KRONOLOGI ASIA BERHAD

Registration No.: 201301037868 (1067697-K)

ANNUAL REPORT 2021

DELIVERING ENTERPRISE CLASS DATA PROTECTION AND MANAGEMENT FOR BUSINESS CONTINUITY

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Geoffrey Ng Ching Fung
Independent Non-Executive Chairman

Edmond Tay Nam Hiong
Executive Director cum Chief Executive Officer

Tan Jeck Min
Executive Director cum Chief Operating Officer

John Chin Shoo Ted
Senior Independent Non-Executive Director

Kok Cheang-Hung
Independent Non-Executive Director

AUDIT COMMITTEE

Kok Cheang-Hung (Chairman)
Geoffrey Ng Ching Fung
John Chin Shoo Ted

NOMINATION COMMITTEE

John Chin Shoo Ted (Chairman)
Geoffrey Ng Ching Fung
Kok Cheang-Hung

REMUNERATION COMMITTEE

John Chin Shoo Ted (Chairman)
Geoffrey Ng Ching Fung
Kok Cheang-Hung

SHARE GRANT PLAN COMMITTEE

Tan Jeck Min (Chairman)
Geoffrey Ng Ching Fung
Wong Mei Yee

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)
(CCM Practising Certificate No. 201908001272)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 7728 1777
Fax : 03 7722 3668

BUSINESS OFFICE

Level 28-D, Axiata Tower
No. 9, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Wilayah Persekutuan
Tel : 03 2773 5700
Fax : 03 2773 5710

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32 Tower A
Vertical Business Suite, Avenue 3 Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : 03 2783 9299
Fax : 03 2783 9222

AUDITORS

PKF Malaysia (AF: 0911)
Level 33, Menara 1MK
Kompleks 1 Mont Kiara
No. 1, Jalan Kiara, Mont Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : 03 6203 1888
Fax : 03 6201 8880

PRINCIPAL BANKER OF THE GROUP

Standard Chartered Bank

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Code : 0176
Stock Name : KRONO

KRONOLOGI ASIA BERHAD ("KRONOLOGI", "Company" or "Group") is a regional enterprise data management ("EDM") solutions provider listed on the ACE Market of Bursa Securities (0176/KRONO).

The Group is a leading provider of Hybrid and Cloud Enterprise Data Management technology and solutions. Our portfolio of products and services provide our clients with the ability to achieve data assurance and protection through systematic backup, storage and recovery of enterprise data to ensure business continuity as follows:-

i) On-site data backup and storage;
ii) Off-site backup and storage for long-term archival;
iii) Data recovery and restoration;
iv) Problem escalation and resolution in the event of issues or errors during the backup process;
v) 365 days, 24 hours a day, 7 days a week technical support; and
vi) Consultancy on process improvement for data assurance, data protection and disaster recovery.

The above-mentioned are delivered via the Group's EDM Infrastructure Technology and EDM Managed Services/ As-a-Service divisions.

Currently, the Group has presence in the following countries - Malaysia, Singapore, Thailand, Philippines, Indonesia, India, Hong Kong, Taiwan and China.

CORPORATE PROFILE

CORPORATE STRUCTURE

- 100% KRONICLES (MALAYSIA) SDN. BHD.
- 100% KRONICLES (SINGAPORE) PTE. LTD.
  - 100% KRONICLES (HONG KONG) PTE. LTD.
- 100% QUANTUM STORAGE (SOUTH ASIA) PTE. LTD.
  - 100% QUANTUM STORAGE (INDIA) PTE. LTD.
    - 100% QUANTUM STORAGE (INDIA) PVT. LTD.
  - 100% QUANTUM STORAGE SOUTH ASIA SDN. BHD.
- 100% QUANTUM STORAGE (HONG KONG) LIMITED *(Incorporated in BVI)*
  - 100% QUANTUM STORAGE (HONG KONG) LIMITED
  - 100% QUANTUM TAIWAN LIMITED
- 16.67% QUANTUM CHINA LIMITED
- 100% SANDZ SOLUTIONS (SINGAPORE) PTE. LTD.
  - 100% SANDZ SOLUTIONS PHILIPPINES, INC.

INVESTORS RELATIONS AND KEY FINANCIAL HIGHLIGHTS

	FINANCIAL PERIOD ENDED	FINANCIAL YEAR ENDED 31 DECEMBER			
	31 JANUARY 2021 RM'000	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000
RESULTS					
Revenue	265,495	235,501	163,065	144,370	81,282
Profit before interest and tax expense	5,702	25,950	18,079	13,448	7,713
Interest expense	(1,539)	(2,032)	(1,099)	(469)	(167)
Profit before tax expense	4,163	23,918	16,980	12,979	7,546
Tax expenses	(2,743)	(5,322)	(720)	(916)	(385)
Profit for the financial period/ year, attributable to the owners of the Company	1,420	18,596	16,260	12,063	7,162
ASSETS					
Property, plant and equipment	43,845	45,591	21,385	9,816	9,349
Goodwill on consolidation	119,546	119,590	62,904	62,358	26,384
Intangible assets	3,791	4,126	4,530	4,062	3,287
Investment in an associate	13,920	12,928	12,640	-	-
Other non-current assets	7,657	8,339	2,728	1,198	976
Current assets	182,012	172,208	142,261	119,062	53,374
Total Assets	370,771	362,782	246,448	196,496	93,370
EQUITY AND LIABILITIES					
Total shareholders' equity	242,394	223,020	163,520	109,898	45,578
Borrowings	37,972	39,846	32,866	15,738	3,864
Other non-current liabilities	12,802	15,496	9,074	4,166	10,988
Current liabilities	77,603	84,420	40,988	66,694	32,940
Total Liabilities	128,377	139,762	82,928	86,598	47,792
Total Equity and Liabilities	370,771	362,782	246,448	196,496	93,370
FINANCIAL RATIOS					
Basic earnings per share (sen)	0.28	4.04	4.51	3.36	1.99
Diluted earnings per share (sen)	*	3.97	*	4.10	2.79
Interest cover (times)	11.33	12.77	16.45	28.67	46.19
Net assets per share (RM)	0.46	0.46	0.41	0.34	0.18
Gearing ratio (%)	15.67%	17.87%	20.10%	14.32%	8.48%
Return of average shareholders' equity (%)	0.61%	9.62%	11.89%	15.52%	17.85%
Return of average capital employed (%)	7.49%	13.43%	13.22%	17.30%	19.23%

Notes

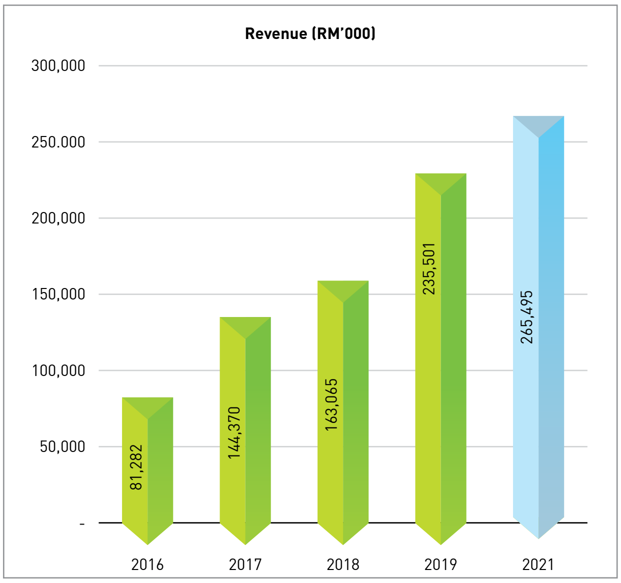
* *No diluted earnings per share is presented as there are no potential dilutive ordinary shares at each financial period/year.*

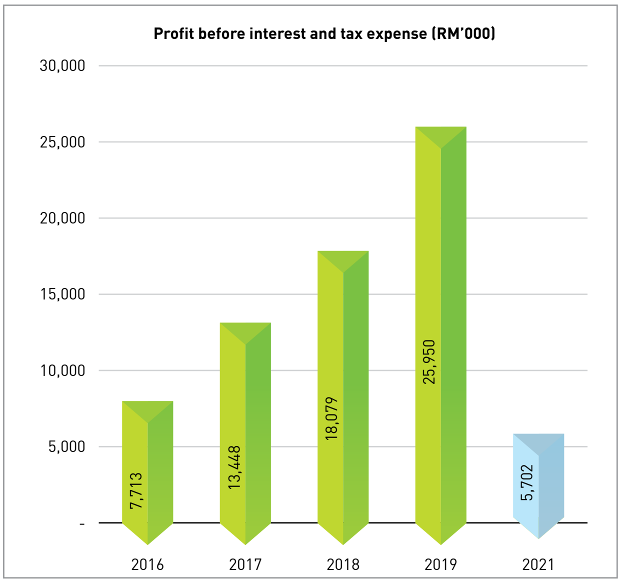
Investors Relations and Key Financial Highlights (cont'd)

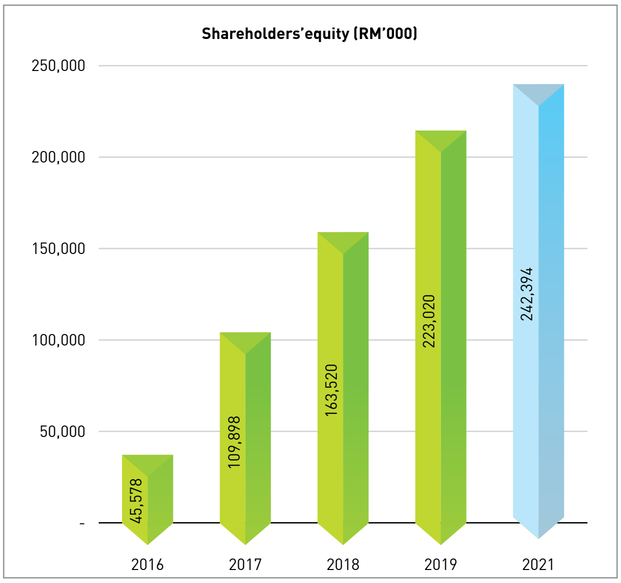
Kronologi Asia Berhad ("Kronologi" or "Company") enhances strong relations with existing and potential investors with high commitment in engaging with them including financial analyst and stakeholders through constant and proactive engagement and communications.

