K-One Technology Berhad

[Registration No. 200101004001 (539757-K)]

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2026

Condensed Consolidated Statements of Comprehensive Income
For The First Quarter Ended 31 March 2026

Figures in RM'000	3 months ended		YTD 3 months ended	
	31.3.2026 Unaudited	31.3.2025 Unaudited	31.3.2026 Unaudited	31.3.2025 Unaudited
Operating revenue	48,944	58,466	48,944	58,466
Cost of sales	(42,524)	(49,175)	(42,524)	(49,175)
Gross profit	6,420	9,291	6,420	9,291
Other income	679	294	679	294
Interest income	246	229	246	229
Operating expense	(9,903)	(8,845)	(9,903)	(8,845)
(Loss)/Profit before tax	(2,558)	969	(2,558)	969
Income tax expense	(25)	(284)	(25)	(284)
(Loss)/Profit for the period	(2,583)	685	(2,583)	685
Non-controlling interests	(24)	(15)	(24)	(15)
(Loss)/Profit after tax after Non-controlling interests	**(2,607)**	**670**	**(2,607)**	**670**

(Loss)/Profit attributable to:

Owners of the parent	(2,607)	670	(2,607)	670
Non-controlling interests	24	15	24	15
	(2,583)	685	(2,583)	685

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

Basic (LPS)/EPS	(0.31)	0.08	(0.31)	0.08
Diluted (LPS)/EPS	(0.31)	0.08	(0.31)	0.08

Condensed Consolidated Statements of Comprehensive Income
For The First Quarter Ended 31 March 2026 (Cont'd)

Figures in RM'000	3 months ended		YTD 3 months ended	
	31.3.2026 Unaudited	31.3.2025 Unaudited	31.3.2026 Unaudited	31.3.2025 Unaudited
(Loss)/Profit for the period	(2,583)	685	(2,583)	685
Items that may be subsequently reclassified to profit:				
Foreign currency translation	(368)	(3)	(368)	(3)
Total comprehensive (loss)/income	**(2,951)**	**682**	**(2,951)**	**682**

Total comprehensive (loss)/income attributable to:

Owners of the parent	(3,005)	704	(3,005)	704
Non-controlling interests	54	(22)	54	(22)
	(2,951)	**682**	**(2,951)**	**682**

The above condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Financial Position
As At 31 March 2026

Figures in RM'000	Unaudited 31.3.2026	Audited 31.12.2025
ASSETS		
Non-Current Assets		
Property, plant and equipment	19,144	18,999
Intangible assets	2,489	2,495
Goodwill on consolidation	22,676	22,676
Investment property	4,320	4,344
Deferred tax assets	4,130	4,056
Total Non-Current Assets	52,759	52,570
Current Assets		
Inventories	27,957	26,957
Trade receivables	44,587	46,953
Other receivables	9,191	9,026
Contract assets	7,421	7,234
Tax recoverable	378	276
Short-term cash investment	5,803	5,768
Cash and bank balances	41,352	45,357
Total Current Assets	136,689	141,571
TOTAL ASSETS	**189,448**	**194,141**

EQUITY AND LIABILITIES		
Equity		
Share capital	123,644	123,644
Reserves	(937)	(539)
Non-controlling interests	2,601	2,547
Accumulated losses	(10,775)	(8,168)
Total Equity	**114,533**	**117,484**

Condensed Consolidated Statements of Financial Position
As At 31 March 2025 (Cont'd)

Figures in RM'000	Unaudited 31.3.2026	Audited 31.12.2025
EQUITY AND LIABILITIES (Cont'd)		
Non-Current Liabilities		
Deferred income	205	297
Lease liabilities	-	-
Total Non-Current Liabilities	205	297
Current Liabilities		
Trade payables	42,923	43,431
Other payables and accruals	13,313	12,685
Contract liabilities	17,466	18,540
Current tax liabilities	475	1,112
Deferred income	371	371
Lease liabilities	162	221
Total Current Liabilities	74,710	76,360
Total Liabilities	74,915	76,657
TOTAL EQUITY AND LIABILITIES	**189,448**	**194,141**
Net assets per share attributable to owners of the parent (sen)	**13.77**	**14.12**

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity
For The First Quarter Ended 31 March 2026

