b>Changes in working capital:</b>					
Contract costs		-	857,668	-	257,986
Contract (liabilities)/assets		(1,325,379)	2,693,289	-	(368,551)
Inventories		(2,912,987)	9,004,955	-	-
Receivables		(5,572,425)	(16,278,188)	356,897	(940,558)
Payables		5,296,790	8,425,250	2,325,724	537,589
Net cash generated from/(used in) operations		3,041,957	7,588,546	2,054,429	(351,718)
Interest received		1,036,563	1,311,403	241,234	523,237
Tax paid		(1,985,462)	(1,811,433)	(103,215)	(115,683)
Tax refunded		888,828	62,779	170,820	-
Net cash from operating activities		2,981,886	7,151,295	2,363,268	55,836
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(a)	(4,523,211)	(1,782,584)	(1,749)	(27,000)
Purchase of intangible assets		(50,000)	(1,640,648)	(50,000)	-
Advances to subsidiaries		-	-	(7,149,718)	(12,325)
Proceeds from disposal of property, plant and equipment		-	6,500	-	-
Redemption of short-term cash investment		-	3,299,999	-	799,999
Withdrawal/(Placement) of deposits with maturity of more than 3 months		1,800,000	(12,300,000)	4,100,000	(2,800,000)
Net cash used in investing activities		(2,773,211)	(12,416,733)	(3,101,467)	(2,039,326)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025  
Cont'd

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from financing activities</b>	(b)				
Advances from/(Repayment to) subsidiaries		-	-	1,346,117	(6,685,084)
Proceeds from government grant		-	1,339,253	-	-
Interest paid on lease liabilities		(22,099)	(36,953)	-	-
Payment of lease liabilities		(225,932)	(211,079)	-	-
Net cash (used in)/from financing activities		(248,031)	1,091,221	1,346,117	(6,685,084)
Net (decrease)/increase in cash and cash equivalents		(39,356)	(4,174,217)	607,918	(8,668,574)
<b>Cash and cash equivalents at the beginning of financial year</b>		27,699,045	31,923,781	789,864	9,482,580
Effect of exchange rate fluctuations on cash and cash equivalents		(802,542)	(50,519)	(79,257)	(24,142)
<b>Cash and cash equivalents at the end of financial year</b>	15	26,857,147	27,699,045	1,318,525	789,864

(a) Purchase of property, plant and equipment:

	Note	Group	
		2025 RM	2024 RM
Cash payments on purchase of property, plant and equipment	5	4,523,211	1,782,584

(b) Reconciliation of liabilities arising from financing activities:

	Group		Company	
	At 1 January 2025 RM	Cash flows RM	At 31 December 2025 RM	At 31 December 2024 RM
<b>Group</b>				
Lease liabilities	446,977	(225,932)	221,045	
	At 1 January 2024 RM	Cash flows RM	At 31 December 2024 RM	
<b>Group</b>				
Lease liabilities	658,056	(211,079)	446,977	

### 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 RM373,774 (2024: RM424,235) and RM4,692 (2024: RM5,916) respectively.

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

# 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 7, Mercu 3, No.3 Jalan Bangsar, KL Eco 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 product 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 2026.

## 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”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Adoption of amendments to MFRS

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

MFRS 121                      The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRS 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 MFRSs and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
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	1 January 2026/ Deferred
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	Deferred

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 2. BASIS OF PREPARATION (CONTINUED)

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

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

#### ***MFRS 18 Presentation and Disclosure in Financial Statements***

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. 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 communicates 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.

- (c) The initial application of the above applicable new MFRSs and amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and the Company. The Group and the Company are assessing the impact of MFRS 18, which among others, may result in changes to how information is grouped in the financial statements, the preparation structure of the statements of profit or loss, on certain items in the statement of cash flows and the additional disclosures required for MPMs, if any.

### 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.

### 2.5 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.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 2. BASIS OF PREPARATION (CONTINUED)

### 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

##### Financial assets at fair value through profit or loss

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.

##### Debt instruments at amortised cost

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.

##### 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.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.3 Financial instruments (Continued)

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

##### 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%

### 3.5 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 19.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.5 Leases (Continued)

#### (a) Lessee accounting (Continued)

##### 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%
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### 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:

	<b>Useful lives (years)</b>
Development costs	5 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.

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.9 Revenue and other income (Continued)

##### (v) Income from short term cash investment

Income from short term cash investment 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.

## NOTES TO THE FINANCIAL STATEMENTS

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## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land		Buildings		Motor vehicles		Furniture and fittings, office equipment and renovation		Plant and machinery and testing equipment		Equipment in-transit		Capital work-in-progress *		Right-of-use assets		Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Cost</b>																			
At 1 January 2025	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										
Additions	500,000	2,500,000	36,000	834,604	343,444	-	309,163	-	4,523,211										
Written off	-	-	-	(493,010)	-	-	-	-	(493,010)										
Reclassification	-	-	-	50,900	166,926	(166,926)	(50,900)	-	-										
Exchange difference	-	-	-	(23,112)	-	-	-	-	(23,112)										
At 31 December 2025	1,933,333	9,400,626	1,970,112	11,588,296	6,529,487	-	309,613	4,357,456	36,088,473										
<b>Accumulated depreciation and impairment loss</b>																			
At 1 January 2025	-	1,706,622	1,152,782	6,475,942	3,636,811	-	-	1,200,322	14,172,479										
Accumulated depreciation	-	-	-	71,783	-	-	-	-	71,783										
Accumulated impairment loss	-	1,706,622	1,152,782	6,547,725	3,636,811	-	-	1,200,322	14,244,262										
Charge for the financial year	7,639	186,221	204,926	1,469,054	1,188,858	-	-	286,416	3,343,114										
Written off	-	-	-	(492,810)	-	-	-	-	(492,810)										
Exchange difference	-	-	-	(5,287)	-	-	-	-	(5,287)										
At 31 December 2025	7,639	186,221	204,926	970,957	1,188,858	-	-	286,416	2,845,017										
Accumulated depreciation	7,639	1,892,843	1,357,708	7,446,899	4,825,669	-	-	1,486,738	17,017,496										
Accumulated impairment loss	-	-	-	71,783	-	-	-	-	71,783										
At 31 December 2025	7,639	1,892,843	1,357,708	7,518,682	4,825,669	-	-	1,486,738	17,089,279										
<b>Carrying amount</b>																			
At 31 December 2025	1,925,694	7,507,783	612,404	4,069,614	1,703,818	-	309,613	2,870,718	18,999,194										

\* Capital work in progress comprises office renovation cost and construction of factory building.

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land		Buildings		Motor vehicles		Furniture and fittings, office equipment and renovation		Plant and machinery and testing equipment		Equipment in-transit		Capital work-in-progress *		Right-of-use assets		Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Cost</b>																			
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)										(19,730)
Exchange difference	-	-	-	(6,562)	-	-	-	-	(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										
<b>Accumulated depreciation and impairment loss</b>																			
At 1 January 2024	-	1,571,719	918,373	5,107,523	2,440,249	-	-	-	-	-	885,666	10,923,530							
Accumulated depreciation	-	-	-	71,783	-	-	-	-	-	-	-	71,783							
Accumulated impairment loss	-	1,571,719	918,373	5,179,306	2,440,249	-	-	-	-	-	885,666	10,995,313							
Charge for the 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)										
At 31 December 2024	-	134,903	234,409	1,368,419	1,196,562	-	-	-	-	-	314,656	3,248,949							
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							
At 31 December 2024	-	1,706,622	1,152,782	6,547,725	3,636,811	-	-	-	-	-	1,200,322	14,244,262							
<b>Carrying amount</b>																			
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										

\* Capital work in progress comprises office renovation cost.