The Company develops investor relation's team to identify key investors' interests, issues and concerns, and develops best approaches and engagements in responding to the relevant interest and concerns. The team, led by the Executive Directors and Group Finance Manager, are responsible to lead, drive and facilitate investors' relations efforts and communications to ensure greater involvement with the investment community.

Investor Relation's engagement activities including presentations and meetings, which have allowed access to the Company's management for better understanding of the latest updates in the industry. Apart from that, Kronologi's Investor Relations portal on the website is continuously updated by the team to highlight financial and stock reports, information on governance and the Company's commitment.







MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

On behalf of the Board of Directors, I would like to express my sincere appreciation for the continuous trust and support you have put in us toward steering the Company's growth path. We specialise in Enterprise Data Management ("EDM") with several underlying opportunities. This section is to provide shareholders with an overview of the business operations of Kronologi Asia Berhad (the "Company" and "Group"), financial review for financial period ended 31 January 2021 ("FPE2021") and the Group's business expectations for the financial year ending 31 January 2022 ("FY2022"). Our Group had changed our financial year end from 31 December 2020 to 31 January 2021. The performance review for FPE2021 is therefore a comparison of results between a 13-month period for the period 1 January 2020 to 31 January 2021 against a corresponding12-month period for the prior financial year.

CORE BUSINESS

There has been no change to the Group's core activities in FPE2021, namely provision of:

- Enterprise Data Management Infrastructure Technology ("EDM IT") and
- Cloud and Hybrid As-a-Service ("AAS")

GROUP PERFORMANCE REVIEW

In an unprecedented year for FPE2021, the Group demonstrated its ability to maintain operational growth momentum despite an external macroeconomic and business climate that was less than ideal. The Group's business segments - namely EDM IT and AAS have delivered very respectable growth as compared to the same period of the year 2019. These achievements are attributable to strong leadership by the Board of Directors, and the noteworthy execution of the corporate strategy and commitment by its management team and all employees.

From a revenue perspective, the Group is proud to report that we achieved record fourth quarter and financial period results for FPE2021.

The Group recorded revenue of RM265.495 million - representing growth of 13% over the previous year. Group profit before tax ("PBT") for FPE2021 however dropped to RM4.163 million from RM23.918 million, a decrease of 83% when compared to financial year ended 31 December 2019 ("FY2019"). The decrease in PBT of RM19.755 million during the financial period was mainly due to a one-time write-off of RM11.738 million for property, plant and equipment, and a disruptive first six months due to the COVID-19 pandemic. The Group recovered gradually from Quarter 3 of FPE2021 and ended the financial period positively with Profit after Tax ("PAT") of RM1.420 million for FPE2021.

The Group's interest cover remained healthy at 11.3 times (FY2019: 12.8 times). This was achieved through active management of the Company's debt maturity profile, operating cash flow and availability of funding to ensure all operating, investment and funding needs are met. The Group will continue to manage its capital funding requirements in a proactive manner to optimise its financial gearing vis-à-vis providing value to shareholders.

Going forward, the Group will continue to execute our strategic growth plans. We are optimistic that the Group's financial performance to continue improving, where the current economic and business environments are evolving to cope with the on-going COVID-19 pandemic. We believe this recovery into a new normal will continue to fuel the Group's business trajectory, especially for the As-a-Service cloud-based market.

ANTICIPATED/ KNOWN RISKS AND MITIGATING PLANS/ STRATEGIES

Operational risk

The major operational risks that the Group are exposed to are inventory obsolescence, chip shortage and bad debts resulting from customer (trade) defaults, which together form the bulk of the total current assets, net of cash.

In managing these risks, our well established, stringent inventory-control, credit-control policies and valued engineering continued to function effectively during the financial period, with total amount of obsolete inventory stock, chip shortage and bad debts being at levels well within our general provision ranges.

Management Discussion and Analysis (cont'd)

Business and Economic risk

With a continuation of the on-going global health pandemic caused by COVID-19, we expect FY2022 to be a challenging year for most companies, the Group notwithstanding, as a confluence of weak business activity as well as changes in corporate and human behaviour lead to immediate and near-term uncertainty to the Group's business strategy and infrastructure.

Despite this unprecedented upheaval in the markets we operate in, the Group foresees that the economic and business risks are relatively short term in nature, where we remain confident that demand for the Group's solutions will normalise in the middle and long-term.

EDM IT

Operations review

EDM IT continued to be the key driver for the Company in both revenue and segmental operating profit. The EDM IT segment registered 4% growth in revenue to RM226.084 million with higher segment profit of RM11.610 million for FPE2021. Due to streamlining of the Group's operations and billing systems, Singapore remained the single largest contributor to this segment at 54% of total revenue.

AAS

Operations review

AAS is a strategic part of the Group and serves as an essential platform to generate recurring, subscription based and more sustainable business streams. This is with the aim to improve shareholder returns through the provision of Cloud and Hybrid managed services to customers. Together with EDM IT, AAS provides a more complete portfolio of data management solutions to our customers, assist our customers to adapt and adopt cloud-based services and also improve profitability to the Group.

Despite a challenging FPE2021, the Group's AAS registered revenue growth of 119% to RM39.410 million as compared with RM18.016 million in FY2019. Although the business segment was making a loss of RM5.843 million in FPE2021 due to one-time write-off of property, plant and equipment of RM11.199 million, it is projected to return to profit growth in FY2022.

Revenue for this business segment was primarily derived from Singapore and Philippines.

Future 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. Barring any unforeseen circumstances, the Group is optimistic that financial performance is expected to continue improving in FY2022.

DIVIDEND POLICY

The Company has yet to establish any dividend policy as it continues to pursue a growth strategy involving continuing infrastructure investment and potential mergers and acquisitions.

STRATEGIC FOCUS

With a conducive business environment, our corporate strategy enables us to deliver growth today, while ensuring we generate sufficient cash flow to invest in our future. The foundation upon which our strategies are built has been in place and we will continue to focus our activities in areas that value add to our stakeholders such as solutions-based technology, service, productivity and creating a winning organisation.

Cloud-Based Services

With new adoptions and market demand for Hybrid and Private Cloud-based services that customers are adopting, the Group will continue to innovate and push out such services to meet customers' demand thru new AAS and Customer Cloud centre initiatives.

Hyperscaler

As public cloud provider and datacentre goes greener with limitation of space and power, the Group is well poised to continue our services and solutions to large scale Hyperscale Datacentre and Cloud provider to meet massive unstructured data growth and 100 years archive.

Solutions-Based Technology

The Group will strive to develop its brand awareness, innovation and new products via research and development and technology to meet customers' ever-changing needs.

Service

The Group will strive to provide timely and professional services to its customers with up-skilling, training and workshops conducted either in-house or through third parties.

Management Discussion and Analysis (cont'd)

Productivity

The Group will endeavour to effectively deploy its resources to produce better results and increase overall efficiency and profitability.

Winning organisation

The Group will make every effort to attract and retain competent staff, promote teamwork and create a conducive working environment.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I would like to thank you for your continued support of our ambitious goals, our leadership and your patience as we strive to achieve our goals.

Finally and most importantly, we would like to take this opportunity to express our gratitude and thanks to the management and staff of the Group for their enduring commitment and resolve to be the best in the business. Our dedication to deliver value and quality to our customers shall always be our culture.

Edmond Tay Nam Hiong
Chief Executive Officer

BOARD OF DIRECTORS

GEOFFREY NG CHING FUNG

Independent Non-Executive Chairman

Mr. Geoffrey Ng Ching Fung, a Malaysian, Male, aged 47, was appointed to the Board on 1 January 2019 as Independent Non-Executive Chairman having previously served as Independent Non-Executive Director from 19 October 2015 to 31 January 2018. Currently he is a member of the Audit, Nomination, Remuneration and Share Grant Plan Committees.

Mr. Ng has over two decades of corporate leadership and investment management experience and is currently a Director with Fortress Capital Asset Management (M) Sdn. Bhd., a Pan-Asian investment management company. He previously held the positions of Chief Executive Office/Executive Director with Hong Leong Asset Management Bhd., Senior Vice President, Global Emerging Markets with Dubai Investment Group and Chief Investment Officer with Pacific Mutual Fund Bhd.

Mr. Ng is currently a Board Member of the Board of Governors, CFA Institute. He holds a Bachelor of Commerce (High Honours) with double majors in Accounting and Finance from Sprott School of Business, Carleton University, Canada, as well as the Chartered Financial Analyst and Certified Financial Planner designations. He holds a certificate in Fintech: Future Commerce by the Massachusetts Institute of Technology. Mr. Ng is a Fellow of the Institute of Corporate Directors Malaysia and a member of the National Association of Corporate Directors.

He attended all five (5) Board Meetings held during the financial period ended 31 January 2021.

EDMOND TAY NAM HIONG

Executive Director cum Chief Executive Officer

Mr. Edmond Tay Nam Hiong, a Singaporean, Male, aged 50, is our Executive Director cum Chief Executive Officer, appointed to the Board on 1 April 2019. He founded Quantum Storage (India) Pte Ltd ("QSI") in 2012 after spanning about 8 years in building a successful Quantum South Asia business. He is responsible for running all facets of QSI business and in 2016 became part of the management team pursuant to the merger of QSI and the Company.

