



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

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 2024. 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 2024.

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 2024 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 2024:-

Description	Effective for annual periods beginning on or after
• Amendments to MFSR 16, <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107, <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments</i> : Disclosure – Supplier Finance Arrangements	1 January 2024

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.

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

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	Preceding Corresponding Quarter Ended	Current Year To Date Ended	Preceding Corresponding Year To Date Ended
	31/07/2024	31/07/2023	31/07/2024	31/07/2023
	RM'000	RM'000	RM'000	RM'000
Singapore	33,680	19,331	50,677	41,762
China	10,200	27,328	22,034	49,667
Philippines	24,136	18,007	44,251	30,883
Hong Kong & Taiwan	7,120	7,153	10,345	10,176
India	4,832	4,878	9,293	6,451
SEA (1)	3,376	2,644	4,479	3,334
Others	5	265	21	365
Total revenue	83,349	79,606	141,100	142,638
Add: Inter-company transactions	27,783	11,461	41,702	22,811
Total revenue before eliminating Inter-company transaction	111,132	91,067	182,802	165,449

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

(b) Analysis of revenue by product categories

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Corresponding Quarter Ended	Current Year To Date Ended	Preceding Corresponding Year To Date Ended
	31/07/2024	31/07/2023	31/07/2024	31/07/2023
	RM'000	RM'000	RM'000	RM'000
EDM Infrastructure Technology	66,977	61,360	107,810	106,173
EDM As-A-Service	16,372	18,246	33,290	36,465
Total revenue	83,349	79,606	141,100	142,638
Add: Inter-company Transactions	27,783	11,461	41,702	22,811
Total revenue before eliminating inter-company transaction	111,132	91,067	182,802	165,449



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

A8. Segmental information (cont'd)

(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 31.07.2024						
Results						
Segment results	1,228	1,535	(377)	(11)	11	2,386
Interest income	850	54	8	-	(7)	905
Interest expenses	(1,194)	(333)	-	(2)	7	(1,522)
Profit/(Loss) before tax expense	884	1,256	(369)	(13)	11	1,769
Tax credit/(expense)	346	1,040	-	(85)	-	1,301
Profit/(loss) after tax expense	1,230	2,296	(369)	(98)	11	3,070
Segment assets	460,052	70,675	319,349	16	(236,548)	613,544
Segment liabilities	309,404	38,241	366	-	(189,327)	158,684
As at 31.07.2023						
Results						
Segment results	8,110	3,854	(1,700)	(154)	-	10,110
Interest income	841	29	3	-	-	873
Interest expenses	(1,642)	(448)	-	(4)	-	(2,094)
Profit/(Loss) before tax expense	7,309	3,435	(1,697)	(158)	-	8,889
Tax expense	(2,504)	(789)	-	(1)	-	(3,294)
Profit/(loss) after tax expense	4,805	2,646	(1,697)	(159)	-	5,595
Segment assets	332,241	64,453	319,191	87	(112,700)	603,272
Segment liabilities	172,068	53,041	2,755	-	(70,459)	157,405

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.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

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
	31/07/2024 RM'000	31/07/2023 RM'000	31/07/2024 RM'000	31/07/2023 RM'000
Revenue	83,349	79,606	141,100	142,638
Profit from operations	1,276	6,658	3,291	10,983
Profit after tax	1,627	3,044	3,070	5,595

For the current financial quarter under review, the Group recorded revenue of RM83.349 million, an increase by 4.7% or RM3.743 million Year-on-Year. For the first half financial period ended 31 July 2024 as compared to the preceding corresponding quarter, the revenue was comparable.

For the first half financial period ended 31 July 2024, profit was lower by 45.1% compared to the previous first half financial period due to lower profit margin caused by stiffer competitive business environment and a different mix of products and solutions.

Majority of the Group's revenues continue to be contributed from Singapore, China and Philippines, amounting to a total amount of RM116.962 million (82.9% of total revenue).

By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment remained the primary contributor to the Group's revenue, amounting to RM107.810 million or 76.4% of total revenue, with EDM As-A-Service making up the balance.

B2. Comparison with preceding quarter's results

	3 months ended	
	31/07/2024 RM'000	30/04/2024 RM'000
Revenue	83,349	57,751
Profit from operations	1,276	2,015
Profit before tax expense	623	1,146
Profit for the period	1,627	1,443

Revenue in the current quarter ended 31 July 2024 of RM83.349 million was 44.3% or RM25.598 million higher than the previous immediate quarter. The Group recorded profit for the period of RM1.627 million, including a reversal of deferred tax liabilities, which is an increase of 12.8% compared to Q1'FY25.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

B3. Prospects

Amid intense market competition during the second quarter, the Company's focus was on creating user values and improving operation efficiencies. Although an increase in revenue was registered, a lower margin resulted in lower profit for the quarter.

As the market stabilizes, and with cost and operations efficiency enhancements yet to fully take effect, the company anticipates an improvement in business performance in the second half of the year.

B4. Tax credit/(expense)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/07/2024 RM'000	Preceding Corresponding Quarter Ended 31/07/2023 RM'000	Current Year To Date Ended 31/07/2024 RM'000	Preceding Year To Date Ended 31/07/2023 RM'000
Current tax				
- current year	(7,623)	(1,464)	(8,526)	(2,148)
- in prior years	134	-	134	8
Deferred taxation				
- current provision	8,493	(989)	9,693	(1,154)
	<u>1,004</u>	<u>(2,453)</u>	<u>1,301</u>	<u>(3,294)</u>

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

B7. Borrowings and debt securities

The total borrowings of the Group as at 31 July 2024 and 31 July 2023 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
31 July 2024			
Secured			
Lease liabilities	3,437	5,704	9,141
Bills payable	11,294	-	11,294
	<u>14,731</u>	<u>5,704</u>	<u>20,435</u>
Unsecured			
Lease liabilities			
	2,554	19,939	22,493
Total	<u>17,285</u>	<u>25,643</u>	<u>42,928</u>
31 July 2023			
Secured			
Lease liabilities	2,703	9,044	11,747
Bills payable	17,453	4,384	21,837
	<u>20,156</u>	<u>13,428</u>	<u>33,584</u>
Unsecured			
Lease liabilities	3,187	20,856	24,043
Total	<u>23,343</u>	<u>34,284</u>	<u>57,627</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.

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 31 July 2024

B10. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/07/2024	Preceding Corresponding Quarter Ended 31/07/2023	Current Year To Date Ended 31/07/2024	Preceding Corresponding Year To Date Ended 31/07/2023
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,627	3,044	3,070	5,595
Weighted average number of ordinary shares in issue ('000)	741,995	735,238	741,995	735,238
Basic earnings per share ("EPS") (sen)	0.22	0.41	0.41	0.76

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 31/07/2024 RM'000	Preceding Corresponding Quarter Ended 31/07/2023 RM'000	Current Year To Date Ended 31/07/2024 RM'000	Preceding Corresponding Year To Date Ended 31/07/2023 RM'000
Amortisation of development cost	7	69	14	158
Depreciation on property, plant and equipment	2,987	7,673	5,993	14,727
Realised foreign currency exchange (gain)/loss	408	620	1,455	(756)
Unrealised foreign currency exchange loss	840	702	323	2,555
Interest income	(419)	(423)	(905)	(873)
Finance costs	653	1,161	1,522	2,094
Share grant expenses	-	305	-	600

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 24 September 2024.

Kronologi Asia Berhad
 24 September 2024