	<----------	Attributable to Owners of the Parent		---------->		Non-controlling Interests	Total Equity
	<······	*Non-distributable*	······>	*Distributable*			
Figures in RM'000	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Retained Earnings	Sub-Total		
At 1 January 2026	123,644	(539)	-	(8,168)	114,937	2,547	117,484
Comprehensive (loss)/income							
(loss)/profit for the period	-	-	-	(2,607)	(2,607)	24	(2,583)
Other comprehensive (loss)/income							
Foreign currency translation difference	-	(398)	-	-	(398)	30	(368)
Total comprehensive (loss)/income	-	(398)	-	(2,607)	(3,005)	54	(2,951)
At 31 March 2026	123,644	(937)	-	(10,775)	111,932	2,601	114,533

Condensed Consolidated Statements of Changes in Equity
For The First Quarter Ended 31 March 2026 (Cont'd)

	<------------- Attributable to Owners of the Parent				--------------------->	Non-controlling Interests	Total Equity
	<...... *Non-distributable*		......>	*Distributable*			
Figures in RM'000	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Retained Earnings	Sub-Total		
At 1 January 2025	123,644	(315)	-	(8,437)	114,892	1,674	116,566
Comprehensive income							
Profit for the period	-	-	-	670	670	15	685
Other comprehensive Income/(loss)							
Foreign currency translation difference	-	34	-	-	34	(37)	(3)
Total comprehensive income/(loss)	-	34	-	670	704	(22)	682
At 31 March 2025	123,644	(281)	-	(7,767)	115,596	1,652	117,248

The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
For The First Quarter Ended 31 March 2026

Figures in RM'000	3 months ended 31.3.2026	31.3.2025
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,558)	969
Adjustments for:		
Amortisation of intangible assets	6	4
Depreciation of property, plant and equipment	744	810
Depreciation of investment property	24	24
Fair value gain on short-term cash investment	(43)	(26)
Amortisation of government grant income	(93)	(93)
Interest expense on lease liabilities	3	7
Interest income	(246)	(229)
Foreign exchange (gain)/loss – unrealised	(362)	276
Operating (loss)/profit before working capital changes	(2,525)	1,742
Changes in working capital:		
Inventories	(1,000)	(1,469)
Receivables	2,376	(2,385)
Payables	(954)	1,480
Net cash used in operations	(2,103)	(632)
Tax paid	(691)	(408)
Interest received	246	229
Net cash used in operating activities	**(2,548)**	**(811)**
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption of short-term cash investment	8	-
Withdrawal of deposits with licensed bank	2,330	1,548
Purchase of property, plant and equipment	(889)	(3,130)
Net cash generated from/(used in) investing activities	**1,449**	**(1,582)**
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on lease liabilities	(3)	(7)
Payment of lease liabilities	(59)	(55)
Net cash used in financing activities	**(62)**	**(62)**

Condensed Consolidated Statements of Cash Flows For The First Quarter Ended 31 March 2026 (Cont'd)

Figure in RM'000	3 months ended 31.3.2026	3 months ended 31.3.2025
Net decrease in cash and cash equivalents	(1,161)	(2,455)
Effect of exchange rate changes	(483)	(679)
Cash and cash equivalents at beginning of the financial year	25,606	25,336
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**23,962**	**22,202**

COMPOSITION OF CASH AND CASH EQUIVALENTS

Figure in RM'000	3 months ended 31.3.2026	3 months ended 31.3.2025
Cash and bank balances	23,962	22,202
Deposit placed with licensed banks	17,390	21,115
	41,352	43,317
Less: Non short-term fixed deposits	(17,390)	(21,115)
	23,962	**22,202**

The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

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

1. BASIS OF PREPARATION

The interim financial statements are unaudited and has been prepared in accordance with MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) for the ACE Market and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December2025.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2025, except for the following Malaysian Financial Reporting Standards (MFRSs) and IC Interpretations (IC Int):

New/Amendments to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MRFS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
MFRS 107	Statement of Cash Flows
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 128	Investments in Associates and Joint Ventures

The adoption of the above applicable new MFRSs and amendments is not expected to have a material impact on the financial statements of the Group upon initial application.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The K-One Group's Electronics Manufacturing Services (EMS) business is predominantly export-oriented (95.7% export in 1Q'26; 97.2% export in 1Q'25) and is subject to seasonal fluctuations. Business in the second half of the year is normally stronger than the first half due to surge in demand attributed mainly to the consumer electronics market in conjunction with Christmas and New Year seasons overseas.