With a proven executive management track record over 24 years for driving growth and sales in the technology industry. Mr. Tay began his career in Hudson Holdings Group in 1994, rose to the rank of Executive Director in year 1997. Guided by passion and entrepreneurship for business, Mr. Tay did a management buyout of his first business at the age of 27 in the form of an Information Communication Technology infrastructure integrator.

He formerly sat on the Information Technology Standardisation Board with Info-communication Development Authority of Singapore on e-payment and security chapter as well as Singapore Infocomm Technology Federation.

Mr. Tay has no other directorship in public company and listed corporation.

Mr. Tay has attended training course conducted by Singapore Institute of Directors and as well as Business Continuity and Disaster Recovery courses conducted by the Business Continuity Institute. He pursued an uncompleted BSc Management (Econ) with University of London and hold a level 2 accounting qualification from Institute of Singapore Chartered Accountant.

He attended four (4) out of five (5) Board Meetings held during the financial period ended 31 January 2021.

Board of Directors (cont'd)

TAN JECK MIN

Executive Director cum Chief Operating Officer

Mr. Tan Jeck Min, a Singaporean, Male, aged 51, is our Executive Director and Chief Operating Officer, and was appointed to the Board on 19 October 2015. Mr Tan has overall responsibility for the strategic planning, implementation, managing and running of all the operations and finance activities of the Group.

He has been instrumental in the growth and development of Quantum Storage (South Asia) Pte. Ltd. in the early years since its inception in 2003 until September 2013. Mr. Tan brings with him a wealth of Information Technology ("IT") experiences having worked for a Hong Kong listed IT firm and US-based 3Com, both in their Singapore operations.

Mr. Tan has no other directorship in public company and listed corporation.

Mr. Tan holds a Computer Engineering degree from the Nanyang Technological University and is a veteran in the IT industry with over 25 years of IT and operational related experience.

He attended all five (5) Board Meetings held during the financial period ended 31 January 2021.

JOHN CHIN SHOO TED

Senior Independent Non-Executive Director

Mr. John Chin Shoo Ted, a Malaysian, Male, aged 69, was appointed to the Board on the 5 June 2014 as Independent Non-Executive Director and subsequent redesignated as Senior Independent Non-Executive Director on 19 October 2015. He is the Chairman of the Nomination and Remuneration Committees and a member of the Audit Committee.

Upon graduation, Mr. Chin started a private legal practice and after ten (10) years, in 1998, he left private legal practice to be involved in various social welfare activities throughout Malaysia and Asia. He was also the first National Director of Habitat for Humanity, an International Non-Government Organisation focused on building affordable houses with the poor.

In 2010, Mr. Chin founded TransforNation Centre Berhad, which is a community-based organisation undertaking leadership training projects in the areas of Governance, Marketplace, Arts, Education, Sports and Social communal work in Kuching. He is presently also the Chairman of the Board of Eden on the Park Sdn. Bhd., a private limited company undertaking a pioneer project on an integrated retirement resort care in Kuching.

Mr. Chin has no other directorship in listed corporation.

He graduated from Victoria University of Wellington, New Zealand with a Bachelor of Arts in Philosophy and Political Science in 1973 and Bachelor of Laws in 1976. He is also a certified personal inter-personal and corporate Trainer under the Ministry of Human Resources, Malaysia.

He attended all five (5) Board Meetings held during the financial period ended 31 January 2021.

Board of Directors (cont'd)

KOK CHEANG-HUNG

Independent Non-Executive Director

Mr. Kok Cheang-Hung, a Malaysian, Male, aged 50, was appointed to the Board on 2 November 2017 as Independent Non-Executive Director. He is the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.

He is currently on the Finance Committee of the Singapore Institute of Directors ("SID"). With 25 years of global capital markets, investment, corporate governance and senior management experiences, he has served the interest of several investment, financial services institutions and stock exchanges. Mr. Kok is experienced in international investments, fund raising (debt, mezzanine and equity) and private equity. He has lived and worked in ASEAN, the Middle East and Africa.

Mr. Kok is also an independent Non-Executive Director of SGX-listed, DLF Holdings Ltd, where he chairs the firm's Audit Committee.

Mr. Kok holds a Master of Finance from RMIT University in Australia. He also graduated with Bachelor of Science with Honours in Mathematics from the University of Malaya, Malaysia, where he was granted a special direct admission into the 2nd year of a 4-years Science honours programme.

He attended all five (5) Board Meetings held during the financial period ended 31 January 2021.

Notes :

(1) None of the Directors have family relationship with any other Directors and/or major shareholders of the Company.

(2) None of the Directors have a personal interest in any business arrangement involving the Group.

(3) None of the Directors have been convicted of any offences other than traffic offences, if any, within the past 5 years and there were no public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 31 January 2021.

PROFILES OF KEY MANAGEMENT

EDMOND TAY NAM HIONG
Executive Director cum Chief Executive Officer

The details of **Mr. Edmond Tay Nam Hiong** are disclosed in the Board of Directors section of this Annual Report.

TAN JECK MIN
Executive Director cum Chief Operating Officer

The details of **Mr. Tan Jeck Min** are disclosed in the Board of Directors section of this Annual Report.

TEO CHONG MENG PHILIP DOMINIC
Chief Technology Officer

Mr. Teo Chong Meng Philip Dominic, a Singaporean, Male, aged 53, is our Chief Technology Officer. Mr. Teo leads and manages the Group's overall technology direction as well as oversees the technical operations of the Group.

Mr. Teo graduated with a Bachelor of Science in Computer Science from University of San Francisco, California, United States in 1987 and holds a Graduate Diploma in Business Administration from Singapore Institute of Management.

With over 20 years of experience in data storage solutions, software development and network architecture, he has worked with customers across the globe. During his tenure in the Group, he has been instrumental in developing the Group's presence in Asia and had established sales and technical support offices across several countries in Asia including Malaysia, Singapore, Indonesia, Thailand, Philippines, Hong Kong and India.

Mr. Teo has no other directorship in public company and listed corporation but holds directorships in several private limited companies.

LAI CHING THING
Group Finance Manager

Ms. Lai Ching Thing, a Singaporean, Female, aged 40, is the Group Finance Manager of Kronologi Asia Berhad Group of companies. She manages and oversees the finance and accounting functions of the Group. She is an affiliate of The Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

Ms. Lai began her career as an Audit Semi Senior at Adrian Yeo & Co in 2004. Prior to joining Kronologi Asia Berhad group of companies, she was an Audit Senior at Baker Tilly TFW in Singapore in 2006. She joined the Group on 10 May 2010 as an Accountant and was later promoted to her current position as Group Finance Manager.

Ms. Lai brings with her over fifteen (15) years of experience in finance and accounting.

Ms. Lai has no directorship in public company and listed corporation.

Notes :
1. *(1) None of the key senior management has family relationship with any other Directors and/or major shareholders of the Company.*
2. *(2) None of the key senior management has a personal interest in any business arrangement involving the Group.*
3. *(3) Other than traffic offences, if any, the key senior management has not been convicted of any offence within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial period ended 31 January 2021.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Kronologi Asia Berhad ("Kronologi" or "Company") presents this statement to provide shareholders and investors with an overview of the Corporate Governance ("CG") practices of the Company under the leadership of the Board during the financial period ended 31 January 2021 ("FPE2021"). This overview takes guidance from key CG principles as set out in the Malaysian Code on Corporate Governance ("the Code").

This statement is prepared in compliance with ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is to be read together with the CG Report FPE2021 of the Company ("CG Report") which is available on the Company website at www.kronologi.asia, as well as via an announcement on the website of Bursa Securities.

The Board is pleased to set out below the CG Overview Statement that describes the manner in which the Group has applied the Practices of the Code during the FPE2021.

A. THE BOARD

i. Composition and Balance

The Board currently has five (5) members, comprising one (1) Executive Director cum Chief Executive Officer, one (1) Executive Director cum Chief Operating Officer and three (3) Independent Non-Executive Directors. This composition ensures that at least half (1/2) of the Board comprises of Independent Non-Executive Directors which is in compliance with Rule 15.02 of the AMLR of Bursa Securities and Practice 4.1 of the Code.

The positions of the Independent Non-Executive Chairman and Executive Director cum Chief Executive Officer are held by different individuals with clear and distinct roles which are formally documented in the Board Charter.

There is clear separation of functions between the Board and Management in order to maintain balance of control, power and authority within the Group. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Board has delegated its responsibilities for the day-to-day management of the Group's operations and business as well as the implementation of the Board's policies and decisions to the Executive Directors and senior management of the Company. The Executive Director cum Chief Executive Officer and the Executive Director cum Chief Operating Officer are responsible for the implementation of the Board's policies and decisions, entrusted by the Board with the responsibility to manage the Group's day-to-day business operations and resources. The Independent Non-Executive Directors are actively involved in various Board committees and contribute to areas such as performance monitoring and enhancement of corporate governance and internal controls.

The Board's composition comprising a majority of Independent Non-Executive Directors ensure that views, considerations, judgment and discretion exercised by the Board in decision-making remain objective and independent whilst ensuring the interests of other parties such as minority shareholders are adequately addressed and protected and their views are being given due consideration. The high proportion of Independent Non-Executive Directors (more than fifty percent) provides effective checks and balances in the functioning of the Board and reflects the Company's commitment to uphold excellent corporate governance.

Corporate Governance Overview Statement (cont'd)

A. THE BOARD (CONT'D)

i. Composition and Balance (Cont'd)

The Standard Operating Procedures ("SOP") are in place and define decision making limits and authority for each level of management within the Group. The SOP manual provides a clear guidance to the management as to the matters over which the Board reserves authority and those which it delegates to management. The SOP serve as a guideline to enable control over capital and operational expenditure and other key approval points. These limits cover among others, authority for payments, capital and revenue expenditure spending limits, and other non-financial authority. This SOP provide a framework of authority and accountability within the organisation and facilitate decision-making at the appropriate level in the organisation's hierarchy.

