



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Fourth (4th) Quarter Ended 31 January 2022

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 period ended 31 January 2021. 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 period ended 31 January 2021.

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

A2. Changes of Financial Year End

As announced on 29 May 2020, the Company has changed its financial year end from 31 December to 31 January. Hence, there is no preceding year corresponding quarter or period figure due to the change of its financial year end. The comparative figures for the preceding year corresponding quarter for period from 1 October 2020 to 31 December 2020 and corresponding year for 1 January 2020 to 31 January 2021 is for illustration purpose only.

The next audited financial statements shall be for a period of twelve (12) months, made up from 1 February 2021 to 31 January 2022.

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 period ended 31 January 2021 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 February 2021:-

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
• Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 9, Financial Instruments	1 January 2022
- Amendments to MFRS 16, Leases	1 January 2022
• Amendments to MFRS 101, Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above will have no significant effects on the interim financial report upon their initial application.



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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.

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2022 RM'000	Preceding Corresponding Quarter Ended 31/12/2020 RM'000	Current Year To Date Ended 31/01/2022 RM'000	Preceding Year To Date Ended 31/01/2021 RM'000
Singapore	20,508	49,689	90,426	143,088
Philippines	41,386	38,608	108,465	84,962
China	27,071	-	65,568	-
Hong Kong & Taiwan	4,924	5,042	20,445	17,115
India	1,800	2,529	13,501	13,826
SEA (1)	3,782	2,747	9,037	5,813
Others	59	196	568	691
Total revenue	99,530	98,811	308,010	265,495
Add: Inter-company transactions	22,544	4,549	58,541	19,214
Total revenue before eliminating inter company transaction	122,074	103,360	366,551	284,709

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



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A9. Segmental information (cont'd)

(b) Analysis of revenue by product categories

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2022 RM'000	Preceding Corresponding Quarter Ended 31/12/2020 RM'000	Current Year To Date Ended 31/01/2022 RM'000	Preceding Corresponding Year To Date Ended 31/01/2021 RM'000
EDM Infrastructure Technology	85,822	85,721	255,341	226,085
EDM As-A-Service *	13,708	13,090	52,669	39,410
Total revenue	99,530	98,811	308,010	265,495
Add: Inter-company Transactions	22,544	4,549	58,541	19,214
Total revenue before eliminating inter-company transaction	122,074	103,360	366,551	284,709

Note : * Formerly referred to as "EDM Managed Services"

(c) Analysis of segment results, assets and liabilities

	EDM Infrastructure Technology RM'000	EDM As-A Service RM'000	Investment Holdings RM'000	Others RM'000	Elimination/ Adjustment RM'000	Total RM'000
As at 31.01.2022						
Results						
Segment results	24,847	5,376	(5,036)	2,209	2,747	30,143
Share of results of associate	-	-	(103)	-	-	(103)
Interest expenses	(1,207)	(350)	(9)	-	138	(1,428)
Profit/(Loss) before tax expense	23,640	5,026	(5,148)	2,209	2,885	28,612
Tax expense	(3,819)	(984)	(44)	-	-	(4,847)
Profit/(Loss) after tax expense	19,821	4,042	(5,192)	2,209	2,885	23,765
Segment assets	309,057	65,380	334,574	3,399	(145,009)	567,401
Segment liabilities	192,255	52,113	52,971	-	(85,330)	212,009
As at 31.01.2021						
Results						
Segment results	12,295	5,025	(5,209)	2,179	2,093	16,383
Share of results of associate	-	-	1,057	-	-	1,057
Interest expenses	(1,431)	(693)	(13)	-	598	(1,539)
Profit before tax expense and property, plant and equipment ("PPE") written off	10,864	4,332	(4,165)	2,179	2,691	15,901
PPE written off	(871)	(10,867)	-	-	-	(11,738)
Profit/(Loss) before tax expense	9,993	(6,535)	(4,165)	2,179	2,691	4,163
Tax expense	(2,059)	(682)	(2)	-	-	(2,743)
Profit/(Loss) after tax expense	7,934	(7,217)	(4,167)	2,179	2,691	1,420
Segment assets	217,097	46,005	199,698	3,791	(95,820)	370,771
Segment liabilities	138,583	42,606	1,555	-	(54,367)	128,377



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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

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 other changes in the composition of the Group for the current quarter and financial period to-date.