Revenue contribution from the Cloud Computing (Cloud) business is mainly derived from Malaysia with growing contributions from Singapore, Indonesia and Vietnam. Cloud revenue is not subject to any obvious seasonality although it tends to be weighted towards the second half of the year.

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

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

5. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES

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

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

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

7. DIVIDENDS PAID

No dividend was paid during the quarter under review.

8. Notes to Consolidated Statement of Comprehensive Income

Figures in RM'000	3 months ended		YTD 3 months ended	
	31.3.2026	31.3.2025	31.3.2026	31.3.2025
Amortisation of intangible assets	(6)	(4)	(6)	(4)
Depreciation of:				
- property, plant and equipment	(744)	(810)	(744)	(810)
- investment property	(24)	(24)	(24)	(24)
Foreign exchange (loss)/gain				
- realised	(440)	147	(440)	147
- unrealised	362	(276)	362	(276)
Fair value gain on short-term cash investment	43	26	43	26
Amortisation of government grant income	93	93	93	93
Interest income	246	229	246	229
Interest expense on lease liabilities	(3)	(7)	(3)	(7)

9. SEGMENT INFORMATION

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

(a) Contribution by Activities

	Research, D&D and Sales	Manu-facturing	Cloud	Invest-ment Holding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
External sales	187	15,128	33,629	-	48,944
Internal sales	-	-	-	-	-
Total operating sales	187	15,128	33,629	-	48,944
Others and interest income	54	494	239	138	925
Total sales and other income	241	15,622	33,868	138	49,869
Results					
Segment results	(43)	(2,749)	236	(2)	(2,558)
Finance costs	-	-	-	-	-
Income tax expense	-	-	(25)	-	(25)
Loss after tax before non-controlling interests	(43)	(2,749)	211	(2)	(2,583)
Non-controlling interests	-	-	(24)	-	(24)
Loss after tax after non-controlling interests	**(43)**	**(2,749)**	**187**	**(2)**	**(2,607)**
Other information					
Segment assets	40,235	77,654	60,314	6,737	184,940
Unallocated assets					4,508
Total assets					**189,448**
Segment liabilities	3,463	29,783	41,184	8	74,438
Unallocated liabilities					477
Total liabilities					**74,915**

9. SEGMENT INFORMATION (Cont'd)

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

The geographical sales breakdown is as follows:

	3 months ended 31.3.2026		
	EMS RM'000	Cloud RM'000	Total RM'000
Malaysia	666	22,076	22,742
Asia (excluding Malaysia)	3,999	11,421	15,420
Europe	7,218	3	7,221
US	2,781	24	2,805
Oceania	414	105	519
Middle East	237	-	237
	15,315	33,629	48,944

	3 months ended 31.3.2025		
	EMS RM'000	Cloud RM'000	Total RM'000
Malaysia	743	23,122	23,865
Asia (excluding Malaysia)	7,589	8,972	16,561
Europe	14,064	45	14,109
US	2,049	5	2,054
Oceania	854	5	859
Middle East	918	100	1,018
	26,217	32,249	58,466

Note: 1) The EMS business is 95.7% (1Q'25: 97.2%) derived from the export markets with the balance of 4.3% (1Q'25: 2.8%) from the local (Malaysian) market.

2) The Cloud business is 34.4% (1Q'25: 28.3%) derived from the overseas markets with the balance of 65.6% (1Q'25: 71.1%) derived from the local (Malaysian) market.

(c) Sales to Major Customers

For the 3 months ended 31 March 2026, three (3) major international customers contributed more than 10% of the Group's revenue.

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial quarter ended 31 March 2026.

12. CONTINGENT ASSETS & LIABILITIES

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

	RM'000
K-One Industry Sdn Bhd	20,576

13. CAPITAL COMMITMENTS

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

14. SUBSEQUENT EVENT

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

15. PERFORMANCE REVIEW

(a) Current quarter compared to the corresponding quarter of last year (1Q'26 vs 1Q'25)

For the first quarter ended 31 March 2026, the K-One Group recorded sales revenue of RM48.9 million, representing a decrease of 16% as compared with RM58.5 million in the corresponding quarter last year. The K-One Group's overall performance during the quarter was adversely affected by a softer demand environment in the EMS business, amid continued global economic and geopolitical uncertainties. These conditions have led to a more cautious customer ordering behaviour. Notwithstanding this, the K-One Group's Cloud business continued to demonstrate resilience, with sales growth supported by its recurring income streams and ongoing new projects execution.