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 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
<b>2025</b>					
<b>Cost</b>					
At 1 January 2025	1,433,333	2,866,667	9,820	27,000	4,336,820
Additions	-	-	1,749	-	1,749
Reclassification	-	-	27,000	(27,000)	-
At 31 December 2025	1,433,333	2,866,667	38,569	-	4,338,569
<b>Accumulated depreciation</b>					
At 1 January 2025	-	802,667	8,461	-	811,128
Charge for the financial year	-	57,333	5,579	-	62,912
At 31 December 2025	-	860,000	14,040	-	874,040
<b>Carrying amount</b>					
At 31 December 2025	1,433,333	2,006,667	24,529	-	3,464,529
<b>2024</b>					
<b>Cost</b>					
At 1 January 2024	1,433,333	2,866,667	9,820	-	4,309,820
Addition	-	-	-	27,000	27,000
At 31 December 2024	1,433,333	2,866,667	9,820	27,000	4,336,820
<b>Accumulated depreciation</b>					
At 1 January 2024	-	745,334	7,720	-	753,054
Charge for the financial year	-	57,333	741	-	58,074
At 31 December 2024	-	802,667	8,461	-	811,128
<b>Carrying amount</b>					
At 31 December 2024	1,433,333	2,064,000	1,359	27,000	3,525,692

\* 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	
	2025 RM	2024 RM
Freehold land	1,433,333	1,433,333
Office buildings	2,006,667	2,064,000
	<u>3,440,000</u>	<u>3,497,333</u>

**NOTES TO THE FINANCIAL STATEMENTS**

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**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:

	<b>Leasehold land RM</b>	<b>Building RM</b>	<b>Total RM</b>
<b>Carrying amount</b>			
At 1 January 2024	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
Depreciation	(61,414)	(225,002)	(286,416)
At 31 December 2025	2,664,465	206,253	2,870,718

The leases generally have lease terms between 3 and 60 years (2024: 3 to 60 years).

**6. INVESTMENT PROPERTY**

	<b>Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 January/31 December	4,800,000	4,800,000
<b>Accumulated depreciation</b>		
At 1 January	360,000	264,000
Charge for the financial year	96,000	96,000
At 31 December	456,000	360,000
<b>Carrying amount</b>		
At 31 December	4,344,000	4,440,000

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

	<b>Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Rental income	(60,000)	(60,000)
Direct operating expenses for income generating investment property	100,085	100,147

## 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
<b>2025</b>	
Bungalow	4,800,000
<b>2024</b>	
Bungalow	4,700,000

## 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

	Group	
Note	2025 RM	2024 RM
At 1 January/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:

31.12.2025	CGU 1	CGU 2
Average gross margin	14%	14%
Average annual sales growth	26%	16%
Discount rate	14%	10%
<b>31.12.2024</b>		
Average gross margin	15%	8%
Average annual sales growth	19%	10%
Discount rate	14%	9%

**NOTES TO THE FINANCIAL STATEMENTS**

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**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 the average annual sales growth achieved over the past three (3) financial years.
- (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
<b>2025</b>			
<b>Cost</b>			
At 1 January 2025	3,659,248	337,549	3,996,797
Additions	-	50,000	50,000
At 31 December 2025	3,659,248	387,549	4,046,797
<b>Accumulated amortisation and impairment loss</b>			
At 1 January 2025	-	304,599	304,599
Charge for the financial year	60,987	21,307	82,294
Impairment loss	1,165,143	-	1,165,143
At 31 December 2025	1,226,130	325,906	1,552,036
<b>Carrying amount</b>			
At 31 December 2025	2,433,118	61,643	2,494,761
<b>2024</b>			
<b>Cost</b>			
At 1 January 2024	2,018,600	337,549	2,356,149
Additions	1,640,648	-	1,640,648
At 31 December 2024	3,659,248	337,549	3,996,797
<b>Accumulated amortisation</b>			
At 1 January 2024	-	288,407	288,407
Charge for the financial year	-	16,192	16,192
At 31 December 2024	-	304,599	304,599
<b>Carrying amount</b>			
At 31 December 2024	3,659,248	32,950	3,692,198

## NOTES TO THE FINANCIAL STATEMENTS

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### 8. OTHER INTANGIBLE ASSETS (CONTINUED)

Company	Computer software RM
<b>2025</b>	
<b>Cost</b>	
At 1 January 2025	230,480
Additions	50,000
At 31 December 2025	280,480
<b>Accumulated amortisation</b>	
At 1 January 2025	230,480
Charge for the financial year	7,500
At 31 December 2025	237,980
<b>Carrying amount</b>	
At 31 December 2025	42,500
<b>2024</b>	
<b>Cost</b>	
At 1 January 2024/31 December 2024	230,480
<b>Accumulated amortisation</b>	
At 1 January 2024/31 December 2024	230,480
<b>Carrying amount</b>	
At 31 December 2024	-

Development costs are associated with the development of the NASA-JPL ventilator project where it is reasonably anticipated that the costs will be recovered through future commercial activities.

During the financial year, the Group recognised an impairment loss of RM1,165,143 in profit or loss under other expenses in respect to the development costs within the manufacturing segment. The impairment assessment was prepared based on cash flow projections which indicated that the carrying amount exceeded its recoverable amount. Accordingly, the carrying amount was written down. The recoverable amount was determined based on value-in-use, using estimated future cash flow discounted at pre-tax rate of 10%.

**NOTES TO THE FINANCIAL STATEMENTS**

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**9. INVESTMENT IN SUBSIDIARIES**

	Note	Company	
		2025 RM	2024 RM
Unquoted shares, at cost			
In Malaysia		48,814,658	48,814,658
Outside Malaysia		1	1
		<u>48,814,659</u>	<u>48,814,659</u>
ESOS granted to employees of subsidiaries		15,146,479	15,146,479
		<u>63,961,138</u>	<u>63,961,138</u>
Less: Impairment losses	(a)		
At 1 January		(7,593,232)	(10,654,232)
Charge for the financial year		-	(501,000)
Reversal of impairment losses		562,399	3,562,000
At 31 December		<u>(7,030,833)</u>	<u>(7,593,232)</u>
		<u>56,930,305</u>	<u>56,367,906</u>
Quasi loans	(b)	49,753,835	42,604,117
Less: Impairment losses	(a)		
At 1 January		(9,599,669)	(9,282,669)
Charge for the financial year		(246,081)	(317,000)
At 31 December		<u>(9,845,750)</u>	<u>(9,599,669)</u>
		<u>39,908,085</u>	<u>33,004,448</u>
		<u>96,838,390</u>	<u>89,372,354</u>

(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.

(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	
			2025	2024
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%

## 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	
			2025	2024
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%
<b>Subsidiary of K2 Meta Sdn. Bhd.</b>				
K-One Industry Sdn. Bhd.	Malaysia	Design and development of manufacturing process/tools and manufacturing of electronic end products and sub-systems	100%	100%
<b>Subsidiaries of K-One Industry Sdn. Bhd.</b>				
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%
<b>Subsidiaries of G-AsiaPacific Sdn. Bhd.</b>				
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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**9. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

## (a) Non-controlling interest ("NCI") in subsidiaries

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

	<b>GAP Indo RM</b>	<b>GAP Vietnam RM</b>	<b>Total RM</b>
<b>2025</b>			
NCI percentage of ownership interest and voting interest	49%	49%	
Carrying amount of NCI	1,571,363	975,356	2,546,719
Profit allocated to NCI	378,188	377,268	755,456
Total other comprehensive income allocated to NCI	378,188	377,268	755,456
<b>2024</b>			
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 income allocated to NCI	114,781	303,030	417,811

## (b) 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:

	<b>GAP Indo RM</b>	<b>GAP Vietnam RM</b>
<b>Summarised statements of financial position as at 31 December 2025</b>		
Non-current assets	37,634	75,121
Current assets	5,828,265	3,856,523
Current liabilities	(2,659,036)	(1,941,121)
Net assets	3,206,863	1,990,523
<b>Summarised statements of comprehensive income for the financial year ended 31 December 2025</b>		
Revenue	10,935,584	13,972,594
Profit for the financial year	771,812	769,934
Total comprehensive income	771,812	769,934
<b>Summarised cash flows information for the financial year ended 31 December 2025</b>		
Cash flows from/(used in) operating activities	981,073	(5,722,970)
Cash flows (used in)/from investing activities	(3,551)	334,401
Net increase in cash and cash equivalents	977,522	(5,388,569)

## NOTES TO THE FINANCIAL STATEMENTS

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## 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) 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
<b>Summarised statements of financial position as at 31 December 2024</b>		
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	<u>1,802,082</u>	<u>1,614,964</u>
<b>Summarised statements of comprehensive income for the financial year ended 31 December 2024</b>		
Revenue	11,828,497	9,110,486
Profit for the financial year	234,247	618,428
Total comprehensive income	<u>234,247</u>	<u>618,428</u>
<b>Summarised cash flows information for the financial year ended 31 December 2024</b>		
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	<u>487,615</u>	<u>1,043,699</u>

