



**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For the 3-Months Period Ended 31 December 2020**

**A NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**A1. Basis of preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

The Group has adopted merger method for the preparation of this interim financial statement.

**A2. Changes of Financial Year End**

The Group has changed the financial year end from 31 December to 31 January. The next audited financial statements shall be for a period of thirteen (13) months, made up from 1 January 2020 to 31 January 2021.

**A3. Changes in accounting policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2019 except for the newly-issued Malaysian Financial Reporting Standards ("MFRS") and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2020:

MFRS 101 and MFRS 108 :	Definition of Material (Amendments to MFRS 101 and MFRS 108)
MFRS 3 :	Definition of a Business (Amendments to MFRS 3)
MFRS 9, MFRS 139 and MFRS 7 :	Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)
Conceptual Framework :	Amendments to References to the Conceptual Framework MFRS Standards

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

**A4. Seasonal or cyclical factors**

The Group's operations are not materially affected by seasonal or cyclical factors.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

**A6. Material changes in estimates**

There were no changes in estimates that have had a material effect in the current financial quarter under review.



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**A7. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

**A8. Dividends paid**

No dividends were paid by the Company in the current financial quarter and period under review.

**A9. Segmental information**

(a) Analysis of revenue by geographical area

	<b>Current Quarter Ended 31/12/2020 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/12/2019 RM'000</b>	<b>Current Year To Date Ended 31/12/2020 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/12/2019 RM'000</b>
Singapore	49,689	14,649	136,657	71,900
Philippines	38,608	34,431	81,582	75,751
Hong Kong & Taiwan	5,042	4,968	13,297	27,784
India	2,529	4,072	13,466	17,111
SEA (1)	2,747	1,509	5,695	7,468
Others	196	9,639	582	35,487
<b>Total revenue</b>	<b>98,811</b>	<b>69,268</b>	<b>251,279</b>	<b>235,501</b>
Add: Inter-company transactions	4,549	19,329	18,110	32,381
Total revenue before eliminating inter company transaction	103,360	88,597	269,389	267,882

Note : (1) SEA represents South East Asia countries excluding Singapore and Philippines

(b) Analysis of revenue by product categories

	<b>Current Quarter Ended 31/12/2020 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/12/2019 RM'000</b>	<b>Current Year To Date Ended 31/12/2020 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/12/2019 RM'000</b>
EDM Infrastructure Technology	85,721	61,834	215,410	217,485
EDM Managed Services	13,090	7,434	35,869	18,016
<b>Total revenue</b>	<b>98,811</b>	<b>69,268</b>	<b>251,279</b>	<b>235,501</b>
Add: Inter-company Transactions	4,549	19,329	18,110	32,381
Total revenue before eliminating inter company transaction	103,360	88,597	269,389	267,882



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**A9. Segmental information (cont'd)**

(c) Analysis of segment results, assets and liabilities

	<b>EDM Infrastructure Technology RM'000</b>	<b>EDM Managed Services RM'000</b>	<b>Investment Holdings RM'000</b>	<b>Others RM'000</b>	<b>Elimination/ Adjustment RM'000</b>	<b>Total RM'000</b>
<b>As at 31.12.2020</b>						
<b>Results</b>						
Segment results	11,856	4,569	(2,522)	2,196	(588)	15,511
Share of results of associate	-	-	974	-	-	974
Interest expenses	(1,354)	(643)	(11)	-	575	(1,433)
Profit before tax expense and property, plant and equipment ("PPE") written off	10,502	3,926	(2,533)	2,196	961	15,052
PPE written off	(874)	(10,868)	-	-	-	(11,742)
Profit/(Loss) before tax expense	9,628	(6,942)	(2,533)	2,196	961	3,310
Tax expense	(1,884)	(805)	(2)	-	-	(2,691)
Profit/(Loss) after tax expense	7,744	(7,747)	(2,535)	2,196	961	619
<b>Segment assets</b>	<b>258,140</b>	<b>39,737</b>	<b>201,796</b>	<b>3,823</b>	<b>(107,410)</b>	<b>396,086</b>
<b>Segment liabilities</b>	<b>168,876</b>	<b>48,075</b>	<b>1,693</b>	<b>-</b>	<b>(64,006)</b>	<b>154,638</b>
<b>As at 31.12.2019</b>						
<b>Results</b>						
Segment results	19,042	5,556	(2,612)	4,009	(354)	25,641
Share of results of associate	-	-	309	-	-	309
Interest expenses	(1,145)	(1,232)	(9)	-	354	(2,032)
Profit before tax expense	17,897	4,324	(2,312)	4,009	-	23,918
Tax expense	(3,969)	(1,349)	(4)	-	-	(5,322)
Profit after tax expense	13,928	2,975	(2,316)	4,009	-	18,596
<b>Segment assets</b>	<b>223,084</b>	<b>46,698</b>	<b>199,911</b>	<b>4,126</b>	<b>(111,037)</b>	<b>362,782</b>
<b>Segment liabilities</b>	<b>151,693</b>	<b>35,349</b>	<b>19,041</b>	<b>-</b>	<b>(66,321)</b>	<b>139,762</b>