EMS Sales

EMS sales declined to RM15.3 million as compared with RM26.2 million in 1Q'25, denoting a decrease of 42%. The decline was mainly attributable to customers across the board adopting a more conservative procurement approach in response to prevailing macroeconomic uncertainties and geopolitical developments in the Middle East viz-a-viz the US/Israel – Iran war. In addition, certain new projects in the medical/healthcare and industrial segments experienced interrupted rollout timelines, which further impacted revenue recognition during the quarter. The K-One Group continues to actively engage with its key customers to resolve production hiccups while at the same time pursuing new business opportunities to increase order flows in the coming quarters.

Cloud Sales

Cloud sales increased to RM33.6 million from RM32.3 million in the corresponding quarter last year, marking a 4% year-on-year growth, mainly contributed by continued demand from ongoing projects and recurring subscription income. The Cloud business has signed up numerous new customers and a specific large AI project which are awaiting to be streamed in the months ahead. The much awaited AWS's Strategic Collaboration program was inked in March'26 paving way for its impending stronger support through incentives in converting potential new Cloud business opportunities to actual orders.

Earnings

The K-One Group recorded a net loss of RM2.6 million in the current quarter as compared to a profit of RM0.7 million in the corresponding quarter last year.

The EMS business posted a loss of RM2.8 million as compared with a marginal profit of RM0.02 million in 1Q'25. The performance was largely in line with the lower revenue base, which resulted in reduced capacity utilisation and under-absorption of fixed operating costs.

15. PERFORMANCE REVIEW (Cont'd)

(a) Current quarter compared to the corresponding quarter of last year (1Q'26 vs 1Q'25) (Cont'd)

The Cloud business recorded a profit of RM0.2 million as compared to a profit of RM0.7 million in the corresponding quarter last year, mainly attributable to increased operating expenses to support further business growth. Notwithstanding this, the underlying financial performance of the Cloud business is stable, supported by recurring income and ongoing new projects delivery.

(b) Current quarter versus the preceding quarter (1Q'26 vs 4Q'25)

The K-One Group's sales revenue decreased by 23% to RM48.9 million as compared with RM63.6 million in 4Q'25. The decline was mainly due to sales in the EMS business dipping far more than normal after its cyclical peak in the last quarter of the year in view of the prevailing global economic and geopolitical uncertainties and delayed launch of fresh projects with new customers.

EMS Sales

EMS sales decreased by 45% to RM15.3 million, from RM27.8 million in 4Q'25. The decrease was primarily due to reduced customer orders and continued cautious demand sentiment, as customers adjusted their inventory and procurement strategies in response to global market uncertainties. The K-One Group remains focused on strengthening its order pipeline and improving capacity utilisation in the EMS business.

Cloud Sales

Cloud sales was holding fairly sturdy at RM33.6 million as compared with RM35.8 million in 4Q'25. The marginal slight was mainly attributable to softer contribution from the overseas operations, as well as timing differences in projects execution. Nevertheless, the Cloud business continued to maintain a stable revenue base, underpinned by recurring income streams. The Strategic Collaboration program signed with AWS in March'26 is expected to boost new business development as the months unfold.

Earnings

The K-One Group recorded a net loss of RM2.6 million as compared with a loss of RM0.2 million in 4Q'25. The higher loss was mainly attributable to the weaker than expected EMS business after its cyclical peak in 4Q'25.

15. PERFORMANCE REVIEW (Cont'd)

(b) Current quarter versus the preceding quarter (1Q'26 vs 4Q'25) (Cont'd)

The EMS business registered a loss of RM2.8 million as compared with a loss of RM1.2 million in 4Q'25, due mainly to lower sales volume, which led to reduced operating leverage and under-absorption of fixed operating costs.

The Cloud business posted a profit of RM0.2 million as compared to a profit of RM1.0 million in 4Q'25, due to lower revenue contribution during the quarter, resulting in a temporary moderation in operating margins.

16. COMMENTARY ON PROSPECTS AND TARGETS

The K-One Group commenced the financial year against a persistently challenging global macroeconomic backdrop, characterised by the elevated US/Israel – Iran war leading to instability in the Middle East and sustained volatility in the global energy market. These developments have contributed to continued fuel cost pressures, logistics inefficiencies and intermittent disruptions across global supply chains, thereby weighing on international trade flows and global business sentiment.