## 10. DEFERRED TAX ASSETS

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

	At 1 January 2025 RM	Recognised in profit or loss (Note 26) RM	At 31 December 2025 RM
<b>Group</b>			
<b>Deferred tax assets</b>			
Contract liabilities	4,247,531	578,878	4,826,409
Deductible temporary differences in respect of expenses	74,900	(40,174)	34,726
Lease liabilities	107,900	(54,223)	53,677
Unabsorbed tax losses and unutilised capital allowance	1,169,246	(856,800)	312,446
Right-of-use assets	(103,500)	(54,000)	(157,500)
Property, plant and equipment	(643,300)	(370,627)	(1,013,927)
	<u>4,852,777</u>	<u>(796,946)</u>	<u>4,055,831</u>

**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 2024 RM	Recognised in profit or loss (Note 26) RM	At 31 December 2024 RM
<b>Group</b>			
<b>Deferred tax assets</b>			
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)
	<u>3,301,600</u>	<u>1,551,177</u>	<u>4,852,777</u>

	At 1 January 2025 RM	Recognised in profit or loss (Note 26) RM	At 31 December 2025 RM
<b>Company</b>			
<b>Deferred tax asset</b>			
Unabsorbed tax losses	465,000	-	465,000
Taxable temporary differences in respect of income	(2,000)	-	(2,000)
	<u>463,000</u>	<u>-</u>	<u>463,000</u>

	At 1 January 2024 RM	Recognised in profit or loss (Note 26) RM	At 31 December 2024 RM
<b>Company</b>			
<b>Deferred tax asset</b>			
Unabsorbed tax losses	465,000	-	465,000
Taxable temporary differences in respect of income	(2,000)	-	(2,000)
	<u>463,000</u>	<u>-</u>	<u>463,000</u>

	At 1 January 2024 RM	Recognised in profit or loss (Note 26) RM	At 31 December 2024 RM
<b>Company</b>			
<b>Deferred tax asset</b>			
Unabsorbed tax losses	465,000	-	465,000
Taxable temporary differences in respect of income	(2,000)	-	(2,000)
	<u>463,000</u>	<u>-</u>	<u>463,000</u>

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

	<b>Group</b>	
	2025 RM	2024 RM
Taxable temporary difference	(146)	1,113
Unutilised capital allowance	5,065	2,515
Unabsorbed tax losses	2,569,000	2,324,000
	<u>2,573,919</u>	<u>2,327,628</u>
Potential deferred tax at 24% (2024: 24%)	<u>617,741</u>	<u>558,631</u>

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

### 10. DEFERRED TAX ASSETS (CONTINUED)

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	
	2025	2024
	RM	RM
<b>Year of assessments</b>		
2027	1,467,000	1,467,000
2028	43,000	43,000
2029	18,000	18,000
2030	22,000	22,000
2032	526,000	526,000
2033	248,000	248,000
2034	245,000	-
	2,569,000	2,324,000

### 11. INVENTORIES

	Group	
	2025	2024
	RM	RM
<b>At cost</b>		
Raw materials	17,016,227	14,050,204
Work-in-progress	5,663,397	6,751,645
Finished goods	4,277,267	3,242,055
	26,956,891	24,043,904

During the financial year, inventories of the Group recognised as cost of sales amounted to RM86,473,114 (2024: RM73,352,787).

**NOTES TO THE FINANCIAL STATEMENTS**

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**12. RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Current</b>					
<b>Trade</b>					
Trade receivables	(a)	46,964,580	40,549,163	697,444	1,031,163
Less: Allowance for impairment losses		(11,085)	(196,921)	-	-
		46,953,495	40,352,242	697,444	1,031,163
<b>Non-trade</b>					
Other receivables		7,331,437	6,405,847	5,868,632	5,893,297
Less: Allowance for impairment losses		(5,820,235)	(5,820,235)	(5,820,235)	(5,820,235)
		1,511,202	585,612	48,397	73,062
GST/SST/VAT refundable		825,286	179,900	-	-
Deposits		799,980	366,268	4,070	2,070
Prepayments	(b)	3,578,729	7,325,753	26,450	75,308
Advances to suppliers		2,310,868	1,711,477	-	-
		9,026,065	10,169,010	78,917	150,440
<b>Total trade and other receivables</b>		<b>55,979,560</b>	<b>50,521,252</b>	<b>776,361</b>	<b>1,181,603</b>

(a) The normal credit terms extended to customers range from 30 to 90 days (2024: 30 to 90 days).

(b) Included in prepayment of the Group is an amount of RM Nil (2024: RM 3,000,000) paid for the acquisition advances.

**13. CONTRACT ASSETS/(LIABILITIES)**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Contract assets	7,233,596	6,566,442	-	-
Contract liabilities	(18,540,243)	(19,198,468)	-	-
	(11,306,647)	(12,632,026)	-	-

**Significant changes in contract balances**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	(12,632,026)	(9,938,737)	-	(368,551)
Revenue recognised during the year	113,856,203	101,959,104	-	368,551
Billings during the year	(112,530,824)	(104,652,393)	-	-
At 31 December	(11,306,647)	(12,632,026)	-	-

Revenue recognised during the financial year that was included in the contract liabilities balance at the beginning of the year amounted RM 19,805,196 (2024: RM9,713,879).

## NOTES TO THE FINANCIAL STATEMENTS

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## 13. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

- a) The contract assets relate to the Group's right to consideration for services rendered but not yet billed as at the reporting date.
- b) 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 (2024: 1 to 30 months).

## 14. SHORT-TERM CASH INVESTMENT

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash management fund with investment management companies	5,768,429	5,665,969	1,405,490	1,369,409

The investment is redeemable upon 1 day (2024: 1 day) in notice.

## 15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	25,606,346	25,335,845	1,318,525	789,864
Deposits placed with licensed banks	19,750,801	22,663,200	6,700,000	10,800,000
	45,357,147	47,999,045	8,018,525	11,589,864
Less: Non-short term deposits	(18,500,000)	(20,300,000)	(6,700,000)	(10,800,000)
	26,857,147	27,699,045	1,318,525	789,864

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 3.95% (2024: 1.60 % to 6.00%) and 3.20% to 4.00% (2024: 2.50% to 3.55%) respectively per annum and with maturity period ranging from 1 to 12 months (2024: 1 to 12 months) and 6 to 12 months (2024: 6 to 12 months) respectively.

## 16. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares	Amount	Number of shares	Amount
	Units	RM	Units	RM
<b>Issued and fully paid up (no par value):</b>				
At 1 January/31 December	832,006,928	123,643,978	832,006,928	123,643,978

## (a) Share capital

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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**16. SHARE CAPITAL****(b) Warrants**

The Company allotted and issued 208,001,709 free warrants in connection with Bonus Issue of free warrants constituted under the deed poll dated 26 December 2024.

The salient features of the warrants are as follows:

- (i) entitles its registered holders to subscribe for one (1) new ordinary share at the exercise price during the exercise period;
- (ii) the exercise price is RM0.20 per share subject to adjustments in accordance with the provisions of the deed poll executed; and
- (iii) the warrants may be exercised at any time for a period of 3 years commencing on an including 31 December 2024 "exercise period". Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.

The movement of the warrants during the financial year is as follow:

	<b>At 1 January 2025</b>	<b>Allotment</b>	<b>Exercised</b>	<b>Lapsed</b>	<b>At 31 December 2025</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Warrants</b>	-	208,001,709	-	-	208,001,709

**17. 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.

**18. DEFERRED INCOME**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
Deferred income	297,125	667,626
<b>Current</b>		
Deferred income	370,501	370,501
Significant changes in balance		
At 1 January	1,038,127	-
Received during the financial year	-	1,339,253
Recognised in profit or loss (Note 23)	(370,501)	(301,126)
	667,626	1,038,127
Less: Amount to be recognised within next twelve months	(370,501)	(370,501)
Amount to be recognised after next twelve months	297,125	667,626

**Government grant related to assets**

Government grant received from the Malaysian Investment Development Authority (MIDA) in prior 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.