**A10. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment in the current financial quarter under review.

**A11. Material events subsequent to the end of the quarter**

Other than the Proposed Private Placement that was announced on 22 March 2021, there were no other material events subsequent to the end of the current financial quarter and period to date that have not been reflected in this interim financial report.

**A12. Changes in composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial period to-date.



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**A13. Contingent assets or liabilities**

The Directors are not aware of any contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

**A14. Capital commitments**

There were no capital commitments in the current financial quarter under review.

**A15. Significant related party transactions**

During the current financial quarter, the Directors are not aware of any related party transactions which would have a significant impact on the financial position and business of the Group.

**ADDITIONAL NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET**

**B1. Review of performance of the Group**

	3 months ended		Cumulative Quarters (YTD)	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Revenue	98,811	69,268	251,279	235,501
Profit from operations	7,794	5,706	16,485	25,950
Earnings before Interest, Tax, Depreciation and Amortisation "EBITDA" before EI	10,764	9,087	29,471	36,174
EBITDA after EI	10,658	9,087	17,729	36,174

For the current financial quarter under review, the Group's recorded revenue of RM98.811 million, an increase of 42.65% or RM29.543 million as compared to RM69.268 million in the preceding year quarter. The increase was mainly attributed to a growth in revenue from Singapore segment. Encouragingly, Profit from operations and EBITDA before EI for the current financial quarter correspondingly increased by RM2.088 million and RM1.677 million respectively.

For the financial period ended 31 December 2020, the Group's revenue increased by 6.70% or RM15.778 million from RM235.501 million (for the same period last year) to RM251.279 million. The Group reported a profit after tax of RM0.619 million as compared to RM18.596 million for financial period ended 31 December 2019. This was mainly due to a PPE written off of RM11.742 million.

Majority of the Group's revenue was mainly derived from Singapore, amounting to RM136.657 million (54.38% of total revenue), followed by Philippines which recorded RM81.582 million (32.47% of total revenue).

By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment continued to dominate the Group's revenue, amounting to RM215.410 million or 85.73% of total revenue, with EDM Managed Services making up the balance.



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**B2. Comparison with preceding quarter's results**

	3 months ended	
	31/12/2020 RM'000	30/9/2020 RM'000
Revenue	98,811	59,243
Profit from operations	7,794	5,528
Profit before tax expense	7,387	5,240
Profit for the period	5,720	4,896

Revenue in the current quarter ended 31 December 2020 of RM98.811 million is 66.79% or RM39.568 million higher than the previous quarter. The Group recorded a higher profit before tax of RM7.387 million as a result of higher revenue contribution from Singapore and Philippines.

**B3. Prospects**

During an unprecedented year, Kronologi demonstrated great agility and execution, and thrived, delivering for our customers while keeping true to our core mission. The Group will continue to execute our strategic growth plans, and we expect 2021 full year revenue growth to be high end of healthy range.

