



**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For the Fourth (4<sup>th</sup>) Quarter Ended 31 January 2023**

**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 January 2022. 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 January 2022.

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

**A2. 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 January 2022 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 2022:-

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

**A3. Seasonal or cyclical factors**

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

**A4. 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.



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**A5. Material changes in estimates**

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

**A6. 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.

**A7. Dividends paid**

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

**A8. Segmental information**

(a) Analysis of revenue by geographical area

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2023 RM'000	Preceding Corresponding Quarter Ended 31/01/2022 RM'000	Current Year To Date Ended 31/01/2023 RM'000	Preceding Corresponding Year To Date Ended 31/01/2022 RM'000
Singapore	33,880	20,508	106,821	90,426
China	25,794	27,071	87,179	65,568
Philippines	29,301	41,386	76,155	108,465
Hong Kong & Taiwan	5,535	4,924	16,731	20,445
India	10,426	1,800	20,440	13,501
SEA (1)	1,099	3,782	6,404	9,037
Others	94	59	508	568
<b>Total revenue</b>	<b>106,129</b>	<b>99,530</b>	<b>314,238</b>	<b>308,010</b>
Add: Inter-company transactions	16,971	22,544	71,926	58,541
Total revenue before eliminating inter company transaction	123,100	122,074	386,164	366,551

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



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**A8. Segmental information (cont'd)**

(b) Analysis of revenue by product categories

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Corresponding	Year	Corresponding
	Ended	Quarter	To Date Ended	To Date Ended
	31/01/2023	31/01/2022	31/01/2023	31/01/2022
	RM'000	RM'000	RM'000	RM'000
EDM Infrastructure Technology	84,652	85,822	248,439	255,341
EDM As-A-Service	21,477	13,708	65,799	52,669
<b>Total revenue</b>	<b>106,129</b>	<b>99,530</b>	<b>314,238</b>	<b>308,010</b>
Add: Inter-company Transactions	16,971	22,544	71,926	58,541
Total revenue before eliminating inter-company transaction	123,100	122,074	386,164	366,551

(c) Analysis of segment results, assets and liabilities

	EDM Infrastructure Technology	EDM As-A-Service	Investment Holdings	Others	Elimination/Adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 31.01.2023 Results</b>						
Segment results	27,178	7,006	(17,568)	(2,079)	17,592	32,129
Interest expenses	(2,076)	(755)	-	(8)	172	(2,667)
Profit/(Loss) before tax expense	25,102	6,251	(17,568)	(2,087)	17,764	29,462
Tax expense	(3,309)	(1,113)	-	(35)	-	(4,457)
Profit/(loss) after tax expense	21,793	5,138	(17,568)	(2,122)	17,764	25,005
<b>Segment assets</b>	<b>292,968</b>	<b>87,254</b>	<b>315,571</b>	<b>230</b>	<b>(109,124)</b>	<b>586,899</b>
<b>Segment liabilities</b>	<b>170,250</b>	<b>50,257</b>	<b>15,380</b>	<b>-</b>	<b>(66,184)</b>	<b>169,703</b>
<b>As at 31.01.2022 Results</b>						
Segment results	24,659	5,453	(5,036)	2,209	2,746	30,031
Share of results of associate	-	-	(103)	-	-	(103)
Interest expenses	(1,200)	(357)	(9)	-	138	(1,428)
Profit/(Loss) before tax expense	23,459	5,096	(5,148)	2,209	2,884	28,500
Tax expense	(3,781)	(1,022)	(44)	-	-	(4,847)
Profit/(Loss) after tax expense	19,678	4,074	(5,192)	2,209	2,884	23,653
<b>Segment assets</b>	<b>311,871</b>	<b>68,194</b>	<b>334,574</b>	<b>3,399</b>	<b>(145,009)</b>	<b>573,029</b>
<b>Segment liabilities</b>	<b>195,067</b>	<b>54,927</b>	<b>52,971</b>	<b>-</b>	<b>(85,330)</b>	<b>217,635</b>



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**A9. Valuation of property, plant and equipment**

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

**A10. 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.

**A11. 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.

**A12. 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.

**A13. Capital commitments**

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

**A14. 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**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Corresponding Quarter Ended	Current Year To Date Ended	Preceding Corresponding Quarter Ended
	31/01/2023 RM'000	31/01/2022 RM'000	31/01/2023 RM'000	31/01/2022 RM'000
Revenue	106,129	99,530	314,238	308,010
Profit from operations	14,925	7,880	32,129	29,928
EBITDA	23,834	12,769	57,624	47,574
Profit after tax	12,434	6,487	25,005	23,653

For the current financial quarter under review as compared to Q4'FY2022:-

Almost doubling of profit and EBITDA

- The Group's profit from operations grew by 89.4% to RM14.925 million.
- The Group reported a higher EBITDA of RM23.834 million, or 86.7%.