In line with the Code and in view of the gained attention of boardroom diversify as an important element of a well-functioned organisation, the Board has adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity. The Board opined that candidature to the Board should also take into consideration on the candidate's merits, capability, experience, skill-sets and integrity.

ii. Board Responsibilities

The Board collectively leads and is responsible for the performance and affairs of the Group, including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner as well as to uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility in leading and directing the Group towards realising long term corporate objectives and shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.

Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Group, including addressing the Group's business strategies on promoting sustainability. The Board members had private meeting with the management in formulating overall strategic direction, business plans of the Group, including major capital commitments;
- Overseeing conduct of the Group's business and evaluating whether or not its businesses are being properly managed. The Board reviewed the business operations matters reported by the Executive Directors to keep abreast of all relevant business information for efficient monitoring and evaluation of business;
- Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- Ensuring that all candidates appointed to the Board are of sufficient caliber, including having in place a process to provide for the orderly succession of the members of the Board through Nomination Committee;
- Overseeing the development and implementation of an investor relations programme and stakeholder communications policy; and
- Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Corporate Governance Overview Statement (cont'd)

A. THE BOARD (CONT'D)

ii. Board Responsibilities (Cont'd)

In order to ensure the effective discharge of its fiduciary duties, the Board has also delegated certain responsibilities to the following Board Committees to assist in the execution of its responsibilities:

a. Audit Committee;
b. Nomination Committee;
c. Remuneration Committee; and
d. Share Grant Plan Committee.

Each Committee operates in accordance with respective terms of reference approved by the Board and is available at the Company's website at www.kronologi.asia. The Board appoints the members and Chairman of each Committee. These Committees are authorised to deal with the matters delegated to them and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval.

a. Audit Committee

The objectives of the Audit Committee are, among others, to provide additional assurance to the Board by giving an objective and independent review of the Group's financial, operational and internal control procedures. The Audit Committee is also tasked with establishing and maintaining internal controls and reinforcing the independence of the Company's internal and external auditors, thereby ensuring that the auditors have autonomy and independence in their audit process.

The composition of the Audit Committee and the activities carried out during the FPE2021 are as set out in the Audit Committee Report in this Annual Report.

The term of office and performance of the Audit Committee and its members are reviewed by the Nomination Committee annually to determine whether such Audit Committee and its members have carried out their duties in accordance with the terms of reference.

The Company has also put in place Internal and External Auditors Assessment Policies together with a formal annual performance evaluation of the Internal and External Auditors by the Audit Committee. The objective of the Internal and External Auditors Assessment Policies is to outline the guidelines and procedures for the Audit Committee to review, assess and monitor the performance, suitability, objectivity and independence of the Internal and External Auditors respectively.

b. Nomination Committee

The current Nomination Committee of the Company comprises entirely of Independent Non-Executive Directors as follows:-

Name	Designation
John Chin Shoo Ted, Chairman	Senior Independent Non-Executive Director
Geoffrey Ng Ching Fung, Member	Independent Non-Executive Chairman
Kok Cheang-Hung, Member	Independent Non-Executive Director

A. THE BOARD (CONT'D)

ii. Board Responsibilities (Cont'd)

b. Nomination Committee (Cont'd)

The main responsibilities of the Nomination Committee are as follows:-

- Nominate new nominees for appointment to the Board and Board Committees for the Board's consideration.
- Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Directors should bring to the Board.
- Annually review and assess the effectiveness of the Board and Board Committees and performance of the Directors of the Company both individually and collectively.
- Annually review and assess independence of the Independent Non-Executive Directors.
- Annually review the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and its members have carried out their duties in accordance with their terms of reference.

The Nomination Committee shall meet at least once a year or meet as and when required. The Nomination Committee meet once during the financial period under review and the activities undertaken by the Nomination Committee were as follows:

- Assessed and evaluated the independence of the Independent Non-Executive Directors.
- Carried out an annual assessment and rating of the performance of each Independent Non-Executive Director against diverse key performance indicators, amongst others, attendance at Board and/or Board Committees meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.
- Carried out an annual assessment and rating of the performance of the Executive Directors against the criteria as set out in the evaluation forms, amongst others, financial, strategic, operations management and business plans, technology and product development, business acumen, conformance and compliance, shareholders'/investors' relations, employee training and development, succession planning and personal input to the role.
- Carried out an annual assessment and rating of the performance of Audit Committee against the criteria as set out in the evaluation forms, amongst others, composition, quality, oversight of the financial reporting process including internal controls and audit functions, understanding of the business including risks, access to information, access to advice, compliance with corporate governance and others.
- Reviewed and recommended to the Board the re-election of Mr. John Chin Shoo Ted and Mr. Kok Cheang-Hung as Directors at the last Annual General Meeting ("AGM") held on 29 May 2020.

Corporate Governance Overview Statement (cont'd)

A. THE BOARD (CONT'D)

ii. Board Responsibilities (Cont'd)

c. Remuneration Committee

The principal objective of the Remuneration Committee is to assist the Board in developing a policy on the remuneration packages for Directors of the Company, and ensure that the remuneration packages are commensurate with the expected responsibilities and contributions by the Directors.

The current Remuneration Committee of the Company comprises entirety of Independent Non-Executive Directors as follows:-

Name	Designation
John Chin Shoo Ted, Chairman	Senior Independent Non-Executive Director
Geoffrey Ng Ching Fung, Member	Independent Non-Executive Chairman
Kok Cheang-Hung, Member	Independent Non-Executive Director

The Remuneration Committee shall meet at least once a year or meet as and when required. The Remuneration Committee met once during the financial period under review to consider the Directors' remuneration (including fees/benefits) for the existing Directors of the Company.

d. Share Grant Plan ("SGP") Committee

The principal role of the SGP Committee is to oversee the administration and management of the SGP of the Company in accordance with the bylaws of the SGP.

The Board elects the SGP Committee members from amongst themselves and/or members of the senior management.

The members of the SGP Committee are as follows:-

Name	Designation
Tan Jeck Min, Chairman	Executive Director cum Chief Operating Officer
Geoffrey Ng Ching Fung, Member	Independent Non-Executive Chairman
Wong Mei Yee, Member	Group Human Resource Manager

The SGP Committee meets as and when required. The SGP Committee met two (2) times during the financial period under review and the activities undertaken by the SGP Committee were as follows:

- Reviewed the extension of duration of the SGP for another 5 years as permitted under the By-Laws of the SGP.
- Reviewed the changes in the SGP committee's composition.

A. THE BOARD (CONT'D)

iii. Board Charter

The Board Charter adopted by the Board provides guidance to the Board in the fulfillment of its roles, duties and responsibilities which are in line with the relevant legislation, regulations and best practices of good corporate governance. The Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board as well as the relationships between the Board and the Board Committees established by the Board, and between the Independent Non-Executive Chairman and the Executive Directors.

A copy of the Board Charter is published in the corporate website of the Company at www.kronologi.asia. The Board Charter was revised on 1 June 2020 which incorporated the anti-bribery and corruption requirements under the Code of Ethics and Conduct.

The Board Charter is subject to periodic review and is updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, management and employees of the Group. The Code of Ethics and Conduct stresses the key values which the Directors, management and employees of the Group are to uphold compliance with all relevant legislation and regulations, high standards of corporate governance and integrity, transparency and accountability in the conduct of business of the Group.

The Company has also adopted a Whistle Blowing Policy which provides a defined avenue and accessible reporting channels for all employees of the Group to raise concerns or disclose any improper conduct within the Group and to take appropriate actions to resolve effectively.

The Whistle Blowing Policy was revised on 1 June 2020 to incorporate the relevant amendemnts in relation to anti-corruption measures which is available at the Company's website at www.kronologi.asia.

iv. Board Meetings and Supply of Information

The Board meets at least once every quarter on a scheduled basis and additional meetings to be convened, where necessary. All the Directors have attended more than 50% of the total Board Meetings held during the FPE2021 and they have complied with the requirement on attendance at Board Meetings as stipulated in the AMLR of Bursa Securities.

A total of five (5) Board Meetings were held during the FPE2021. The Directors' attendance at the Board meetings are set out as follows:

Name of Directors	Attendance
Geoffrey Ng Ching Fung	5/5
Edmond Tay Nam Hiong	4/5
Tan Jeck Min	5/5
John Chin Shoo Ted	5/5
Kok Cheang-Hung	5/5

During the above meetings, the Board deliberated and approved various reports and issues, including the quarterly financial results of the Group for announcements to Bursa Securities as well as the Group's strategic, operational and financial performance.

Corporate Governance Overview Statement (cont'd)

A. THE BOARD (CONT'D)

iv. Board Meetings and Supply of Information (Cont'd)

The Directors are expected to attend every meeting whenever possible. The Directors had, and always tried their best to attend every meeting, whether in person or via video and telephone conferencing. Their commitment and attendance are evidenced by the attendance records as shown above.

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

The Directors receive notices of meetings, typically at least seven (7) days prior to the date of the meeting, setting out the agenda for the meeting, complete with a full set of Board papers. The Board papers provide sufficient details of matters to be deliberated during the meetings and the information provided therein is not confined to financial data but also includes non-financial information, both quantitative and qualitative, which are deemed critical for the Directors' knowledge and information in arriving at sound and informed decisions.

Where necessary, senior management and/or external professionals are invited to attend these meetings to clarify and/or explain matters being tabled.

In the event a potential conflict of interest situation arises, the Director concerned is required to declare his interest and abstain from any deliberation and participation in respect of such resolution pertaining to the transaction. Unless his presence is needed in the meeting to provide information, he would be requested to recuse himself from the meeting.

The Company Secretary ensures that all Board and Board Committees meetings are properly convened, and that accurate and proper records of proceedings and minutes of meetings together with circular resolutions passed are duly recorded and properly maintained at the registered office of the Company. The Company Secretary also serves notice to Directors on the closed periods for dealing in the Company's shares, in accordance with Chapter 14 of the AMLR of Bursa Securities.