## NOTES TO THE FINANCIAL STATEMENTS

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## 19. LEASE LIABILITIES

	Group	
	2025 RM	2024 RM
<b>Non-current</b>		
Lease liabilities	-	221,045
<b>Current</b>		
Lease liabilities	221,045	225,932
	221,045	446,977

The weighted average incremental borrowing rate applied to the lease liabilities was 6.82% (2024: 6.82%) per annum.

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

	Group	
	2025 RM	2024 RM
Minimum lease payments:		
- not later than one year	227,362	248,031
- later than one year but not later than five years	-	227,362
	227,362	475,393
Less: Future finance charges	(6,317)	(28,416)
Present value of minimum lease payments	221,045	446,977
Present value of minimum lease payments:		
- not later than one year	221,045	225,932
- later than one year but not later than five years	-	221,045
	221,045	446,977
Less: Amount due within 12 months	(221,045)	(225,932)
Amount due after 12 months	-	221,045

**NOTES TO THE FINANCIAL STATEMENTS**

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**20. TRADE AND OTHER PAYABLES**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Current:</b>					
<b>Trade</b>					
Trade payables	(a)	34,630,529	32,212,653	11,350	339,294
Accruals		8,800,813	9,875,664	716,422	413,048
		<u>43,431,342</u>	<u>42,088,317</u>	<u>727,772</u>	<u>752,342</u>
<b>Non-trade</b>					
Other payables		4,307,783	1,324,950	2,533,070	189,131
GST/SST/VAT payables		23,540	56,754	-	-
Amount due to directors	(b)	3	3	-	-
Amount due to subsidiaries	(c)	-	-	1,386,276	40,159
Advances from customers		4,871,309	3,408,462	-	-
Accruals		2,909,737	2,493,587	43,415	38,353
Deposits received		572,812	768,174	7,442	7,442
		<u>12,685,184</u>	<u>8,051,930</u>	<u>3,970,203</u>	<u>275,085</u>
<b>Total trade and other payables</b>		<u>56,116,526</u>	<u>50,140,247</u>	<u>4,697,975</u>	<u>1,027,427</u>

- (a) The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2024: 30 to 90 days).
- (b) 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.
- (c) 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.

**21. REVENUE**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from contract customers:</b>				
Cloud computing services	141,627,356	115,573,664	-	-
Manufacturing of electronic end products and sub-systems	83,102,276	70,561,079	-	-
Sale and manufacturing of medical and healthcare devices and consumables	16,255,846	10,793,502	-	-
Research, design and development of electronic end products and sub-systems	2,180,162	4,815,757	2,140,465	3,261,726
	<u>243,165,640</u>	<u>201,744,002</u>	<u>2,140,465</u>	<u>3,261,726</u>

## NOTES TO THE FINANCIAL STATEMENTS

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## 21. 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).

	<b>Research, design, development and sales</b>	<b>Manufacturing</b>	<b>Cloud computing</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Group - 2025</b>				
<b>Primary geographical markets:</b>				
Malaysia	81,242	6,095,513	92,851,828	99,028,583
Asia (excluding Malaysia)	-	29,626,018	48,021,423	77,647,441
Europe	1,971,680	46,535,213	301,703	48,808,596
Oceania	-	4,043,047	257,766	4,300,813
United States of America	127,240	11,184,700	81,495	11,393,435
Middle East	-	1,873,631	113,141	1,986,772
	<u>2,180,162</u>	<u>99,358,122</u>	<u>141,627,356</u>	<u>243,165,640</u>
<b>Major goods or services:</b>				
Cloud computing	-	-	141,627,356	141,627,356
Electronic products	-	83,102,276	-	83,102,276
Medical and healthcare devices and consumables	-	16,255,846	-	16,255,846
Research, design and development	2,180,162	-	-	2,180,162
	<u>2,180,162</u>	<u>99,358,122</u>	<u>141,627,356</u>	<u>243,165,640</u>
<b>Timing of revenue recognition:</b>				
At a point in time	2,180,162	99,358,122	2,317,664	103,855,948
Over time	-	-	139,309,692	139,309,692
	<u>2,180,162</u>	<u>99,358,122</u>	<u>141,627,356</u>	<u>243,165,640</u>

**NOTES TO THE FINANCIAL STATEMENTS**

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**21. REVENUE (CONTINUED)**

(a) Disaggregation of revenue (Continued)

	<b>Research, design, development and sales</b>	<b>Manufacturing</b>	<b>Cloud computing</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Group - 2024</b>				
<b>Primary geographical markets:</b>				
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
	<u>4,815,757</u>	<u>81,354,581</u>	<u>115,573,664</u>	<u>201,744,002</u>
<b>Major goods or services:</b>				
Cloud computing	-	-	115,573,664	115,573,664
Electronic products	-	70,561,079	-	70,561,079
Medical and healthcare devices and consumables	-	10,793,502	-	10,793,502
Research, design and development	4,815,757	-	-	4,815,757
	<u>4,815,757</u>	<u>81,354,581</u>	<u>115,573,664</u>	<u>201,744,002</u>
<b>Timing of revenue recognition:</b>				
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
	<u>4,815,757</u>	<u>81,354,581</u>	<u>115,573,664</u>	<u>201,744,002</u>
<b>Company - 2025</b>				
<b>Primary geographical markets:</b>				
Malaysia			41,545	41,545
Europe			1,971,680	1,971,680
United States of America			127,240	127,240
			<u>2,140,465</u>	<u>2,140,465</u>
<b>Major goods or services:</b>				
Research, design and development			2,140,465	2,140,465
<b>Timing of revenue recognition:</b>				
At a point in time			2,140,465	2,140,465

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. REVENUE (CONTINUED)

(a) Disaggregation of revenue (Continued)

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

(b) Transaction price allocated to the remaining performance obligations

Group	Within 1 year RM	Between 1 to 3 years RM	Total RM
<b>As at 31 December 2025</b>			
Revenue expected to be recognised on:			
- Cloud computing	10,183,171	9,960,324	20,143,495
<b>As at 31 December 2024</b>			
Revenue expected to be recognised on:			
- Cloud computing	9,484,750	9,713,718	19,198,468

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.

## 22. COST OF SALES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cloud computing services	119,354,533	98,760,110	-	-
Cost of manufacturing of electronic end products and sub-systems	73,365,024	63,484,634	-	-
Cost of sale and manufacturing of medical and healthcare devices and consumables	13,033,808	9,868,153	-	-
Research, design and development of electronic end products and sub-systems	995,011	2,334,898	989,443	1,420,306
	<u>206,748,376</u>	<u>174,447,795</u>	<u>989,443</u>	<u>1,420,306</u>

**NOTES TO THE FINANCIAL STATEMENTS**

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**23. 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration				
(i) Statutory audit:				
- Baker Tilly Monteiro Heng PLT	275,500	257,000	88,000	86,500
- Member firms of Baker Tilly International	84,641	75,256	-	-
- Other auditors	18,949	18,989	-	-
(ii) Other services:				
- Baker Tilly Monteiro Heng PLT	6,000	6,000	6,000	6,000
Amortisation of intangible asset	82,294	16,192	7,500	-
Depreciation of:				
- property, plant and equipment	3,343,114	3,269,722	62,912	58,074
- investment property	96,000	96,000	96,000	96,000
Directors' fees	228,663	218,525	209,000	198,000
Directors' other emoluments	3,898,466	3,752,537	6,000	18,000
Expenses relating to short-term lease	115,591	159,971	-	-
Expenses relating to lease of low value assets	10,155	16,232	4,692	5,916
Interest expense on lease liabilities	22,099	36,953	-	-
Impairment loss on intangible asset	1,165,143	-	-	-
Net reversal on loss on trade receivables	(18,317)	(127,133)	-	-
Net reversal on investment in subsidiaries	-	-	(316,318)	(2,744,000)
Foreign exchange (gain)/loss				
- realised	(53,811)	1,241,959	24,598	8,761
- unrealised	1,135,507	(323,297)	126,309	24,142
Fair value gain on short-term cash investment	(102,460)	(331,904)	(36,081)	(35,344)
Gain on disposal of property, plant and equipment	-	(6,009)	-	-
Property, plant and equipment written off	200	-	-	-
Amortisation of government grant income (Note 18)	(370,501)	(301,126)	-	-
Government grant related to income	(219,286)	(2,104,977)	-	-
Interest income	(1,036,563)	(1,311,403)	(241,234)	(523,237)
Rental income of:				
- premises	(77,766)	(68,366)	(41,766)	(41,366)
- investment property	(65,000)	(60,000)	(65,000)	(60,000)

