



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3-MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED	AUDITED
	3-MONTHS ENDED		CUMULATIVE QUARTER	
	30-Sep-2020	30-Sep-2019	30-Sep-2020	30-Sep-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	59,243	81,662	152,468	166,233
Cost of sales	(50,020)	(67,189)	(130,048)	(130,968)
Gross profit	9,223	14,473	22,420	35,265
Other operating income	664	1,404	2,830	2,661
Selling and distribution expenses	(1,320)	(3,549)	(8,602)	(9,157)
Administrative expenses	(3,636)	(3,613)	(8,882)	(8,962)
Share of results of an associate	597	212	925	437
Profit from operations	5,528	8,927	8,691	20,244
Interest expense	(288)	(462)	(1,132)	(1,469)
Profit before tax expense & extraordinary item	5,240	8,465	7,559	18,775
Extraordinary item (EI) *				
- Impairment on property, plant and equipment	-	-	(11,636)	-
Profit/(Loss) before tax expense	5,240	8,465	(4,077)	18,775
Tax expense	(344)	(1,690)	(1,024)	(3,250)
Profit/(Loss) for the period	4,896	6,775	(5,101)	15,525
Other comprehensive income				
- Foreign exchange translation from foreign operations	(2,149)	703	1,359	1,014
Total comprehensive (loss)/income	2,747	7,478	(3,742)	16,539
Profit/(Loss) attributable to :				
Equity holders of the Company	4,896	6,775	(5,101)	15,525
Minority shareholders	-	-	-	-
	4,896	6,775	(5,101)	15,525
Total comprehensive income/(loss) :				
Equity holders of the company	2,747	7,478	(3,742)	16,539
Minority shareholders	-	-	-	-
	2,747	7,478	(3,742)	16,539
Weighted average no. of ordinary shares ('000)	515,325	459,782	515,325	459,782
Earnings per share (EPS) attributable to the equity holders of the Company (sen)				
- Basic EPS/(LPS)	0.95	1.47	(0.99)	3.38
- Diluted EPS	N/A	1.47	N/A	3.36

* Extraordinary item - as per MFRS136

Note:-

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE 3-MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	UNAUDITED AS AT 30-Sep-2020 RM'000	AUDITED As At 31-Dec-2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	41,498	45,590
Goodwill on consolidation	119,995	119,590
Investment in an associate	13,870	12,928
Development costs	3,900	4,126
Other receivables	7,988	7,836
Deferred tax assets	241	503
	<u>187,492</u>	<u>190,573</u>
Current Assets		
Inventories	18,943	20,640
Trade receivables	47,027	59,856
Other receivables	31,388	27,903
Associate	12,146	6,760
Cash and bank balances	48,290	57,050
	<u>157,794</u>	<u>172,209</u>
TOTAL ASSETS	<u><u>345,286</u></u>	<u><u>362,782</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	201,121	181,851
Reserves	37,427	41,169
Total Equity	<u>238,548</u>	<u>223,020</u>
Non Current Liabilities		
Deferred revenue	10,323	11,877
Lease liabilities	6,168	5,582
Other payables	-	43
Retirement benefits obligations	1,054	938
Deferred tax liability	2,578	2,638
	<u>20,123</u>	<u>21,078</u>
Current Liabilities		
Trade payables	21,768	27,776
Other payables	17,965	31,968
Deferred revenue	18,555	22,538
Associate	-	1,307
Borrowings	22,410	30,551
Lease liabilities	4,667	3,713
Current tax liabilities	1,250	831
	<u>86,615</u>	<u>118,684</u>
Total Liabilities	106,738	139,762
TOTAL EQUITY AND LIABILITIES	<u><u>345,286</u></u>	<u><u>362,782</u></u>
Net assets per share (RM)	<u>0.46</u>	<u>0.46</u>

