Highlight

K-One to sell cloud arm to Japan's ITOCHU for RM94 mil, plans special dividend

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K-One Technology Bhd is disposing of its cloud business arm G-AsiaPacific Sdn Bhd (GAP) to Tokyo-listed ITOCHU Corp and its Singapore unit ITOCHU Singapore Pte Ltd for RM94 million.

KUALA LUMPUR (Aug 4): K-One Technology Bhd (KL:K1) is disposing of its cloud business arm G-AsiaPacific Sdn Bhd (GAP) to Tokyo-listed ITOCHU Corp and its Singapore unit ITOCHU Singapore Pte Ltd for RM94 million, as the company seeks to unlock the value of its investment.

In a Bursa Malaysia filing on Tuesday, the technology solutions provider said its wholly owned subsidiary K2 Meta Sdn Bhd had entered into a conditional share purchase agreement with the two purchasers for the disposal of its entire stake in GAP.

Under the agreement, ITOCHU Corp will acquire a 40% stake in GAP, while ITOCHU Singapore will acquire the remaining 60%.

GAP is an information and communication technology (ICT) solutions provider involved in advanced cloud technology, infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS), cloud-related professional services, software development and cloud computing consultancy.

ITOCHU Singapore is involved in trading and related financing activities across machinery, metals and minerals, chemicals, general merchandise, ICT and financial businesses, as well as investment holding activities.

Meanwhile, ITOCHU Corp is engaged in seven major business divisions, namely textiles, machinery, metals and minerals, energy and chemicals, food, general products and realty, as well as ICT and financial businesses.

K-One said the proposed disposal is expected to result in a pro forma gain of RM47.6 million.

Of the RM94 million proceeds, the group intends to distribute RM75 million, or the bulk of the proceeds, as a special dividend to shareholders within one month after completion of the disposal.

The remaining proceeds will be used for working capital requirements amounting to RM15.1 million, the purchase of plant, machinery and testing equipment worth

RM1 million, and estimated expenses related to the disposal amounting to RM2.9 million.

K-One said the disposal will allow the company to monetise the value of its investment in GAP and streamline its strategic focus towards its remaining core businesses, particularly its electronics manufacturing services (EMS) business.

The group added that GAP's cloud business differs significantly from K-One's established EMS business in terms of customer base, target markets, operational characteristics, technical expertise and human resource requirements.

The proposed disposal is subject to approval from K-One shareholders at an upcoming extraordinary general meeting (EGM) and any other relevant authorities, if required.

Barring unforeseen circumstances, the transaction is expected to be completed by the fourth quarter of 2026.

Shares of K-One Technology closed half a sen or 3.6% higher at 14.5 sen on Tuesday, giving the company a market capitalisation of RM120.6 million.

Edited By Presenna Nambiar