## NOTES TO THE FINANCIAL STATEMENTS

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### 24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Executive directors' fees	19,663	20,525	-	-
Executive directors' salary and other emoluments	3,892,466	3,734,537	-	-
Wages, salaries and bonus	19,515,699	15,040,521	717,256	903,884
Employees Provident Fund	2,520,585	2,001,397	38,646	37,728
Social security contribution	304,744	192,929	4,178	3,651
Other personnel costs	830,838	667,131	22,588	28,126
	27,083,995	21,657,040	782,668	973,389

### 25. DIRECTORS' REMUNERATION

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>Directors of the Company</b>				
<b>Executive:</b>				
Salary and other emoluments	2,315,264	2,210,880	-	-
<b>Non-executive:</b>				
Fees	209,000	198,000	209,000	198,000
Allowances	6,000	18,000	6,000	18,000
	2,530,264	2,426,880	215,000	216,000
<b>Directors of the subsidiaries</b>				
<b>Executive:</b>				
Fees	19,663	20,525	-	-
Salary and other emoluments	1,577,202	1,523,657	-	-
	1,596,865	1,544,182	-	-
Total directors' remuneration	4,127,129	3,971,062	215,000	216,000

**NOTES TO THE FINANCIAL STATEMENTS**

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**26. TAX EXPENSE**

The major components of income tax expense for the financial years ended 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current tax:</b>				
Malaysian income tax:				
Current financial year	1,705,070	2,231,155	44,000	130,000
(Over)/Under provision in prior financial years	(770,951)	144,828	10,141	-
	934,119	2,375,983	54,141	130,000
<b>Foreign income tax:</b>				
Current financial year	483,829	422,703	-	-
<b>Deferred tax (Note 10):</b>				
Reversal of temporary differences	(879,405)	(1,552,577)	-	-
Reversal of deferred tax asset previously recognised	746,800	-	-	-
Under provision in prior financial years	929,551	1,400	-	-
	796,946	(1,551,177)	-	-
Tax expense	2,214,894	1,247,509	54,141	130,000

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	3,239,442	1,867,577	(327,280)	3,286,181
Tax at Malaysian statutory income tax rate of 24% (2024: 24%)	777,466	448,200	(78,500)	788,700
Effect of lower tax rate in foreign jurisdiction	(94,259)	(89,160)	-	-
Tax effect on non-deductible expenses	700,575	912,880	346,416	128,583
Tax effect on non-taxable income	(112,362)	(78,058)	(143,635)	(667,043)
Deemed interest income	36,068	20,919	-	-
Deferred tax assets not recognised	59,110	62,300	-	-
Utilisation of previously unrecognised tax losses	-	(120,380)	(80,281)	(120,240)
Tax exemptions	(57,104)	(55,420)	-	-
Reversal of deferred tax asset previously recognised	746,800	-	-	-
(Over)/Under provision in prior years				
- current tax	(770,951)	144,828	10,141	-
- deferred tax	929,551	1,400	-	-
	2,214,894	1,247,509	54,141	130,000

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. 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	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company	269,092	202,257
Weighted average number of ordinary shares outstanding during the financial year	818,577,759	818,577,759
Basic earnings per ordinary share (sen)	0.03	0.02

### (b) Diluted

The diluted earnings per share of the Company for the financial year ended 2025 and 2024 is same as the basic earnings per ordinary share of the Company as there were no potential dilutive ordinary shares.

## 28. CORPORATE GUARANTEE

	Company	
	2025 RM	2024 RM
Corporate guarantee for credit facilities granted to subsidiary: - K-One Industry Sdn. Bhd.	22,576,000	22,576,000

## 29. 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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**29. 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>Paid or payable to certain directors of the Company</b>				
Rental of factory	-	90,000	-	-
<b>Received and receivable from a subsidiary</b>				
Rental income	-	-	(12,000)	(12,000)

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Note 20 to the financial statements.

**(c) Compensation of key management personnel**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>Directors of the Company and subsidiaries</b>				
Fees	228,663	218,525	209,000	198,000
Salaries and other emoluments	3,398,200	3,336,700	6,000	18,000
Post-employment benefits	500,266	415,837	-	-
	4,127,129	3,971,062	215,000	216,000

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 30. 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")

	FVPL RM	AC RM	Total RM
<b>2025</b>			
<b>Group</b>			
<b>Financial assets</b>			
Receivables and deposits *	-	49,264,677	49,264,677
Short-term cash investment	5,768,429	-	5,768,429
Cash and cash equivalents	-	45,357,147	45,357,147
	<u>5,768,429</u>	<u>94,621,824</u>	<u>100,390,253</u>
<b>Financial liabilities</b>			
Trade and other payables #	-	51,221,677	51,221,677
<b>2024</b>			
<b>Group</b>			
<b>Financial assets</b>			
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
	<u>5,665,969</u>	<u>89,303,167</u>	<u>94,969,136</u>
<b>Financial liabilities</b>			
Trade and other payables #	-	46,675,031	46,675,031

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**30. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (Continued)**

	FVPL RM	AC RM	Total RM
<b>2025</b>			
<b>Company</b>			
<b>Financial assets</b>			
Receivables and deposits *	-	749,911	749,911
Short-term cash investment	1,405,490	-	1,405,490
Cash and bank balances	-	8,018,525	8,018,525
	<u>1,405,490</u>	<u>8,768,436</u>	<u>10,173,926</u>
<b>Financial liabilities</b>			
Trade and other payables	-	4,697,975	4,697,975
<b>2024</b>			
<b>Company</b>			
<b>Financial assets</b>			
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
	<u>1,369,409</u>	<u>12,696,159</u>	<u>14,065,568</u>
<b>Financial liabilities</b>			
Trade and other payables	-	1,027,427	1,027,427

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

**(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.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 30. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (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.

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**30. 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	13,046,795	12,900,906	-	32,924
Asia (excluding Malaysia)	11,484,292	15,950,234	-	-
Europe	12,074,401	10,445,902	697,444	998,239
United States of America	8,662,084	1,165,762	-	-
Oceania	1,697,008	86,359	-	-
	<u>46,964,580</u>	<u>40,549,163</u>	<u>697,444</u>	<u>1,031,163</u>

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 2025 and 31 December 2024 respectively are as follows:

	Gross carrying amount RM	Expected credit loss allowance RM	Net balance RM
<b>Group</b>			
<b>At 31 December 2025</b>			
<b>Contract assets</b>			
Current (not past due)	7,233,596	-	7,233,596
<b>Trade receivables</b>			
Current (not past due)	30,612,342	-	30,612,342
1 to 30 days past due	11,484,115	-	11,484,115
31 to 60 days past due	1,924,561	-	1,924,561
61 to 90 days past due	1,598,552	-	1,598,552
91 to 120 days past due	754,377	-	754,377
More than 120 days past due	590,633	(11,085)	579,548
	<u>54,198,176</u>	<u>(11,085)</u>	<u>54,187,091</u>

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 30. 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 2025 and 31 December 2024 respectively are as follows (Continued):

	Gross carrying amount RM	Expected credit loss allowance RM	Net balance RM
<b>At 31 December 2024</b>			
<b>Contract assets</b>			
Current (not past due)	6,566,442	-	6,566,442
<b>Trade receivables</b>			
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
	<u>47,115,605</u>	<u>(196,921)</u>	<u>46,918,684</u>
	Gross carrying amount RM	Expected credit loss allowance RM	Net balance RM
<b>Company</b>			
<b>At 31 December 2025</b>			
Current (not past due)	512,449	-	512,449
1 to 30 days past due	92,480	-	92,480
61 to 90 days past due	92,515	-	92,515
	<u>697,444</u>	<u>-</u>	<u>697,444</u>
<b>At 31 December 2024</b>			
Current (not past due)	712,144	-	712,144
1 to 30 days past due	179,457	-	179,457
More than 120 days past due	139,562	-	139,562
	<u>1,031,163</u>	<u>-</u>	<u>1,031,163</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**30. 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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
At 1 January	196,921	364,182
Reversal of impairment loss	(18,317)	(127,133)
Written off	(160,077)	(32,160)
Exchange differences	(7,442)	(7,968)
At 31 December	11,085	196,921

**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:

	<b>Group/Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
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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## 30. 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	Contractual undiscounted cash flows	On demand or within one year	One to five years
	RM	RM	RM	RM
<b>Group</b>				
<b>2025</b>				
<b>Financial liabilities</b>				
Trade and other payables	51,221,677	51,221,677	51,221,677	-
Lease liabilities	221,045	227,362	227,362	-
	51,442,722	51,449,039	51,449,039	-
<b>2024</b>				
<b>Financial liabilities</b>				
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
<b>Company</b>				
<b>2025</b>				
<b>Financial liabilities</b>				
Trade and other payables	4,697,975	4,697,975	4,697,975	-
<b>2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	1,027,427	1,027,427	1,027,427	-

## (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.

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**30. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (Continued)****(iii) Foreign currency risk (Continued)**

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").