The Board appoints a Company Secretary who play an important advisory role, and ensures that the Company Secretary fulfils the functions for which she has been appointed. The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Board recognises the fact that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretary to the Board in the discharge of their functions.

v. Access to Information and Independent Advice

All Board members have unrestricted access to advice and services of the Company Secretary and senior management to enable them to discharge their duties effectively. The Directors also have access to the Internal and External Auditors of the Group, with or without the presence of the Management, to seek explanations or additional information.

The Directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

A. THE BOARD (CONT'D)

vi. Appointment to the Board and Re-election of Directors

The members of the Board are to be appointed in a formal and transparent manner as endorsed by the Code. The Nomination Committee will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the Nomination Committee will assess the suitability of a candidate by taking into account the candidate's mix of skill, functional knowledge, expertise, experience, professionalism and integrity that the candidate shall bring to complement the Board, and his other commitments.

All Board members shall notify the Chairman of the Board before accepting any new directorships in other companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorships or significant commitments outside the Company.

In accordance with the Company's Constitution, at least one-third (1/3) of the Directors shall retire at the AGM, and be eligible for re-election provided that all Directors shall retire at least once in every three (3) years.

Directors who are appointed by the Board during the year shall be subject to re-election at the next AGM to be held following their appointments.

vii. Tenure of Independent Director

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a yearly basis. If the Board continues to retain the Independent Director after the twelfth (12) year, the Board should seek annual shareholders' approval through a two-tier voting process.

The Board had conducted an evaluation of the level of independence of the Independent Non-Executive Directors of the Company who served during the FPE2021. The Board is satisfied with the level of independence demonstrated by them and their ability to act in the best interest of the Company and/or the Group.

None of the Independent Directors of the Company whose tenure has exceeded a cumulative term of nine (9) years.

viii. Evaluation of the performance of the Directors and the Board as a whole

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and of its relevant Board Committees. The Nomination Committee is given the task of reviewing and evaluating the individual Director's performance and the effectiveness of the Board and the Board Committees on an annual basis.

Corporate Governance Overview Statement (cont'd)

A. THE BOARD (CONT'D)

ix. Directors' Training

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities.

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes to keep abreast of changes in both the regulatory and business environments as well as with the new developments within the industry which the Group operates.

During the FPE2021, the Directors of the Company have attended the in-house briefing session conducted by the Secretary of the Company on the Corporate Liability on Corruption under Malaysian Anti-Corruption 2009 ("MACC Act 2009") (Amended 2018).

Besides the above briefing, the Directors have also attended the following seminars during the FPE2021 to further enhance their knowledge and skills:-

Name of Directors	Training attended
Kok Cheang-Hung	- Directors' Responsibilities 2020 (Eversheds Harry Elias LLP, Singapore) - Listed Entity Director 1 – Listed Entity Director Essentials (SID) - Listed Entity Director 2 – Board Dynamics (SID) - Listed Entity Director 3 – Board Performance (SID) - Listed Entity Director 4 – Stakeholder Engagement (SID) - Listed Entity Director 5 – Audit Committee Essentials (SID) - Listed Entity Director 6 – Board Risk Committee Essentials (SID) - Managing the Threat of Cyber Security Failure (EverEdge and Lockton) - How to Avoid Being Another "Data Breach" Statistic (RSM and SID) - Corporate Liability 2020 – Towards Greater Governance and Accountability (Malaysian Institute of Management) - Global Virtual Roundtable 2: The New Normal of Boards (SID) - Sources of Funding for Charities and Non-Profit Organisations (SID) - A Resilient Tomorrow: COVID-19 Recovery and Transformation (Prime Partners and PWC Singapore) - Annual Corporate Governance Roundup (SID) - ACRA-SGX-SID Audit Committee Seminar 2021 - Effective Fund-Raising Valuations for the new normal and post-COVID-19 (Malaysian Investor Relations Association – Workshop Speaker)

- SID – Singapore Institute of Directors
- ACRA – Accounting and Corporate Regulatory Authority, Singapore

A. THE BOARD (CONT'D)

x. Directors' Remuneration

The Board, through the Remuneration Committee, endeavors to ensure that the levels of remuneration offered for Executive Directors are sufficient to attract, retain and motivate the Executive Directors of the quality required to run the Group successfully. Executive Directors' remuneration is structured so as to link rewards to their corporate and individual performance.

The Company had established a formal and transparent Remuneration Policy which sets out the principles and guidelines for the Board and Remuneration Committee to determine the remuneration of Directors and/or Senior Management of the Company. The Remuneration Policy is available at the Company's website at www.kronologi.asia.

Independent Non-Executive Directors of the Company are paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in the Board and Board Committees, their attendance and/or special skills and expertise they bring to the Board. The fee is fixed in sum and not by a commission or percentage of profits or turnover.

The Board determines the level of remuneration, fees and benefits of the Board members, taking into consideration the recommendations of the Remuneration Committee for the Directors.

Each individual Director abstains from deliberation and voting on all matters pertaining to their own remuneration.

The remuneration of the Directors of the Company and of the Group for the financial period under review are as follows:-

The Company

Name of Directors	Fees (RM)	Salaries & Benefits in Kind (RM)	Total (RM)
Tan Jeck Min	52,000	–	52,000
Edmond Tay Nam Hiong	52,000	–	52,000
John Chin Shoo Ted	78,000	–	78,000
Kok Cheang-Hung	65,000	–	65,000
Geoffrey Ng Ching Fung	162,500	–	162,500
TOTAL	**409,500**	**–**	**409,500**

Corporate Governance Overview Statement (cont'd)

A. THE BOARD (CONT'D)

x. Directors' Remuneration (Cont'd)

The Group

Name of Directors	Fees (RM)	Salaries & Benefits in Kind (RM)	Defined Contribution Plan (RM)	Share Grant (RM)	Total (RM)
Tan Jeck Min	52,000	808,574	55,897	–	916,471
Edmond Tay Nam Hiong	52,000	885,177	55,897	520,000	1,513,074
John Chin Shoo Ted	78,000	–	–	–	78,000
Kok Cheang-Hung	65,000	–	–	–	65,000
Geoffrey Ng Ching Fung	162,500	–	–	–	162,500
TOTAL	**409,500**	**1,693,751**	**111,794**	**520,000**	**2,735,045**

The Directors' remuneration includes all the Directors in office during the financial period under review.

xi. Remuneration of Senior Management

Due to confidentiality, sensitively and security concerns, the Board is of the view that disclosure of Top Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate. The details of the remuneration are disclosed in Practice 7.2 of the CG Report.

B. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound internal control system to safeguard shareholders' investment and the Company's assets, and for reviewing the adequacy and integrity of the system.

Risk management is an integral part of the Group's business operations and it is subject to periodic reviews by the Board.

As guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board performs reviews on an annual basis covering not only financial, but operational and compliance controls and risk management systems, in all material aspects. Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.

The Audit Committee has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The internal audit function is outsourced to a third party professional services firm, which is independent of the activities and operations of the Group. Details on the Statement on Risk Management and Internal Control are furnished in the Annual Report.

The Board recognises that identification, evaluation and management of significant risks faced by the Company are an on-going process. The improvement of the system of internal controls is also an on-going process and the Board maintains continuing commitment to strengthen the Company's internal control environment and processes.

C. THE SHAREHOLDERS

i. Dialogue between the Company and Investors

The Board values the importance of dissemination of information on major developments of the Group to its shareholders, potential investors and the general public in a timely and equitable manner. Quarterly results, announcements, annual reports, corporate updates and circulars serve as the primary means of dissemination of information so that shareholders are constantly kept abreast of the Group's progress and development. The Company's corporate website at www.kronologi.asia serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board has adopted a Corporate Disclosure Policy with the objective of providing effective communication to its shareholders and general public regarding the business, operations and financial performance of the Company and its subsidiaries, and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Corporate Disclosure Policy was formalised to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

ii. Conduct of General Meetings

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and is a platform for shareholders' communication. These include the supply of comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

The AGM remains as a principal forum used by the Group for communication with its shareholders. During the AGM, shareholders are accorded time and opportunity to raise questions to the Board on the resolutions being proposed and also matters relating to the performance, developments within the Group and the future direction of the Group. Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate shareholders' understanding and evaluation.

An Extraordinary General Meeting ("EGM") is held as and when shareholders' approvals are required on specific matters. Notices of AGM and EGM are issued in a timely manner to all shareholders whose names appear on the Company's Record of Depositors on a date as specified in the notices. Notice of AGM and annual reports are sent out to the shareholders at least 28 days before the date of the Meeting.

The voting at the AGM and EGM was conducted by poll and sufficient time was given to the scrutineer appointed by the Company to verify the voting of the shareholders and proxies. The outcome of the voting was announced by the Chairman of the meetings and to Bursa Malaysia in timely manner.

A summary of the key matters discussed at the AGM (if any) will be published on the Company's website for the shareholders' information.

D. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Board has deliberated, reviewed and approved this statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the Code, the relevant chapters of the AMLR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FPE2021. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

AUDIT COMMITTEE REPORT

OBJECTIVES

The primary objective of the Audit Committee ("Committee") of Kronologi Asia Berhad ("Kronologi"or "Company") is to assist the Board of Directors ("Board") in discharging its statutory duties and responsibilities. It provides an additional assurance to the Board through performing an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls and reinforcing the independence of the Internal and External Auditors, thereby ensuring that the Auditors have autonomy and independence in their audit process.

COMPOSITION OF COMMITTEE

The Committee comprises the following members, all being Independent Non-Executive Directors, which complies with Rule 15.09 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"):

Chairman: Kok Cheang-Hung (Independent Non-Executive Director)

Members: Geoffrey Ng Ching Fung (Independent Non-Executive Chairman)
John Chin Shoo Ted (Senior Independent Non-Executive Director)

The Terms of Reference of the Committee can be accessed from the corporate website of the Company at www.kronologi.asia.