Note:-

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3-MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	← Non-Distributable →				Distributable	Total Equity RM'000
	Share Capital RM'000	Retirement Benefit Obligations RM'000	Foreign Exchange Fluctuation Reserve RM'000	Merger Reserve RM'000	Retained earnings RM'000	
2020						
At 1 January 2020	181,851	211	2,455	(17,406)	55,909	223,020
Foreign exchange translation	-	-	1,359	-	-	1,359
Profit for the financial period	-	-	-	-	(5,101)	(5,101)
Total comprehensive income for the financial period	-	-	1,359	-	(5,101)	(3,742)
Transaction with owners						
Issuance of share capital	19,270	-	-	-	-	19,270
At 30 September 2020	<u>201,121</u>	<u>211</u>	<u>3,814</u>	<u>(17,406)</u>	<u>50,808</u>	<u>238,548</u>
2019						
At 1 January 2019						
- As previously stated	130,601	-	3,161	(17,406)	47,164	163,520
- Effect of adoption of MFRS 16	-	-	-	-	(66)	(66)
As restated	130,601	-	3,161	(17,406)	47,098	163,454
Foreign exchange translation	-	-	1,014	-	-	1,014
Profit for the financial period	-	-	-	-	15,525	15,525
Total comprehensive income for the financial period	-	-	1,014	-	15,525	16,539
Transaction with owners						
Issuance of share capital	51,250	-	-	-	-	51,250
Dividends	-	-	-	-	(9,786)	(9,786)
Total transaction with owners	51,250	-	-	-	(9,786)	41,464
At 30 September 2019	<u>181,851</u>	<u>-</u>	<u>4,175</u>	<u>(17,406)</u>	<u>52,837</u>	<u>221,457</u>

Note:-

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3-MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	UNAUDITED CURRENT YEAR TO DATE ENDED 30-Sep-2020 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 31-Dec-2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax expense	(4,077)	23,918
Adjustments for:		
Amortisation of development cost	317	404
Depreciation of property, plant and equipment	9,699	9,820
Gain on disposal of preoperty, plant and equipment	(62)	-
Impairment on inventories	-	103
Impairment on receivables	-	23
El - Impairment on property, plant and equipment	11,636	-
Property, plant and equipment written off	-	45
Reversal of inventories write-down	-	(1,440)
Share of results of an associate	(925)	(309)
Unrealised loss/(gain) on foreign exchange differences	67	(640)
Interest income	(87)	(369)
Interest expense	1,132	2,032
Operating profit before working capital changes	17,700	33,587
Inventories	1,697	25,742
Receivables	9,267	7,307
Payables	(2,459)	(28,671)
Associate	(5,386)	(2,765)
Deferred revenue	(5,537)	5,296
Cash generated from operations	15,282	40,496
Interest received	87	369
Tax paid	(570)	(7,293)
Net cash generated from operating activities	14,799	33,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,066)	(31,081)
Proceeds from disposal of property, plant and equipment	680	2
Acquisition of subsidiary	-	268
Development cost incurred	(90)	-
Net cash used in investing activities	(11,476)	(30,811)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of share capital	520	-
Repayment of lease liabilities	(2,167)	(5,300)
Dividend paid	-	(9,785)
Interest expenses paid	(1,132)	(2,032)
Net drawdown/(Repayment) of borrowings	(8,147)	(1,265)
Net cash used in financing activities	(10,926)	(18,382)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,603)	(15,621)
Foreign exchange fluctuation reserve	(1,157)	3,230
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	57,050	69,441
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48,290	57,050
<u>Cash and cash equivalents at the end of the financial year comprises of:-</u>		
Cash and bank balances	39,442	34,113
Short term investment	8,848	10,655
Fixed deposit with a license bank	-	12,282
Cash and bank balances	48,290	57,050

Note:-

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 2020

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

	Current Quarter Ended 30/9/2020 RM'000	Preceding Corresponding Quarter Ended 30/9/2019 RM'000	Current Year To Date Ended 30/9/2020 RM'000	Preceding Corresponding Year To Date Ended 30/9/2019 RM'000
Singapore	36,990	21,952	86,968	57,251
Philippines	15,427	31,789	42,974	41,320
Hong Kong & Taiwan	1,859	4,340	8,255	22,816
India	3,806	4,203	10,937	13,039
SEA (1)	1,011	3,497	2,948	5,959
Others	150	15,881	386	25,848
Total revenue	59,243	81,662	152,468	166,233
Add: Inter-company transactions	5,102	7,091	13,561	13,052
Total revenue before eliminating inter company transaction	64,345	88,753	166,029	179,285