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
<b>Group</b>				
<b>2025</b>				
USD	15,974,228	10,140,844	(6,573,272)	19,541,800
EURO	9,974,025	1,745,812	(7,412,160)	4,307,677
GBP	-	869	(67,473)	(66,604)
SGD	226,343	309,562	(188,979)	346,926
IDR	2,010,088	3,044,981	(2,426,193)	2,628,876
VND	2,443,458	164,295	(1,200,311)	1,407,442
	<u>30,628,142</u>	<u>15,406,363</u>	<u>(17,868,388)</u>	<u>28,166,117</u>
<b>2024</b>				
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
	<u>28,033,443</u>	<u>14,392,012</u>	<u>(19,968,961)</u>	<u>22,456,494</u>
<b>Company</b>				
<b>2025</b>				
USD	745,789	634,003	(4,440)	1,375,352
<b>2024</b>				
USD	1,030,914	156,125	(3,580)	1,183,459

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 30. 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.

	Change in rate %	Effect on	
		Profit for the year RM	Equity RM
<b>Group</b>			
<b>2025</b>			
USD/RM	+ 1%	148,500	148,500
	- 1%	(148,500)	(148,500)
EURO/RM	+ 5%	163,700	163,700
	- 5%	(163,700)	(163,700)
GBP/RM	+ 5%	(2,500)	(2,500)
	- 5%	2,500	2,500
SGD/RM	+ 1%	2,600	2,600
	- 1%	(2,600)	(2,600)
IDR/RM	+ 1%	20,000	20,000
	- 1%	(20,000)	(20,000)
VND/RM	+ 1%	10,700	10,700
	- 1%	(10,700)	(10,700)
<b>2024</b>			
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)

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**30. 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 RM	Equity RM
<b>Company</b>			
<b>2025</b>			
USD/RM	+ 1%	10,500	10,500
	- 1%	(10,500)	(10,500)
<b>2024</b>			
USD/RM	+ 1%	9,000	9,000
	- 1%	(9,000)	(9,000)

**(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.

**(d) 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

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### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### (d) 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			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<b>Group</b>				
<b>Financial assets at fair value</b>				
<b>2025</b>				
- Short-term cash investment	5,768,429	-	-	5,768,429
<b>2024</b>				
- Short-term cash investment	5,665,969	-	-	5,665,969
<b>Company</b>				
Financial assets at fair value				
<b>2025</b>				
- Short-term cash investment	1,405,490	-	-	1,405,490
<b>2024</b>				
- Short-term cash investment	1,369,409	-	-	1,369,409

### 31. 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:

<b>Research, design, development and sales</b>	Research, design and development of healthcare, medical, Internet of Things ("IoT"), industrial, consumer electronics end products and sub-systems and service sales.
<b>Manufacturing</b>	Manufacturing of electronic end products, sub-systems, medical/healthcare devices and consumables.
<b>Cloud computing</b>	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.
<b>Investment holding</b>	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

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.

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**31. 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.

	<b>Research, design and development and sales</b>	<b>Manufacturing</b>	<b>Cloud computing</b>	<b>Investment holding</b>	<b>Consolidated</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2025</b>					
Total external revenue	2,180,162	99,358,122	141,627,356	-	243,165,640
Segment profit/(loss)	(1,116,438)	(2,176,551)	6,154,608	377,823	3,239,442
Tax expense	(102,475)	(728,000)	(1,383,998)	(421)	(2,214,894)
<b>Profit for the financial year</b>					<b>1,024,548</b>
<b>Other information</b>					
Segment assets	15,705,894	82,794,598	81,885,015	9,424,017	189,809,524
Unallocated corporate assets					4,331,756
<b>Consolidated total assets</b>					<b>194,141,280</b>
<b>Other information</b>					
Segment liabilities	3,343,959	32,674,673	39,526,805	-	75,545,437
Unallocated corporate liabilities					1,112,329
<b>Consolidated total liabilities</b>					<b>76,657,766</b>
Capital expenditure	51,749	4,151,920	369,542	-	4,573,211
Amortisation of computer software	7,500	74,794	-	-	82,294
Depreciation of property, plant and equipment	67,307	2,500,413	775,394	-	3,343,114
Depreciation of investment property	-	-	-	96,000	96,000
Reversal of impairment loss on trade and other receivable	-	-	(18,317)	-	(18,317)

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 31. SEGMENT INFORMATION (CONTINUED)

	Research, design and development and sales RM	Manufacturing RM	Cloud computing RM	Investment holding RM	Consolidated RM
<b>2024</b>					
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)
<b>Profit for the financial year</b>					<b>620,068</b>
<b>Other information</b>					
Segment assets	16,612,989	74,442,341	79,427,275	12,959,273	183,441,878
Unallocated corporate assets					5,558,545
<b>Consolidated total assets</b>					<b>189,000,423</b>
<b>Other information</b>					
Segment liabilities	1,053,775	28,809,958	40,960,083	-	70,823,816
Unallocated corporate liabilities					1,611,025
<b>Consolidated total liabilities</b>					<b>72,434,841</b>
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 receivable	-	-	(127,133)	-	(127,133)

**Geographical information**

The Group's Electronic Manufacturing Service ("EMS") business is derived mainly from three geographical areas. About 94% (2024: 98%) 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.

**NOTES TO THE FINANCIAL STATEMENTS**

Cont'd

**31. SEGMENT INFORMATION (CONTINUED)****Geographical information (Continued)**

	Revenue		Non-current assets	
	2025	2024	2025	2024
	RM	RM	RM	RM
Malaysia**	99,028,583	70,094,753	48,414,228	48,498,878
Asia (excluding Malaysia)	77,647,441	70,576,529	99,673	146,388
United States of America	11,393,435	11,983,027	-	-
Europe	48,808,596	44,623,215	-	-
Oceania	4,300,813	3,483,056	-	-
Middle East	1,986,772	983,422	-	-
	243,165,640	201,744,002	48,513,901	48,645,266

\*\* Includes RM92,851,828 (2024: RM68,260,217) from Cloud business.

**Information about major customer in EMS business**

The Group has 2 (2024: 2) major international customer contributing more than 27% (2024: 29%) of the Group revenue which amounted to RM66,813,198 (2024: RM58,633,356).

**32. 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 2025 and 31 December 2024.

The Group and the Company do not have any borrowings as at the financial years ended 31 December 2025 and 31 December 2024. 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.

## 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 114 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 2025 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 2026

## **STATUTORY DECLARATION**

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

I, **LIM SOH CHOON**, 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 114 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.

.....  
**LIM SOH CHOON**  
(MIA Membership No.: 48687)

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the state of Selangor Darul Ehsan on 17 April 2026.

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 2025 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 114.

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 2025, 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"), as applicable to audits of financial statements of public interest entities 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

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

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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.

# 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)

### Key Audit Matters (Continued)

#### Company

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

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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.

#### **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.

# 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 (Continued)

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.