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.



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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)		
	31/01/2022	31/12/2020	31/12/2019	31/01/2022	31/01/2021	31/12/2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	99,530	98,811	69,268	308,010	265,495	235,501
Profit from operations	7,992	7,688	5,706	30,040	5,702	25,950
EBITDA	12,881	10,658	9,087	47,686	19,678	36,187
Profit after tax	6,599	5,720	3,071	23,765	1,420	18,596

For the current financial quarter under review, the Group's revenue was marginally higher by 0.73% or 0.719 million compared to Q4'FPE2021. Profit from operations and EBITDA for the current financial quarter increased correspondingly by RM0.304 million and RM2.223 million respectively.

For the financial year ended 31 January 2022, the Group's revenue increased year-on-year by 16.0% or RM42.515 million from RM265.495 million to RM308.010 million. The Group reported profit after tax of RM23.765 million, an increase of RM22.345 million as compared to RM1.420 million (due to PPE written off) during the previous financial period ended 31 January 2021, and an increase of 27.80% as compared to RM18.596 million for FY2019.

For full financial year ending 31 January 2022, the majority of the Group's revenue was recognised from Singapore and Philippines, amounting to RM198.891 million (64.57% of total revenue), followed by China which recorded RM65.568 million (21.29% of total revenue).

By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment continued to dominate the Group's revenue, amounting to RM255.341 million or 82.90% of total revenue, with EDM As-A-Service making up the balance.

B2. Comparison with preceding quarter's results

	3 months ended	
	31/01/2022	31/10/2021
	RM'000	RM'000
Revenue	99,530	75,150
Profit from operations	7,992	10,103
Profit before tax expense	7,591	9,696
Profit for the period	6,599	8,043

Revenue in the current quarter ended 31 January 2022 of RM99.530 million is 32.44% or RM24.380 million higher than the previous quarter as a results of higher revenue contribution from the Philippines operations.



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B3. Prospects

The successful acquisition and integration of our China associate in FY2022 has been transformational. The enlarged Group has enabled greater operational synergies which has led to record growth in customers, revenue, and profitability. Coupled with increasing demand for our As-A-Service business by new and existing customers, Kronologi is in a position to continue accelerating our business through increased investments in our services, delivering on new and exciting cloud and hybrid services and offerings to our customers. While we take cognisance of current COVID-19 situation, we remain optimistic that these will drive the Group's growth in FY2023 and well into the digital era where "Data is the New Gold".

B4. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2022 RM'000	Preceding Corresponding Quarter Ended 31/12/2020 RM'000	Current Year To Date Ended 31/01/2022 RM'000	Preceding Corresponding Year To Date Ended 31/01/2021 RM'000
Current tax				
- current year	(1,952)	(2,328)	(4,922)	(3,409)
- in prior years	2	27	2	(24)
Deferred taxation				
- current provision	958	634	73	690
	(992)	(1,667)	(4,847)	(2,743)

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

Private Placement

On behalf of the Company's Board of Directors, TA Securities Holdings Berhad had on 22 March 2021 announced that the Company had proposed private placement of new ordinary shares, representing up to 20% of the total number of issued shares in the Company.

Bursa Malaysia Securities Berhad had vide its letter dated 31 March 2021 approved the listing of and quotation for up to 104,675,000 new ordinary shares in the Company to be issued pursuant to the said private placement.

The Company had placed out 102,445,000 and 2,230,000 new ordinary shares and completed the private placement exercise on 5 May 2021 and 7 May 2021 respectively.