SUMMARY OF ACTIVITIES OF THE COMMITTEE DURING THE FINANCIAL PERIOD ENDED 31 JANUARY 2021

The Committee met six (6) times during the financial period under review. The attendance of Committee members at the meeting is set out as follows:-

Committee Members	No. of Meetings Attended
Kok Cheang-Hung	6/6
John Chin Shoo Ted	6/6
Geoffrey Ng Ching Fung	6/6

Minutes of each Committee meeting were recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES OF THE COMMITTEE DURING THE FINANCIAL PERIOD ENDED 31 JANUARY 2021 (CONT'D)

The Committee had carried out the following activities during the financial period ended 31 January 2021 ("FPE2021") in discharging their duties and responsibilities:

1. Reviewed the quarterly unaudited financial results and annual Audited Financial Statements of the Company and its subsidiaries ("Group") and of the Company including the announcements pertaining thereto. Discussion focused particularly on any change in accounting policies and practices, significant issues or adjustments arising from the audit, as well as compliance with accounting standards and other legal requirements before recommending to the Board for approval and release of the announcements to Bursa Securities and submission to and Companies Commission of Malaysia;

2. Considered and recommended the appointment/re-appointment of the External Auditors and audit and non-audit fees to the Board, after taking into consideration the independence and objectivity of the External Auditors and cost effectiveness of the audit;

3. Reviewed the Audit Approach Memorandum, audit plan and scope of the statutory audit for the FPE2021 presented by the External Auditors;

4. Reviewed the Audit Status Report and annual Audited Financial Statements with the External Auditors and finance team, focusing particularly on significant changes to accounting policies and practices, going concern assumptions, adjustments arising from the audits, and significant matters arising from the audit of the Group, compliance with the relevant accounting standards and other legal requirements to ensure compliance with the provisions of the Companies Act 2016 and the AMLR of Bursa Securities;

5. Reviewed with the Internal Auditors, the Internal Audit Plan to ensure the adequacy of the scope, functions and resources and that it has the necessary authority to carry out its work;

6. Reviewed the internal audit reports which outlined the recommendations towards remediating areas of weakness, improving internal controls and ensuring the implementation of the management action plans to address issues found;

7. The Committee met with the External Auditors without the presence of the Executive Directors and management staff to discuss any issues of concern with the External Auditors arising from the annual statutory audit;

8. Reviewed the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report;

9. Reviewed related party transactions, if any, that transpired to ensure that the transactions entered into were at arm's length basis and on normal commercial terms;

10. Reviewed with the Internal Auditors, the proposed contingent internal audit plan of the Group for the FPE2021; and

11. Reviewed the proposed one-time impairment of the Group's infrastructure asset.

The presence of the External Auditors and/or the Internal Auditors at the Committee meetings can be requested if required by the Committee. Other members of the Board and officers of the Company and of the Group may attend meetings (specific to the relevant meeting) upon the invitation of the Committee.

Audit Committee Report (cont'd)

FINANCIAL REPORTING

The Committee reviews and scrutinises the information of the Group's quarterly results and annual audited financial statements to ensure material accuracy, adequacy, validity, timeliness and compliance with applicable financial reporting standards for disclosure to shareholders. Those reports which present a balanced and fair assessment of the Group's financial position and prospects are then tabled to the Board for approval and release to Bursa Securities and Securities Commission Malaysia accordingly.

RELATIONSHIP WITH THE AUDITORS

The Group has established a transparent and appropriate relationship with the Internal Auditors and External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party who reports directly and regularly to the Committee of the Company. Similar to the External Auditors, the Internal Auditors also have direct reporting and access to the Committee to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

The Board, through the Committee, has maintained appropriate, formal and transparent relationship with the Internal Auditors and External Auditors. The Committee meets the External Auditors without the presence of Management, whenever necessary, and at least once a year, which demonstrate their independence, objectivity and professionalism.

Meetings with the External Auditors are held to further discuss the Group's audit plans, audit findings, financial statements as well as to seek their professional advice on other related matters. From time to time, the External Auditors inform and update the Committee on matters that may require their attention.

The Committee collectively carried out the assessment of the performance of the External Auditors of the Company for the FPE2021 upon such evaluation criteria as set out in its Annual Assessment Form. These include:-

a. Adequacy of resources and experience of the audit firm;
b. Quality processes of the audit firm;
c. Competency of the engagement team;
d. Governance and independence;
e. Audit fee, scope and planning; and
f. Audit reports and communications.

The Committee was satisfied with the suitability, technical competency, objectivity and independence of the External Auditors of the Company. The Committee accordingly made its recommendation to the Board for re-appointment of Messrs. PKF Malaysia as External Auditors of the Company, upon which the shareholders' approval will be sought at the upcoming Annual General Meeting of the Company.

Audit Committee Report (cont'd)

INTERNAL AUDIT FUNCTION

Appointment

The internal audit ("IA") function is outsourced to OAC Consulting Sdn. Bhd. ("Internal Auditors" or "OAC"), an independent professional services firm, to carry out internal audit services for the Group. Internal audit reports are presented, together with Management's response and proposed action plans to the Committee on a half-yearly basis.

IA Activities

The Internal Auditors undertake their audits based on the operational, compliance and risk-based audit plan approved by the Committee. The risk-based audit plan covers the review of the key operational and financial functions in accordance with the approved Internal Audit Plan. A risk-based methodology is adopted to evaluate the adequacy and effectiveness of the risk management, financial, operational and governance processes.

The purpose of the IA function is to provide the Board, through the Committee, assurance of the effectiveness of the system of internal control of the designated entities of the Group.

The IA reporting can broadly be segregated into two main areas as follows:-

i. **IA Plan for the Group**

The IA Plan for the FPE2021 for the Group was presented to the Committee by the Internal Auditors at the previous financial year for discussion and approval.

ii. **Audit Committee Reports and Risk Audit Reports**

The Audit Committee reports and Risk Audit reports were tabled to the Committee for review by the Internal Auditors during the FPE2021. During the financial period under review, the Internal Auditors reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group. This was to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

In addition, follow up reviews were also conducted to ensure that corrective actions were implemented in a timely manner. Based on the IA reviews conducted, there were no significant weaknesses noted during the audit that would result in any material losses, contingencies or uncertainties that require the Committee's attention.

Total costs incurred for the IA function

The total fee accrued for the IA function of the Group for the FPE2021 was RM19,000.

Evaluation of performance of the Internal Auditors

The Committee had collectively evaluated the performance of the Internal Auditors for the FPE2021 upon such evaluation criteria as set out in its Annual Assessment Form. Upon the assessment, the Committee was of the view that:

- The Internal Auditors have sufficient experience and resources to satisfy their terms of reference; and
- The Internal Auditors have sufficient resources to adequately deliver the quality services to the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of Kronologi Asia Berhad ("Kronologi" or "Company") is required to make a statement in the annual report on the state of risk management and internal controls in the Company and its subsidiaries ("Group"). In this respect, the Board is pleased to present the following Statement on Risk Management and Internal Control of the Group for the financial period ended 31 January 2021 ("FPE2021") prepared in accordance with the AMLR of Bursa Securities and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound framework of risk management and internal controls which are fundamental for good corporate governance. The Board focuses on effective risk oversight which is critical to setting the tone and culture towards effective risk management and internal controls. Due to the limitations that are inherent in any system of risk management and internal controls, this system is designed to manage and minimise, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system covers, inter alia, management of risks, financial, organisational, operational and compliance controls.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout a financial period enables the Group to make careful, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime, which are imperative in ensuring the accomplishment of the Group's corporate objectives.

Day-to-day operations in respect of the financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective head of department and they are delegated with the responsibility to identify and manage these risks within defined parameters and standards. The deliberations of risk and mitigation responses are discussed at periodic management meetings.

The management of risk is an on-going process to identify, evaluate and manage significant risks faced by the Group. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating functions within the Group. The Board periodically re-evaluates the existing risk management practices, and where appropriate and necessary, updates them accordingly.

The Board has established an Enterprise Risk Management ("ERM") Framework for the Group.

Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

With the implementation of the ERM Framework, the Group will have a structured process within its risk management framework for identifying, evaluating, mitigating and monitoring risks:

- Key business and operational risks faced by the Group are defined, highlighted, monitored and managed systematically to ensure prudent risk management.
- Risk identification: risk owners (heads of each department/management) are primarily responsible for identifying risks that could adversely impact the achievement of the Group's objectives in relation to their areas of supervision/control.
- Risk evaluation: evaluation of the identified risks by risk owners to determine the possibility of occurrence and potential impact to the Group.
- Risk mitigation: proposed action plan by risk owners to manage/mitigate the risks.
- Risk monitoring: ongoing process of monitoring risks by Management to ensure that appropriate mitigation plans have been implemented and taking into account changes in the regulatory and business environment.

Risk identification had classified the Group's risk into 6 broad categories namely strategic, commercial, technical, operations, finance and human capital. A rating was assigned to each risk to determine the likelihood of the risk of occurring and potential impact to the business.

On top of this, key controls and procedures had been identified to mitigate each risk.

A risk manager was appointed to ensure the smooth implementation of the second stage i.e the risk mitigation and monitoring. The second stage entails the documentation of the risk action plans and its monitoring. The risk manager is expected to report the status of the ERM implementation on a half yearly basis.

The Board requested OAC Consulting Sdn. Bhd. to perform risk identification and evaluation annually, the results of which were tabled during the year at the Audit Committee meeting and used as a basis to determine the scope of the Internal Audit Plan for the FPE2021.