### 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 2026

**LIST OF PROPERTIES**

AS AT 31 DECEMBER 2025

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 31/12/2025 (RM '000)
66, Jalan SS 22/21 Damansara Jaya 47400 Petaling Jaya Selangor	4-storey shoplot: Office	Freehold	36	6,000	4.7.2006	1,720
68, Jalan SS 22/21 Damansara Jaya 47400 Petaling Jaya Selangor	4-storey shoplot: Office	Freehold	36	6,000	4.7.2006	1,720
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	36	45,000	9.8.2007	2,831
19, Lengkok Rishah 1 Kawasan Perindustrian Silibin 30100 Ipoh Perak	Single storey detached factory	Leasehold – 60 years expiring in 2084	36	10,721	21.8.2020	599
Lot 128249 Lengkok Rishah 1 Kawasan Perindustrian Silibin 30100 Ipoh Perak	Single storey detached factory	Leasehold – 60 years expiring in 2084	36	10,721	21.8.2020	599
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	740
Block I-7-5 Setiawalk Persiaran Wawasan Pusat Bandar Puchong 47160 Puchong Selangor	Multi-storey retail-office lot	Freehold	15	2,457	9.5.2014	942
3, Jalan PJU 1A/35 Ara Damansara 47301, Petaling Jaya Selangor	2-storey detached house	Freehold	17	8,450	7.4.2021	4,344
68, Lengkok Rishah 2 Kawasan Perindustrian Silibin 30100 Ipoh Perak	2-storey detached factory cum office	Leasehold – 60 years expiring in 2084	10	11,216	6.2.2025	2,947

## ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

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 31 MARCH 2026

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	181	1.61	7,489	0.00
100 to 1,000	895	7.95	510,295	0.06
1,001 to 10,000	4,365	38.79	26,828,788	3.22
10,001 to 100,000	4,889	43.45	178,810,681	21.49
100,001 to less than 5% of issued shares	920	8.18	436,593,912	52.47
5% and above of issued shares	2	0.02	189,255,763	22.75
<b>Total</b>	<b>11,252</b>	<b>100.00</b>	<b>832,006,928</b>	<b>100.00</b>

### DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2026

Name	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
Lim Beng Fook	126,772,273	15.24	-	-
Lim Soon Seng	108,618,078	13.05	-	-
Bjørn Bråten	29,604,632	3.56	-	-
Azlam Shah bin Alias	-	-	-	-
Ka Yen Chee	-	-	-	-
Liew Li Choo	-	-	-	-

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 31 MARCH 2026

Name	DIRECT		INDIRECT	
	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 31 MARCH 2026

Cont'd

**LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MARCH 2026**

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	29,604,632	3.56
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. <i>Exempt An For CGS International Securities Singapore Pte. Ltd. (Retail Clients)</i>	5,303,920	0.64
7	Lee Quee Siong	4,357,300	0.52
8	Lam Khuan Ying	4,113,700	0.49
9	Lim Moi Moi	3,805,600	0.46
10	Liew Thau Sen	3,550,000	0.43
11	Ooi Leh Hong	3,246,220	0.39
12	Ng Chin Heng	3,000,000	0.36
13	Tey Kim Lay	2,963,000	0.36
14	New Jen Kok @ Nio Jen Kok	2,961,600	0.36
15	UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An For UOB Kay Hian (Hong Kong) Limited (A/C Clients)</i>	2,921,300	0.35
16	Lim Weng Hoov	2,656,000	0.32
17	Kan Choon Chay	2,580,000	0.31
18	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Khoon Beng (E-Klg)</i>	2,510,000	0.30
19	Wong Ah Yong	2,420,000	0.29
20	Maybank Nominees (Tempatan) Sdn Bhd <i>Cheng Chee Wai</i>	2,332,000	0.28
21	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee San Meng (024)</i>	2,329,200	0.28
22	Ong Seng Kee	2,050,000	0.25
23	Eugene Ang Choon Kit	2,000,000	0.24
24	Lee Tick Wah	2,000,000	0.24
25	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leong Siak Wing</i>	2,000,000	0.24
26	Lim Mau Wah	1,868,000	0.22
27	Moomoo Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Low Chee Lik</i>	1,850,000	0.22
28	Law Chin Chiang	1,830,700	0.22
29	Goo Kok Khian	1,800,025	0.22
30	Leong Kom Siang	1,800,000	0.22

## ANALYSIS OF WARRANTHOLDINGS

AS AT 31 MARCH 2026

### ANALYSIS BY SIZE OF WARRANTHOLDINGS AS AT 31 MARCH 2026

Size of Shareholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	1,037	10.21	41,820	0.02
100 to 1,000	1,879	18.49	983,647	0.47
1,001 to 10,000	5,391	53.06	20,899,084	10.05
10,001 to 100,000	1,629	16.03	44,614,396	21.45
100,001 to less than 5% of issued shares	223	2.19	94,148,822	45.26
5% and above of issued shares	2	0.02	47,313,940	22.75
<b>Total</b>	<b>10,161</b>	<b>100.00</b>	<b>208,001,709</b>	<b>100.00</b>

### DIRECTORS' WARRANTHOLDINGS AS AT 31 MARCH 2026

Name	DIRECT		INDIRECT	
	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	-	-
Azlam Shah bin Alias	-	-	-	-
Ka Yen Chee	-	-	-	-
Liew Li Choo	-	-	-	-

### SUBSTANTIAL WARRANTHOLDERS' SHAREHOLDINGS AS AT 31 MARCH 2026

Name	DIRECT		INDIRECT	
	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 31 MARCH 2026

Cont'd

**LIST OF THIRTY (30) LARGEST WARRANTHOLDERS AS AT 31 MARCH 2026**

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	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Cheng Wai Kit (E-MLB)</i>	2,773,800	1.33
7	Maybank Nominees (Tempatan) Sdn Bhd <i>Margaret Lim Jo Ee</i>	2,441,900	1.17
8	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leong Siak Wing</i>	2,000,000	0.96
9	Loh Choon Li	1,756,800	0.85
10	Yong Loy Huat	1,700,000	0.82
11	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tam Yoke Chen (E-BPJ)</i>	1,534,000	0.74
12	Moomoo Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Margaret Lim Jo Ee</i>	1,530,000	0.74
13	Lim Chi Ken	1,500,000	0.72
14	Moomoo Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lim Han Leong</i>	1,397,025	0.67
15	Maybank Nominees (Tempatan) Sdn Bhd <i>Cheng Chee Wai</i>	1,391,000	0.67
16	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yoong Sin Kuen (MY1568)</i>	1,213,200	0.58
17	Ong Seng Kee	1,200,000	0.58
18	CGS International Nominees Malaysia (Asing) Sdn. Bhd. <i>Exempt An For CGS International Securities Singapore Pte. Ltd. (Retail Clients)</i>	1,190,350	0.57
19	Lam Khuan Ying	1,028,425	0.49
20	Lee Yee Long	1,000,000	0.48
21	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Parlisamy A/L Muthusamy</i>	1,000,000	0.48
22	Lim Weng Hoov	954,500	0.46
23	Lim Moi Moi	951,400	0.46
24	Maybank Nominees (Tempatan) Sdn Bhd <i>Wong Chung Khet</i>	938,400	0.45
25	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Khoon Beng (E-KLG)</i>	807,500	0.39
26	Ooi Leh Hong	766,555	0.37
27	Tey Kim Lay	719,000	0.35
28	Lee Quee Siong	694,325	0.33
29	Ng Kim Fatt	639,250	0.31
30	AmSec Nominees (Tempatan) Sdn Bhd <i>Lai Foo Sin</i>	630,000	0.30

## NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Fifth Annual General Meeting (“25<sup>th</sup> AGM”) of the Company will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Tuesday, 26 May 2026 at 9.00 a.m., for the purposes of considering the following businesses:-

### AGENDA

#### ORDINARY BUSINESS

- |    |   |   |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ and Auditors’ Reports thereon.   | <i>Please refer to Explanatory Note 1</i> |
| 2. | To approve the payment of Directors’ fees to the Non-Executive Directors of up to RM260,000 from 26 May 2026 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service. | <i>Ordinary Resolution 1</i>              |
| 3. | To approve the payment of Directors’ allowances to the Non-Executive Directors of up to RM25,000 from 26 May 2026 until the next Annual General Meeting of the Company.   | <i>Ordinary Resolution 2</i>              |
| 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) Ir Edwin Lim Beng Fook  | <i>Ordinary Resolution 3</i>              |
|    | (b) Dato’ Azlam Shah Bin Alias  | <i>Ordinary Resolution 4</i>              |
| 5. | To re-elect Ms Peggy Liew Li Choo who retires in accordance with Clause 93 of the Company’s Constitution, and being eligible, offered herself for re-election.  | <i>Ordinary Resolution 5</i>              |
| 6. | 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.   | <i>Ordinary Resolution 6</i>              |

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:-

- |    |  |                              |
|----|--|------------------------------|
| 7. | <b>Renewal of Authority for Directors to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b> | <i>Ordinary Resolution 7</i> |
|----|--|------------------------------|

“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), approval be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Act to issue and allot 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, or in pursuance to offers, agreements or options to be made or granted by the Directors, 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.

# NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Cont'd

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 preemptive 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."

8. **Retention of Independent Non-Executive Director based on application of Practice 5.3 of the Malaysian Code on Corporate Governance** *Ordinary Resolution 8*

"THAT subject to passing of Ordinary Resolution 4, and based on the application of Practice 5.3 of the Malaysian Code on Corporate Governance, approval be and is hereby given for Dato' Azlam Shah Bin Alias who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 2 February 2017, to be retained as an Independent Non-Executive Director of the Company."

9. **Any Other Business**

To transact any other business of the Company of which due notice shall have been 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

27 April 2026

**NOTES:-**

**1. PROXY**

- (i) A member of the Company who is entitled to attend and vote at a general meeting of the Company, 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 initialled by the member.
- (v) 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 25<sup>th</sup> 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).

# NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Cont'd

## NOTES:- (CONTINUED)

### 1. PROXY (CONTINUED)

- (vi) 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 25<sup>th</sup> AGM to be voted by way of poll:-
- (a) 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
- (b) 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.com/investor/](http://www.k-one.com/investor/) for further information; or
- (c) By email  
To be sent via e-mail to either:-
- [khairul.iqam@boardroomlimited.com](mailto:khairul.iqam@boardroomlimited.com)
  - [bsr.proxy@boardroomlimited.com](mailto:bsr.proxy@boardroomlimited.com)

### 2. GENERAL MEETING RECORD OF DEPOSITORS

For the purposes of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 18 May 2026. Only members whose names appear on the Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend on his/her behalf.

## EXPLANATORY NOTES ON ORDINARY BUSINESS

### 1. Item 1 of the Agenda – Audited Financial Statements for the Financial Year Ended 31 December 2025

The Audited Financial Statements are laid at the AGM for discussion only, as a formal approval of the shareholders for the Audited Financial Statements 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 at this meeting.

### 2. Ordinary Resolutions 1 and 2 – Payment of Directors' Fees and Directors' Allowances

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. Hence, the Board seeks the shareholders' approval at this AGM for the payment of Directors' fees and allowances.

The proposed Directors' fees and allowances to the Non-Executive Directors had been reviewed by the Company's Remuneration Committee and Board of Directors. There is no monthly Directors' fees and allowances increment proposed for the period from 26 May 2026 until the next AGM of the Company as compared to the previous corresponding period.

### 3. Ordinary Resolutions 3 and 4 – Re-election of Directors pursuant to Clause 106 of the Company's Constitution

Clause 106 of the Company's Constitution provides that one-third (1/3) of the Directors shall retire at each AGM and be eligible for re-election, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire, provided that each Director shall retire from office at least once in every three (3) years.

The retiring Directors, Ir Edwin Lim Beng Fook and Dato' Azlam Shah Bin Alias are standing for re-election at this AGM. Their profiles and interest in the securities of the Company are set out in the sections of Directors' Profile and Analysis of Shareholdings of the Annual Report.

The Nomination Committee ("NC") has reviewed and is satisfied with the performance, contribution and fit and proper criteria of Ir Edwin Lim Beng Fook and Dato' Azlam Shah Bin Alias in discharging their duties and responsibilities as Directors. The Board values the contribution of Ir Edwin Lim Beng Fook, the Executive Chairman, in driving the business of the Group on the backdrop of a challenging global business environment roiled by geopolitical and tariff tensions, whilst Dato' Azlam Shah Bin Alias, an Independent Non-Executive Director, has consistently demonstrated independence and objectivity in expressing his views in Board deliberations and decision making. Based on the above, the Board supports the recommendation of the NC for their re-election as Directors and seeks the shareholders to vote in favour of the respective resolutions.

# NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Cont'd

## **EXPLANATORY NOTES ON ORDINARY BUSINESS (CONTINUED)**

### **4. Ordinary Resolutions 5 – Re-election of Director pursuant to Clause 93 of the Company's Constitution**

Clause 93 of the Company's Constitution provides that a newly appointed Director shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM.

Ms Peggy Liew Li Choo was appointed to the Board as an Independent Non-Executive Director on 6 June 2025. Accordingly, she shall retire at this AGM and being eligible, offers herself for re-election. Her profile and interest in the securities of the Company are set out in the sections of Directors' Profile and Analysis of Shareholdings of the Annual Report.

The NC has reviewed and is satisfied with her performance, fitness and propriety. She has consistently demonstrated independence and objectivity in expressing her views in Board deliberations and decision making. Based on the above, the Board supports the recommendation of the NC for her re-election as Director and seeks the shareholders to vote in favour of this resolution.

## **EXPLANATORY NOTES ON SPECIAL BUSINESS**

### **5. Ordinary Resolution 7 - 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 7 is a renewal of the general mandate obtained from the shareholders at the last AGM held on 28 May 2025. This Resolution if passed, will empower the Directors of the Company from the date of the 25th 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.

### **6. Ordinary Resolution 8 - 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 retain Dato' Azlam Shah Bin Alias through a Two-tier Voting Process at this AGM. The NC has assessed the independence of Dato' Azlam Shah Bin Alias as an Independent Director and is satisfied that he remains independent, continues to exercise objective judgment, and 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 result of the member's breach of warranty.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

## 1. Details of individuals who are standing for election at the 25<sup>th</sup> AGM

No new individual is seeking election as Director at the 25<sup>th</sup> AGM of the Company except the retiring Directors, namely Ir Edwin Lim Beng Fook, Dato' Azlam Shah Bin Alias and Ms Peggy Liew Li Choo, who are seeking re-election.

The profiles of Ir Edwin Lim Beng Fook, Dato' Azlam Shah Bin Alias and Ms Peggy Liew Li Choo and their interests in the securities of the Company are set out in the sections 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 25<sup>th</sup> AGM..

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**FORM OF PROXY****K-ONE TECHNOLOGY BERHAD**

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

<b>CDS Account No.</b>	
<b>No of shares held</b>	

\*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-Fifth Annual General Meeting ("25<sup>th</sup> AGM") of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Tuesday, 26 May 2026 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 RM260,000 from 26 May 2026 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 RM25,000 from 26 May 2026 until the next Annual General Meeting of the Company.	Ordinary Resolution 2		
3.	Re-election of Ir Edwin Lim Beng Fook as Director.	Ordinary Resolution 3		
4.	Re-election of Dato' Azlam Shah Bin Alias as Director.	Ordinary Resolution 4		
5.	Re-election of Ms Peggy Liew Li Choo as Director.	Ordinary Resolution 5		
6.	Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company.	Ordinary Resolution 6		
7.	Renewal of Authority for Directors to issue and allot shares.	Ordinary Resolution 7		
8.	Retention of Dato' Azlam Shah Bin Alias as Independent Non-Executive Director.	Ordinary Resolution 8		

[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 \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature of Shareholder or Common Seal

Fold this flap for sealing

**Notes:**

1. 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.
2. 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.
3. 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.
4. 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 initialled by the member.
5. 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 25<sup>th</sup> 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).
6. 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 25<sup>th</sup> 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 Company's website at [www.k-one.com/investor/](http://www.k-one.com/investor/) for further information; or

(iii) By email

To be sent via e-mail to either:-

- [khairul.iqram@boardroomlimited.com](mailto:khairul.iqram@boardroomlimited.com)
- [bsr.proxy@boardroomlimited.com](mailto:bsr.proxy@boardroomlimited.com)

**7. GENERAL MEETING RECORD OF DEPOSITORS**

For the purposes of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 18 May 2026. Only members whose names appear on the Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend on his/her behalf.

**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 25<sup>th</sup> AGM and any adjournment thereof.



**[www.k-one.com](http://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](mailto:investor@k-one.com)