For the financial year ended 31 January 2023 as compared to the previous financial year ended 31 January 2022:-

- The Group's revenue has remained stable, with a modest growth of 2%
- The Group's EBITDA increased by 21.1% or RM10.050 million.
- Majority of the Group's revenue was recognised from Singapore, amounting to RM106.821 million (34.0% of total revenue), followed by China and Philippines which contributed 27.7% and 24.2% of total revenue respectively.
- By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment continued to dominate the Group's revenue, amounting to RM248.439 million or 79.1% of total revenue, with EDM As-A-Service making up the balance.

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

	3 months ended	
	31/01/2023 RM'000	31/10/2022 RM'000
Revenue	106,129	87,653
Profit from operations	14,925	8,305
Profit before tax expense	14,030	7,632
Profit for the period	12,434	7,254

Revenue in the current quarter ended 31 January 2023 of RM106.129 million is 21.1% or RM18.476 million higher than the previous quarter. The Group recorded a higher profit after tax of RM12.434 million or 71.4% increase as a result of higher revenue contributions from Singapore and Philippines, and unrealised foreign currency exchange gain.



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**B3. Prospects**

The Group continues to make progress on our long-term business transformation, with disciplined execution of our initiatives aimed at driving growth as well as increasing and generating shareholder values, which together we expect to be accretive to the Group's financial performance and its return to shareholders

**B4. Tax expense**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2023 RM'000	Preceding Corresponding Quarter Ended 31/01/2022 RM'000	Current Year To Date Ended 31/01/2023 RM'000	Preceding Corresponding Year To Date Ended 31/01/2022 RM'000
Current tax				
- current year	(1,381)	(1,952)	(3,684)	(4,922)
- in prior years	252	2	252	2
Deferred taxation				
- current provision	(467)	958	(1,025)	73
	<b>(1,596)</b>	<b>(992)</b>	<b>(4,457)</b>	<b>(4,847)</b>

**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:-

	<b>Detail of utilisation</b>	<b>Proposed utilisation RM'000</b>	<b>Actual proceeds raised RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Deviations/ Variation RM'000</b>	<b>Balance RM'000</b>	<b>Time frame for utilisation</b>
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	9,162	-	-	Within 24 months
4	Estimated expenses for the private placement exercise	1,001	1,001	1,001	-	-	Immediately
	<b>Total</b>	<b>71,001</b>	<b>69,326</b>	<b>69,326</b>	<b>-</b>	<b>-</b>	

**B7. Borrowings and debt securities**

The total borrowings of the Group as at 31 January 2023 and 31 January 2022 are as follows:

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>31 January 2023</b>			
<b>Secured</b>			
Lease liabilities	2,435	5,711	8,146
Bills payable	31,437	6,636	38,073
	<u>33,872</u>	<u>12,347</u>	<u>46,219</u>
<b>Unsecured</b>			
Lease liabilities	1,850	801	2,651
<b>Total</b>	<u>35,722</u>	<u>13,148</u>	<u>48,870</u>
<b>31 January 2022</b>			
<b>Secured</b>			
Lease liabilities	2,713	7,479	10,192
Bills payable	28,360	-	28,360
	<u>31,073</u>	<u>7,479</u>	<u>38,552</u>
<b>Unsecured</b>			
Lease liabilities	3,543	1,126	4,669
<b>Total</b>	<u>34,616</u>	<u>8,605</u>	<u>43,221</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 31/01/2023	Preceding Corresponding Quarter Ended 31/01/2022	Current Year To Date Ended 31/01/2023	Preceding Corresponding Year To Date Ended 31/01/2022
Net profit attributable to ordinary equity holders of the Company (RM'000)	12,434	6,487	25,005	23,653
Weighted average number of ordinary shares in issue ('000)	705,386	619,655	705,386	619,655
Basic earnings per share ("EPS") (sen)	1.76	1.05	3.54	3.82

The diluted EPS has been calculated by dividing the Group's profit for the current quarter and financial year ended 31 January 2023 and 31 January 2022 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 31/01/2023	Preceding Corresponding Quarter Ended 31/01/2022	Current Year To Date Ended 31/01/2023	Preceding Corresponding Year To Date Ended 31/01/2022
Net profit attributable to ordinary equity holders of the Company (RM'000)	12,434	6,487	25,005	23,653
Weighted average number of ordinary shares in issue as per Basic EPS ('000)	705,386	619,655	705,386	619,655
Effect on issuance of share capital for:- - Quantum China Ltd acquisition ('000)	20,000	75,000	20,000	75,000
Weighted average number of ordinary shares in issue ('000)	725,386	694,655	725,386	694,655
Diluted EPS (sen)	1.71	0.93	3.45	3.41





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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/01/2023 RM'000	Preceding Corresponding Quarter Ended 31/01/2022 RM'000	Current Year To Date Ended 31/01/2023 RM'000	Preceding Corresponding Year To Date Ended 31/01/2022 RM'000
Amortisation of development cost	3,037	98	3,344	392
Depreciation on property, plant and equipment	5,872	4,791	22,151	17,254
Realised foreign currency exchange (gain)/loss	430	(358)	(1,029)	(916)
Unrealised foreign currency exchange (gain)/loss	(3,441)	529	1,033	487
Interest income	(377)	(43)	(501)	(237)
Finance costs	895	401	2,667	1,428

**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 2023.

**Kronologi Asia Berhad**  
 29 March 2023