The K-One Group recorded a softer performance for the first quarter ended 31 March 2026, primarily attributable to a stronger contraction than normal following its cyclical peak during year end in the EMS business due to factors as explained earlier. On the contrary, the Cloud business scaled moderately to cope with increasing customer demand and new business opportunities. It is envisaged to remain resilient against the impact of the geopolitical conflicts in the Middle East as enterprises in Malaysia and ASEAN hasten the adoption of digital transformation to mitigate rising cost pressures.

The K-One Group is cautiously optimistic on its business outlook for the balance of the year. The underlying business fundamentals remain intact, supported by ongoing strategic initiatives across all core businesses as further elaborated in the ensuing business prospects.

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

EMS Business

1) The EMS business is poised for a progressive recovery in the short term as it has secured significant orders of medical/healthcare devices and industrial packaging equipment subsequent to the close of 1Q'26 for quick turnaround deliveries. Additionally, the supply of ancillary equipment for use in data centers is anticipated to ramp up with the proliferation of data centers worldwide to cope with the spike in demand for Artificial Intelligence (AI).

2) The solar energy industry presents immense business potential, especially under current circumstances when fossil fuel supply is disrupted in view of the Middle East crisis. With past experience in developing and manufacturing solar energy ancillary equipment, it is expected to secure a large transaction for manufacture and supply of such solar panel ancillary equipment to a new major customer in the near-term.

3) As a recap, the EMS business has always been export oriented with more than 90% on average derived from overseas markets since its inception. Since the end of last year, it has re-calibrated its sales strategy to go after EMS business from multinationals and conglomerates based locally in Malaysia which may present promising business potential.

4) While much efforts are focused on increasing sales, it is complemented by disciplined and ongoing cost rationalisation efforts through active supplier negotiations, coupled with rigorous cost optimisation measures across operations aimed at strengthening margin resilience, improving cost efficiency, and enhancing the overall quality of earnings. Concurrently, it has taken steps to increase prices to existing customers to mitigate the cost increase of raw materials, especially those related to petroleum products.

Cloud Business

1) The Cloud business is expected to continue its growth momentum at an accelerated speed with the implementation of AWS's Strategic Collaboration program (SCP) on the Cloud business's entities (G-AsiaPacific Sdn Bhd (GAP) and subsidiaries) effective 2Q'26. Looking ahead, this SCP would provide the necessary incentives to spur high value sales by bringing on board enterprise customers and public sector clients in the ASEAN region which GAP operates.

2) The recent clinching of a prestigious large AI project from a highly reputable customer is expected to generate substantial sales revenue in the year(s) ahead. It will also serve as a good reference site to open the doors to acquire similar AI projects in the financial services industry which are of significant value.

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

Cloud Business (Cont'd)

3) GAP has for a 4th time won the AWS Partner of the Year (Malaysia) 2026 Award, following wins in 2019, 2021 and 2024. No other AWS Partner in Malaysia has achieved this milestone, cementing GAP as the nation's most accomplished Cloud service provider. Beyond the award, it continues to raise the bar in technical excellence by holding seven AWS Golden Jackets regionally, the highest number among all AWS Partners in Malaysia. The AWS Golden Jacket is a rare and coveted distinction awarded by AWS to individuals who demonstrate exceptional delivery capabilities, deep technical expertise and outstanding contributions to customer success. These recent accolades will further enhance GAP's solid credentials, thus facilitating the selling process and making it easier for potential customers to choose GAP as the preferred Cloud partner.

4) On the human resource front, GAP has been awarded the AWS Partner Network Strategic Talent Alliance 2026. Its human resource team underwent six months of training by AWS on hiring best practices, interview standards, performance reviews, employer branding and talent insights aligned with Amazon's Proven Mechanisms. This prepared it in beefing up GAP's team and hiring the "best" for the setting up of the Cloud Center of Excellence (CCOE) which is a non-negotiable pillar of the AWS MSP Program and Partner Transformation Program respectively which GAP is certified in both of these Programs, on top of its Premier Tier Partner status. The establishment of the CCOE would shift the business from a traditional "reseller" model to a high-value "consultative" model. It is another differentiating factor that would help GAP to retain existing major customers and also capture more high-value enterprise customers moving forward.