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

(b) Analysis of revenue by product categories

	Current Quarter Ended 30/9/2020 RM'000	Preceding Corresponding Quarter Ended 30/9/2019 RM'000	Current Year To Date Ended 30/9/2020 RM'000	Preceding Corresponding Year To Date Ended 30/9/2019 RM'000
EDM Infrastructure Technology	51,419	76,114	129,689	155,651
EDM Managed Services	7,824	5,548	22,779	10,582
Total revenue	59,243	81,662	152,468	166,233
Add: Inter-company Transactions	5,102	7,091	13,561	13,052
Total revenue before eliminating inter company transaction	64,345	88,753	166,029	179,285



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 2020

A9. Segmental information (cont'd)

(c) Analysis of segment results, assets and liabilities

	EDM Infrastructure Technology RM'000	EDM Managed Services RM'000	Investment Holdings RM'000	Others RM'000	Elimination/ Adjustment RM'000	Total RM'000
As at 30.9.2020 Results						
Segment results	4,816	3,196	1,152	-	(1,398)	7,766
Share of results of associate	-	-	925	-	-	925
Interest expenses	(1,112)	(476)	(8)	-	464	(1,132)
Profit before tax expense and impairment on property, plant and equipment ("PPE")	3,704	2,720	2,069	-	(934)	7,559
Impairment on PPE	(876)	(10,760)	-	-	-	(11,636)
(Loss)/Profit before tax expense	2,828	(8,040)	2,069	-	(934)	(4,077)
Tax expense	(639)	(385)	-	-	-	(1,024)
(Loss)/Profit after tax expense	2,189	(8,425)	2,069	-	(934)	(5,101)
Segment assets	208,184	37,201	202,228	3,900	(106,227)	345,286
Segment liabilities	122,619	44,920	1,643	-	(62,444)	106,738
As at 30.9.2019 Results						
Segment results	17,968	3,915	(1,822)	-	(254)	19,807
Share of results of associate	-	-	437	-	-	437
Interest expenses	(833)	(882)	(7)	-	253	(1,469)
Profit before tax expense	17,135	3,033	(1,392)	-	(1)	18,775
Tax expense	(2,930)	(320)	-	-	-	(3,250)
Profit after tax expense	14,205	2,713	(1,392)	-	(1)	15,525
Segment assets	225,732	49,875	58,792	4,227	68,524	407,150
Segment liabilities	208,319	10,557	19,001	-	(52,184)	185,693

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



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 2020**

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)	
	30/9/2020 RM'000	30/9/2019 RM'000	30/9/2020 RM'000	30/9/2019 RM'000
Revenue	59,243	81,662	152,468	166,233
Profit from operations	5,528	8,927	8,691	20,244
Earnings before Interest, Tax, Depreciation and Amortisation "EBITDA" before EI	8,701	11,014	18,707	25,733
EBITDA after EI	8,701	11,014	7,071	25,733

For the current financial quarter under review, the Group's recorded revenue of RM59.243 million, a decrease of 27.45% or RM22.419 million as compared to RM81.662 million in the preceding year quarter. The decrease was mainly attributed to a reduction in revenue from EDM Infrastructure Technology segment resulting from the onset of the COVID-19 global pandemic. Profit from operations and EBITDA for the current financial quarter correspondingly decreased by RM3.399 million and RM2.313 million respectively.

For the financial period ended 30 September 2020, the Group's revenue decreased by 8.28% or RM13.765 million from RM166.233 million (for the same period last year) to RM152.468 million. The Group reported a loss after tax of RM5.101 million as compared to a profit after tax of RM15.525 million for financial period ended 30 September 2019. This was mainly due to a one-time PPE impairment of RM11.636 million in previous quarter.

Majority of the Group's revenue was mainly derived from Singapore, amounting to RM86.968 million (57.04% of total revenue), followed by Philippines which recorded RM42.974 million (28.19% of total revenue).