KEY INTERNAL CONTROL ELEMENTS

- Clearly defined terms of reference, authorities and responsibilities of the various Board Committees which include the Audit Committee, Nomination Committee, Remuneration Committee and Share Grant Plan Committee;

- Well defined organisational structure with clear lines of authority, accountability and responsibility of the Senior Management and the Board;

- Sufficient reports generated in respect of the business and operating units to enable proper review of their operations and financials. Management accounts are prepared timely on a monthly basis and are reviewed by the Chief Executive Officer, Executive Director and Senior Management;

- Clearly defined and formalised internal policies and standard operating procedures are in place to support the Group in achieving its corporate objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;

- Training and development programmes to enhance the professionalism and competency of staff. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis;

Statement on Risk Management and Internal Control (cont'd)

KEY INTERNAL CONTROL ELEMENTS (CONT'D)

- Decision of the Board to outsource its internal audit function to an independent professional consulting firm for greater independence and accountability in the internal audit function; and
- Whistle Blowing Policy which provides an avenue for employees to report suspected malpractices, misconduct or Company's policies and regulations in a secure and confidential manner.
- The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-bribery and corruption policy which prohibits all forms of bribery and corruption practices. All employees to read and understand the policy and to take an assessment test. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's anti-bribery and corruption policy. The said policy is also made available at the Company's website.

INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group. Internal audit reports are presented, together with Management's response and proposed action plans to the Audit Committee on an annual basis.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk-based audit plan approved by the Audit Committee. The risk-based audit plan covers the review of the key operational and financial functions in accordance with the approved Internal Audit Plan. A risk-based methodology is adopted to evaluate the adequacy and effectiveness of the risk management, financial, operational and governance processes.

During the FPE2021, the internal audit function carried out audits in accordance with the Internal Audit Plan approved by the Audit Committee. The results of the internal audit were reviewed and the recommendations for improvement were presented to the Audit Committee at their meetings.

The Internal Auditors have reviewed and evaluated the adequacy and effectiveness of the internal control system over inventory management and credit management of the Group.

In addition, follow up reviews were also conducted to ensure that corrective actions have been implemented in a timely manner. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report. The total cost incurred for the internal audit function for the FPE2021 was RM19,000.

REVIEW BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR of Bursa Securities, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FPE2021. Their review was performed in accordance with Recommended Practice Guide 5 (Revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The External Auditors have reported to the Board that nothing had come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

Statement on Risk Management and Internal Control (cont'd)

ASSURANCE TO THE BOARD

The Board had received assurance from the Executive Directors that the Group's risk management framework and internal controls are operating adequately and effectively, in all material respects, for the FPE2021.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors of the Company is fully accountable for ensuring that the financial statements are drawn up in accordance with the Companies Act 2016 ("Act") and the applicable approved accounting standards prescribed by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Company and its subsidiaries ("Group") as at 31 January 2021 and of the results and cash flows of the Company and of the Group for the financial year then ended.

In the preparation of the financial statements for the financial period ended 31 January 2021, the Directors have:-

a. applied relevant and appropriate accounting policies consistently and in accordance with applicable approved accounting standards;

b. made judgments and estimates that are prudent and reasonable; and

c. used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept in accordance with the Act. The Directors also have overall responsibility in taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Private Placement

The Company had placed out 104,675,000 new ordinary shares via a private placement exercise which raised total proceeds of RM69,326,253. The details of utilisation of proceeds raised from the said private placement exercise were as follows:-

	Detail of utilisation	Proposed utilisation RM'000	Actual proceeds raised RM'000	Actual utilisation 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	–	9,162	Within 24 months
4	Estimated expenses for the private placement exercise	1,001	1,001	–	1,001	Immediately
	Total	**71,001**	**69,326**	**–**	**69,326**	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group for the financial period ended 31 January 2021 are as follows:-

	Group RM	Company RM
Audit Fee	637,778	200,000
Non-Audit Fee	10,000	10,000

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and/or its subsidiaries, involving Directors' or major shareholders' interest, either still subsisting at the end of the financial period ended 31 January 2021 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of revenue or trading nature during the financial period ended 31 January 2021.

Additional Compliance Information (cont'd)

5. SHARE GRANT PLAN ("SGP")

The SGP of up to 30% of the issued share capital of the Company at any time during the existence of the SGP, to be granted and/or issued to the eligible Directors and employees of the Company and its subsidiaries for a period of 5 years until 31 March 2020 and subsequently extended for another 5 years until 30 March 2025 is governed by the SGP By-Laws.

The allocation to any individual selected employee (including an Executive Director or a Chief Executive Officer) who, either singly or collectively through persons connected with the selected employee, holds 20% or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed 10% of the total number of shares to be issued under the SGP.

The Company had on 12 June 2020 granted 1,000,000 ordinary shares pursuant to the SGP at RM0.52 to Mr. Edmond Tay Nam Hiong, an Executive Director cum Chief Executive Officer of the Company.

Details in the movement of the shares granted under the SGP since its inception are as follows:-

	Number of shares over ordinary shares		
	Employees	Director (including Chief Executive Officer)	Total
Total shares granted	2,108,400	1,000,000	3,108,400
Total shares exercised	2,108,400	1,000,000	3,108,400
Total shares outstanding	–	–	–

The actual allocation of SGP to the Director and Key Senior Management is 36.82%.

SUSTAINABILITY STATEMENT

Kronologi Asia Berhad ("Kronologi" or "Company") aims to conduct a sustainable business which enhances value to all our stakeholders. We are committed to play an active role as a responsible corporate citizen and believe a sustainable business should be carried out ethically and with integrity. We have identified three important pillars to support our continued initiative to build a sustainable business.

ENVIRONMENT

The Company and its subsidiaries ("Group") do not operate in an environmentally sensitive business, but we recognise our duty to minimise the Group's carbon footprint to the environment. Therefore, the Group has identified opportunities to reduce or reuse the resources we consume since the Group believes that efficient reuse, recycling and efficient utilisation of resources will help reduce the Group's overall carbon footprint.

These steps include reducing our energy consumption at the workplace through switching off unused lights and air conditioning, and our paper management initiative to print only where necessary, including printing on both sides of a page, if possible, and the recycling of used printed papers.

WORKPLACE

Great people make a great organisation. Kronologi strives to provide all our employees with a conducive workplace in order for us to consistently perform at our very best. We take pride in ensuring that our operations are carried out in a safe and healthy environment with sufficient support for training and development to bring out the best in our team.

The Group takes cognisance for the recommendation of a diversity policy of its workforce in terms of gender, ethnicity and age and shall accord due consideration on such matters as and when they arise.

COMMUNITY

Kronologi believes in contributing back to society and actively participates in Corporate Social Responsibility ("CSR") activities.

Every year, during Chinese New Year, the Group would organise a lunch event for its business partners and associates. At the lunch event, the Group would raise funds for a charitable organisation. In FPE2021, the Group raised and contributed a total of SGD26,324 for Filos Community Services Ltd.





FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period from 1 January 2020 to 31 January 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provisions of business consulting, designing of solutions and research and development relating to new and emerging information technology software, applications, multimedia development, information systems, data management software, data protection solutions and processes, system back-up and disaster recovery systems and related businesses.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Company has been changed from 31 December to 31 January and this is the first set of financial statements prepared to end on the new accounting date. As a result of this, the audited financial statements are prepared for a period of 13 months from 1 January 2020 to 31 January 2021.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit/ (loss) for the financial period	1,419,876	(2,331,973)

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

Directors' Report (cont'd)

DIRECTORS

The directors who held office during the financial period from the end of the financial period to the date of this report are:-

John Chin Shoo Ted
Tan Jeck Min
Kok Cheang-Hung
Geoffrey Ng Ching Fung
Edmond Tay Nam Hiong

The names of the Directors of the Company's subsidiaries in office during the financial period end up to the date of this report other than those named above are as follows:-

Teo Chong Meng Philip Dominic
Enrique G. Velasco
Jennifer Joy G. Ortiz
Romualdo G. Velasco
Low Geok Fong (Appointed on 15 April 2020)

DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings, the interest and deemed interests in the shares of the Company and of its related corporations of those who were Directors at the end of the financial period are as follows:-

	Number of ordinary shares			
	At appointment date/ beginning of the year	**Bought**	**Sold**	**At end of the period**
Interest in the Company				
Direct interest				
Tan Jeck Min	55,129,768	–	–	55,129,768
Edmond Tay Nam Hiong	260,000	1,000,000	(500,000)	760,000
John Chin Shoo Ted	135,000	–	(25,000)	110,000
Kok Cheang-Hung	21,000	–	–	21,000
Indirect interest				
Edmond Tay Nam Hiong	24,213,220	–	–	24,213,220

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial period, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The amount of indemnity insurance premium paid for Directors of the Company during the financial period amounted to RM36,000.

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued:-

(a) 33,097,970 new ordinary shares at issue price of RM0.5665 for a total consideration of RM18,750,000 pursuant to the acquisition of subsidiary as disclosed in Note 6 to the financial statements.

(b) 1,000,000 new shares at issued price of RM0.52 for a total consideration of RM520,000 pursuant to the Company Share Grant Plan.

The new shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debenture during the financial period.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts of the Group and of the Company; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected to realise.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would necessitate the writing off of bad debts or render to make any provision for doubtful debts in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

In the opinion of the Directors:-

(a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of the Group and of the Company operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial period in which this report is made.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ("MCO") effective from 18 March 2020 to 31 March 2020 arising from the COVID-19 pandemic. The MCO was subsequently extended until 12 May 2020, followed by Conditional MCO until 9 June 2020 and then, Recovery MCO until 31 August 2020.

The Group recognised a property, plant and equipment written off of RM11,737,915 during the financial period as a result of the COVID-19 pandemic.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows and undrawn facilities to meets its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group does not anticipate significant supply disruptions and would continuing monitor its fund and operational needs.

Details of event subsequent to financial period end is disclosed in Note 37 to the financial statements.