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B6. Status of corporate proposals (cont'd)

The gross proceeds from the private placement amounted to RM69.326 million and the details of utilisation of proceeds raised were as follows:-

	Detail of utilisation	Proposed utilisation RM'000	Actual proceeds raised RM'000	Actual utilisation RM'000	Deviations/ Variation RM'000	Balance RM'000	Time frame for utilisation
1	Expansion of enterprise data management ("EDM") managed services (As-A-Service)	10,000	9,163	-	-	9,163	Within 24 months
2	Future business expansion	50,000	50,000	50,000	-	-	Within 24 months
3	Construction of EDM proof-of-concept and solution centre(s)	10,000	9,162	6,163	-	2,999	Within 24 months
4	Estimated expenses for the private placement exercise	1,001	1,001	1,001	-	-	Immediately
	Total	71,001	69,326	57,164	-	12,162	

B7. Borrowings and debt securities

The total borrowings of the Group as at 31 January 2022 and 31 January 2021 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
31 January 2022			
Secured			
Lease liabilities	2,713	534	3,247
Bills payable	28,359	-	28,359
	<u>31,072</u>	<u>534</u>	<u>31,606</u>
Unsecured			
Lease liabilities	3,543	8,071	11,614
Total	<u>34,615</u>	<u>8,605</u>	<u>43,220</u>
31 January 2021			
Secured			
Lease liabilities	2,670	2,551	5,221
Bills payable	28,690	-	28,690
	<u>31,360</u>	<u>2,551</u>	<u>33,911</u>
Unsecured			
Lease liabilities	2,004	2,057	4,061
Total	<u>33,364</u>	<u>4,608</u>	<u>37,972</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 bills payable are denominated in Singapore Dollars and United States Dollars respectively.



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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 31/01/2022	Preceding Corresponding Quarter Ended 31/12/2020	Current Year To Date Ended 31/01/2022	Preceding Corresponding Year To Date Ended 31/01/2021
Net profit attributable to ordinary equity holders of the Company (RM'000)	6,599	5,720	23,765	1,420
Weighted average number of ordinary shares in issue ('000)	619,655	515,954	619,655	515,954
Basic earnings per share ("EPS") (sen)	1.06	1.11	3.84	0.28

The diluted EPS has been calculated by dividing the Group's profit for the current quarter and financial period ended 31 January 2022 and 31 January 2021 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 31/01/2022	Preceding Corresponding Quarter Ended 31/12/2020	Current Year To Date Ended 31/01/2022	Preceding Corresponding Year To Date Ended 31/01/2021
Net profit attributable to ordinary equity holders of the Company (RM'000)	6,599	5,720	23,765	1,420
Weighted average number of ordinary shares in issue as per Basic EPS ('000)	619,655	515,954	619,655	515,954
Effect on issuance of share capital for Quantum China Ltd acquisition ('000)	75,000	-	75,000	-
Weighted average number of ordinary shares in issue ('000)	694,655	515,954	694,655	515,954
Diluted EPS (sen)	0.95	1.11	3.42	0.28



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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2022 RM'000	Preceding Corresponding Quarter Ended 31/12/2020 RM'000	Current Year To Date Ended 31/01/2022 RM'000	Preceding Corresponding Year To Date Ended 31/01/2021 RM'000
Amortisation of development cost	98	106	392	456
Depreciation on property, plant and equipment	4,791	2,864	17,254	13,520
Property, plant and equipment written off	-	11,742	-	11,738
Impairment on property, plant and equipment	-	(11,636)	-	-
Realised foreign currency exchange (gain)/loss	(440)	47	(998)	65
Unrealised foreign currency exchange (gain)/loss	529	527	487	(597)
Interest income	(36)	-	(230)	(88)
Finance costs	401	301	1,428	1,539

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 29 March 2022.

Kronologi Asia Berhad
 29 March 2022