Healthcare Business

1) The Healthcare business's Diversey hygiene-care products are experiencing increasing adoption across hospitals, elderly-care centres, hospitality establishments and the F&B sector. Concurrently, the Group is enhancing its market reach through a balanced distribution strategy spanning institutional channels and digital platforms, including direct sales via Shopee. This expanded accessibility is expected to further broaden customer reach, elevate brand visibility and capitalise on the growing emphasis on hygiene and sanitation standards.

2) The collaboration with Mindray to distribute Automated External Defibrillators (AEDs) continues to gain traction across manufacturing, public amenities and retail sectors, including expanding participation within the non-hospital public sector. In addition to direct sales initiatives, the website at *https://wellkaire.com/* serves as a dedicated platform providing product information, training resources and after-sales support to customers. With anticipated regulatory requirements for AED installations in public spaces expected in 2026, the Group is well-positioned to respond to emerging opportunities. Ongoing initiatives, including staff CPR certification and participation in healthcare exhibitions, continue to reinforce customer confidence, enhance brand visibility and consolidate the K-One Group's presence in emergency response and the wellness solutions markets.

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

3) The Healthcare business is assessing to broaden its product offerings across emergency, critical care and hospital applications, strengthening its capabilities and credibility within the medical technology space. It is actively exploring strategic collaborations with reputable principals, with targeted product rollouts anticipated in the subsequent quarters of 2026, thereby unlocking additional growth avenues and reinforcing its long-term positioning within the healthcare ecosystem.

Overall, while near-term headwinds persist, the K-One Group remains cautiously optimistic that the established business model, ongoing strategic initiatives and resilient operational framework will support business growth in the year ahead. The K-One Group continues to maintain a healthy balance sheet and a strong cash position of RM47.2 million with no borrowings, providing financial flexibility to navigate uncertainties while pursuing growth opportunities.

17. INTANGIBLE ASSETS

Figures in RM'000	Ventilator Development	Software Development	Total
Cost			
At 1 January 2026/31 March 2026	3,659	388	4,047
Accumulated amortisation			
At 1 January 2026	1,226	326	1,552
Amortisation charged	-	6	6
At 31 March 2026	1,226	332	1,558
Net carrying value			
At 31 March 2026	2,433	56	2,489

Figures in RM'000	Ventilator Development	Software Development	Total
Cost			
At 1 January 2025/31 March 2025	3,659	337	3,996
Accumulated amortisation			
At 1 January 2025	-	304	304
Amortisation charged	-	4	4
At 31 March 2025	-	308	308
Net carrying value			
At 31 March 2025	3,659	29	3,688

18. INCOME TAX EXPENSE

	3 months ended		YTD 3 months ended	
	31.3.2026	31.3.2025	31.3.2026	31.3.2025
	RM'000	RM'000	RM'000	RM'000
Current corporate tax expense	25	284	25	284
Total Income Tax Expense	25	284	25	284

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

19. PURCHASES OR SALES OF UNQUOTED SECURITIES AND PROPERTIES

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

20. QUOTED SECURITIES

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

21. CORPORATE PROPOSALS

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

Establishment of Joint Venture

On 16 March 2026, K-One Venture Sdn Bhd (K-One Venture), a wholly-owned subsidiary of the Group, entered into a joint venture arrangement in AI Robomac Sdn Bhd (AI Robomac) following the execution of a Shareholders' Agreement. K-One Venture holds a 45% equity interest in AI Robomac, with 10% reserved as trust shares for future strategic stakeholders. The joint venture is expected to strengthen the Group's presence in AI-driven robotics and automation solutions.

22. BORROWINGS AND DEBTS SECURITIES

The Group has neither any secured nor unsecured borrowings as at 31 March 2026.

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

24. CHANGES IN MATERIAL LITIGATION

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

25. PROPOSED DIVIDEND

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

26. EARNINGS PER SHARE

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

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

Basic/Diluted earnings per share

	3 months ended		YTD 3 months ended	
	31.3.2026	31.3.2025	31.3.2026	31.3.2025
(Loss)/Profit attributable to equity holders of the parent (RM’000)	(2,607)	670	(2,607)	670
Weighted average number of ordinary shares in issue (‘000)	832,007	832,007	832,007	832,007
Basic/Diluted (loss)/earnings per ordinary share (sen)	(0.31)	0.08	(0.31)	0.08

27. AUTHORIZED FOR ISSUE

The interim financial statements are authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 26 May 2026.

BY ORDER OF THE BOARD

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

26 May 2026