By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment continued to dominate the Group's revenue, amounting to RM129.689 million or 85.06% of total revenue, with EDM Managed Services making up the balance.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 2020

B2. Comparison with preceding quarter's results

	3 months ended	
	30/9/2020 RM'000	30/6/2020 RM'000
Revenue	59,243	41,256
Profit from operations	5,528	2,162
Profit before tax expense	5,240	1,794
Profit for the period	4,896	1,239

Revenue in the current quarter ended 30 September 2020 of RM59.243 million is 43.60% or RM17.987 million higher than the previous quarter. The Group recorded a higher profit before tax of RM5.240 million as a result of higher revenue contribution from Singapore and Philippines.

B3. Prospects

As the general economy and our customers in particular learn to adapt to the new normal, we have seen positive trends in Q3'FY20 which support our belief that the first six-months of FY2020 will likely prove to be a temporary disruption in our business trajectory and where our various data management solutions and geographic footprint across key Asian markets will continue to add value to the Group. We expect to see sequential revenue growth again for the remaining period of the financial year.

B4. Tax expense

	Current Quarter Ended 30/9/2020 RM'000	Preceding Corresponding Quarter Ended 30/9/2019 RM'000	Current Year To Date Ended 30/9/2020 RM'000	Preceding Corresponding Year To Date Ended 30/9/2019 RM'000
Current tax				
- current year	443	(1,474)	(763)	(3,155)
- in prior years	2	1	(69)	1
Deferred taxation				
- current provision	(789)	(217)	(192)	(96)
	(344)	(1,690)	(1,024)	(3,250)

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 3-Months Period Ended 30 September 2020

B7. Borrowings and debt securities

The total borrowings of the Group as at 30 September are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
2020	4,667	6,168	10,835
Lease liabilities			
Bill payable	22,410	-	22,410
	<u>27,077</u>	<u>6,168</u>	<u>33,245</u>
2019			
Lease liabilities	2,936	6,050	8,986
Bill payable	34,741	-	34,741
	<u>37,677</u>	<u>6,050</u>	<u>43,727</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 30/9/2020	Preceding Corresponding Quarter Ended 30/9/2019	Current Year To Date Ended 30/9/2020	Preceding Corresponding Year To Date Ended 30/9/2019
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	4,896	6,775	(5,101)	15,525
Weighted average number of ordinary shares in issue ('000)	515,325	459,782	515,325	459,782
Basic (loss)/earnings per share ("LPS/EPS") (sen)	0.95	1.47	(0.99)	3.38



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 2020

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 30 September 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 30/9/2020	Preceding Corresponding Quarter Ended 30/9/2019	Current Year To Date Ended 30/9/2020	Preceding Corresponding Year To Date Ended 30/9/2019
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	4,896	6,775	(5,101)	15,525
Weighted average number of ordinary shares in issue as per Basic EPS ('000)	515,325	459,782	515,325	459,782
Effect on issuance of share capital for Sandz Acquisition ('000)	-	2,360	-	2,360
Weighted average number of ordinary shares in issue ('000)	515,325	462,142	515,325	462,142
Diluted (loss)/earnings per share ("LPS/EPS") (sen)	0.95	1.47	(0.99)	3.36

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

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

	Current Quarter Ended 30/9/2020	Preceding Corresponding Quarter Ended 30/9/2019	Current Year To Date Ended 30/9/2020	Preceding Corresponding Year To Date Ended 30/9/2019
	RM'000	RM'000	RM'000	RM'000
Amortisation of development cost	115	101	317	303
Depreciation on property, plant and Equipment	3,058	1,986	9,699	5,186
Impairment of PPE	-	-	11,636	-
Realised foreign currency exchange (gain)/loss	67	(62)	40	236
Unrealised foreign exchange currency (gain)/loss	579	291	(900)	(383)
Interest income	-	(133)	(87)	(694)
Finance costs	288	462	1,132	1,469



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 30 September 2020

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 9 Nov 2020.

Kronologi Asia Berhad
9 Nov 2020