**B4. Tax expense**

	Current Quarter Ended 31/12/2020 RM'000	Preceding Corresponding Quarter Ended 31/12/2019 RM'000	Current Year To Date Ended 31/12/2020 RM'000	Preceding Corresponding Year To Date Ended 31/12/2019 RM'000
Current tax				
- current year	(2,328)	31	(3,091)	(3,124)
- in prior years	27	202	(42)	203
Deferred taxation				
- current provision	634	(2,305)	442	(2,401)
	(1,667)	(2,072)	(2,691)	(5,322)

**B5. Profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee during the current financial quarter under review.

**B6. Status of corporate proposals**

There were no corporate proposals announced by the Company during the current financial quarter under review.



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**B7. Borrowings and debt securities**

The total borrowings of the Group as at 31 December are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<b>Secured</b>			
<b>2020</b>			
Lease liabilities	4,662	4,987	9,649
Bill payable	24,758	-	24,758
	<u>29,420</u>	<u>4,987</u>	<u>34,407</u>
<b>2019</b>			
Lease liabilities	3,713	5,582	9,295
Bill payable	30,551	-	30,551
	<u>34,264</u>	<u>5,582</u>	<u>39,846</u>

The lease liabilities are secured by lessor's title to the leased assets and the bill payable is secured by Corporate Guarantee by Kronologi Asia Berhad.

The lease liabilities and bill payable are denominated in Singapore Dollars and United States Dollars respectively.

**B8. Material litigation**

The Group has not been involved in any material litigation for the financial period under review.

**B9. Dividends**

The Board of Directors has not recommended any dividends for the current financial quarter under review and the financial period-to-date.

**B10. Earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/12/2020	Preceding Corresponding Quarter Ended 31/12/2019	Current Year To Date Ended 31/12/2020	Preceding Corresponding Year To Date Ended 31/12/2019
Net profit attributable to ordinary equity holders of the Company (RM'000)	5,720	3,071	619	18,596
Weighted average number of ordinary shares in issue ('000)	515,954	459,782	515,954	459,782
Basic earnings per share ("EPS") (sen)	1.11	0.67	0.12	4.04



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**B10. Earnings per share (Cont'd)**

The diluted EPS has been calculated by dividing the Group's profit for the current quarter and financial period ended 31 December 2020 attributable to equity holders of the Company by the weighted average number of shares. The calculation is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/12/2020	Preceding Corresponding Quarter Ended 31/12/2019	Current Year To Date Ended 31/12/2020	Preceding Corresponding Year To Date Ended 31/12/2019
Net profit attributable to ordinary equity holders of the Company (RM'000)	5,720	3,071	619	18,596
Weighted average number of ordinary shares in issue as per Basic EPS ('000)				
Effect on issuance of share capital for Sandz Acquisition ('000)	-	8,098	-	8,098
Weighted average number of ordinary shares in issue ('000)	515,954	467,880	515,954	467,880
Diluted earnings per share ("EPS") (sen)	1.11	0.66	0.12	3.97

**B11. Disclosure on selected expenses/income items as required by the Listing Requirements**

Profit after tax expense is stated after charging/(crediting):-

	Current Quarter Ended 31/12/2020	Preceding Corresponding Quarter Ended 31/12/2019	Current Year To Date Ended 31/12/2020	Preceding Corresponding Year To Date Ended 31/12/2019
	RM'000	RM'000	RM'000	RM'000
Amortisation of development cost	106	101	423	404
Depreciation on property, plant and equipment	2,864	3,280	12,563	9,820
Property, plant and equipment written off	11,742	-	11,742	45
Impairment of property, plant and equipment	(11,636)	-	-	-
Realised foreign currency exchange (gain)/loss	47	-	87	236
Unrealised foreign exchange currency (gain)/loss	527	(257)	(373)	(640)
Interest income	-	(112)	(87)	(369)
Finance costs	301	563	1,433	2,032



KRONOLOGI ASIA BERHAD - Registration no. 201301037868 (1067697-K)

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**B12. Authorisation for issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 Mar 2021.

**Kronologi Asia Berhad**  
22 Mar 2021