AUDITORS

The total amount of fee paid to or receivable by the Auditors, as remuneration for their services as auditors of the Group and of the Company for the financial period from 1 January 2020 to 31 January 2021 amounted to RM637,778 and RM200,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

The auditors, Messrs PKF have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

....	)	
EDMOND TAY NAM HIONG	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
....	)	
TAN JECK MIN	)	

Singapore

25 May 2021

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 49 to 124 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021 and of their financial performance and cash flows for the financial period from 1 January 2020 to 31 January 2021.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

....	....
EDMOND TAY NAM HIONG	**TAN JECK MIN**

Singapore

25 May 2021

STATUTORY DECLARATION

I, Tan Jeck Min, being the Director primarily responsible for the financial management of Kronologi Asia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 49 to 124 are correct and I make this solemn declaration by virtue of the provisions of the Oaths and Declarations Act (Cap. 211), and subject to the penalties provided by that Act for the making of false statement in statutory declarations, conscientiously believing the same to be true in every particular.

Subscribed and solemnly declared by)
the abovenamed at Singapore on this)
day of 25 May 2021)
)

....
TAN JECK MIN

Before me:

Notary Public

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KRONOLOGI ASIA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kronologi Asia Berhad, which comprise the Statements of Financial Position as at 31 January 2021 of the Group and of the Company, the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial period from 1 January 2020 to 31 January 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 124.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021 and of their financial performance and cash flows for the financial period from 1 January 2020 to 31 January 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group and of the Company in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Valuation of intangible assets with definite and indefinite useful lives (Group and Company)

The risk

Intangible assets with definite and indefinite useful lives mainly consist of capitalised development costs related to the FABRiK framework.

The Group and the Company review the carrying amounts of these non-current assets annually or more frequently if impairment indicators are present. Estimating the recoverable amount of the assets requires critical management judgement including estimates of future sales, gross margins, operating costs, capital expenditures and the discount rate and the assumptions inherent in those estimates.

The annual impairment test is significant to our audit because the assessment process is complex and requires significant judgement and estimation. The Group and the Company disclosed the nature and value of the assumptions used in the impairment analyses in Note 8 to the financial statements.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(i) Valuation of intangible assets with definite and indefinite useful lives (Group and Company) (Cont'd)

Our response

We obtained an understanding of the impairment assessment processes and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.

Our focus included evaluating the projected cash flow used for the valuation of intangible assets and testing key assumptions used in the valuation.

Our procedures included the verification of management's assumptions used in their impairment models. We have reviewed the methodology and challenged the results of the impairment test prepared by management.

(ii) Valuation of goodwill (Group)

The risk

MFRS 136 requires goodwill to be tested for impairment annually. We focused on this area due to complexity of the assessment process which involves complex and subjective judgements by the Directors about the future results of the relevant parts of the business.

The Group disclosed the nature and value of the assumptions used in the impairment analyses in Note 5 to the financial statements.

Our response

We obtained an understanding of the impairment assessment processes and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.

We assessed the historical accuracy of management's budgets and forecasts. We consider the accuracy of management's estimates to have been reasonable for the current year with assumptions within an acceptable range.

Our procedures included the verification of management's assumptions used in their impairment models. We have reviewed the methodology and challenged the results of the impairment test prepared by management.

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Group and of the Company are responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors of the Group and of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, the subsidiaries of which we have not acted as auditors are disclosed in Note 6 and 7 to the financial statements.

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

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PKF
AF 0911
CHARTERED ACCOUNTANTS

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SHARINAH BINTI MOHAMED IQBAL
03285/10/2022 J
CHARTERED ACCOUNTANT

Kuala Lumpur

25 May 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2021

	Note	Group 2021 RM	Group 2019 RM	Company 2021 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	43,844,928	45,590,675	407,726	288,842
Goodwill on consolidation	5	119,546,232	119,590,128	–	–
Investment in subsidiaries	6A	–	–	137,764,100	137,764,100
Investment in an associate	7A	13,919,781	12,927,715	12,553,024	12,553,024
Intangible assets	8	3,790,610	4,126,296	3,790,610	4,126,296
Other receivables	9	6,360,093	7,835,619	–	–
Deferred tax assets	10	1,297,158	502,973	–	–
Total non-current assets		188,758,802	190,573,406	154,515,460	154,732,262
Current assets					
Inventories	11	9,777,755	20,640,526	–	–
Trade receivables	12	48,393,592	59,855,533	–	–
Other receivables	9	30,257,378	27,858,028	172,872	341,109
Amount due from subsidiaries	6B	–	–	38,286,296	37,422,618
Amount due from an associate	7B	23,851,410	6,759,849	–	–
Tax recoverable		144,087	44,831	80,458	37,250
Other investment	13	8,901,875	10,655,033	8,901,875	10,655,033
Fixed deposit with a licensed bank	14	–	12,282,071	–	–
Cash and bank balances	15	60,685,917	34,112,721	430,806	848,394
Total current assets		182,012,014	172,208,592	47,872,307	49,304,404
Total assets		370,770,816	362,781,998	202,387,767	204,036,666

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position (cont'd)

	Note	Group 2021 RM	Group 2019 RM	Company 2021 RM	Company 2019 RM
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:					
Share capital	16	201,120,898	181,850,898	201,120,898	181,850,898
Merger deficit	17	(17,406,096)	(17,406,096)	–	–
Exchange translation reserve	18	1,719,608	2,455,324	–	–
Retirement benefit obligations	19	(369,143)	210,938	–	–
Retained earnings	20	57,328,658	55,908,782	812,697	3,144,670
Total equity		242,393,925	223,019,846	201,933,595	184,995,568
LIABILITIES					
Non-current liabilities					
Deferred income	21	8,139,546	11,877,042	–	–
Lease liabilities	22	4,608,120	5,581,898	43,269	–
Other payables	23	51,223	43,483	–	–
Retirement benefits obligations	19	1,995,901	937,605	–	–
Deferred tax liabilities	10	2,614,741	2,638,291	–	–
Total non-current liabilities		17,409,531	21,078,319	43,269	–
Current liabilities					
Trade payables	24	35,843,057	27,775,300	–	–
Other payables	23	20,467,803	31,968,360	239,490	18,983,406
Amount due to an associate	7B	–	1,307,196	–	–
Deferred income	21	19,372,905	22,538,037	–	–
Lease liabilities	22	4,674,204	3,713,198	171,413	57,692
Borrowings	25	28,690,288	30,551,126	–	–
Current tax payable		1,919,103	830,616	–	–
Total current liabilities		110,967,360	118,683,833	410,903	19,041,098
Total liabilities		128,376,891	139,762,152	454,172	19,041,098
Total equity and liabilities		370,770,816	362,781,998	202,387,767	204,036,666

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 JANUARY 2021

	Note	Group 01.01.2020 31.01.2021 RM	Group 01.01.2019 31.12.2019 RM	Company 01.01.2020 31.01.2021 RM	Company 01.01.2019 31.12.2019 RM
Revenue	26	265,494,526	235,501,069	2,400,000	4,412,525
Cost of sales		(224,365,592)	(186,763,492)	(455,686)	(404,013)
Gross profit		41,128,934	48,737,577	1,944,314	4,008,512
Other income		3,845,733	3,449,001	254,784	531,144
Selling and distribution expenses		(13,005,002)	(13,882,494)	–	–
Operating expenses		(14,587,069)	(12,963,702)	(2,548,965)	(3,158,402)
Net loss on impairment of financial asset		(1,088,565)	(23,030)	(1,968,252)	–
Property, plant and equipment written off		(11,737,915)	(45,237)	–	–
Finance income		88,284	368,941	759	15,815
Finance costs		(1,539,122)	(2,032,100)	(12,493)	(9,142)
Share of results of equity-accounted associate		1,057,395	309,158	–	–
Profit/ (Loss) before tax	28	4,162,673	23,918,114	(2,329,853)	1,387,927
Tax expense	29	(2,742,797)	(5,321,720)	(2,120)	(1,869)
Profit/ (Loss) for the financial period/ year, attributable to the owners of the Company		1,419,876	18,596,394	(2,331,973)	1,386,058

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income (cont'd)

		Group		Company	
	Note	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Other comprehensive income:-					
Item that will be reclassified subsequently to profit or loss					
Remeasurement of retirement benefits obligation		(580,081)	–	–	–
Exchange translation differences		(735,716)	(706,110)	–	–
Total comprehensive income/(loss) for the financial year, attributable to the owners of the Company		104,079	17,890,284	(2,331,973)	1,386,058
Earnings per share attributable to the owners of the Company (sen)	30				
- Basic		0.28	4.04		
- Dilluted		*	3.97		

* No diluted earnings per share is presented as there are no potential dilutive ordinary shares at the end of 31 January 2021.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 JANUARY 2021

		Attributable to owners of the Company					
		Non-distributable				Distributable	
	Note	**Share capital RM**	**Merger deficit RM**	**Exchange translation reserve RM**	**Retirement benefit obligations RM**	**Retained earnings RM**	**Total RM**
Group							
Balance as at 1 January 2019		130,600,898	(17,406,096)	3,161,434	–	47,164,160	163,520,396
- Effect of adoption of MFRS 16		–	–	–	–	(66,225)	(66,225)
Balance as restated		130,600,898	(17,406,096)	3,161,434	–	47,097,935	163,454,171
Exchange translation differences		–	–	(706,110)	–	–	(706,110)
Profit for the financial year		–	–	–	–	18,596,394	18,596,394
Total comprehensive income for the financial year		–	–	(706,110)	–	18,596,394	17,890,284
Acquisition of subsidiary		–	–	–	210,938	–	210,938
Transaction with owners:							
Issuance of share capital	16	51,250,000	–	–	–	–	51,250,000
Dividends paid		–	–	–	–	(9,785,547)	(9,785,547)
Balance as at 31 December 2019		181,850,898	(17,406,096)	2,455,324	210,938	55,908,782	223,019,846
Exchange translation differences		–	–	(735,716)	15,808	–	(719,908)
Remeasurement of retirement benefits obligation		–	–	–	(595,889)	–	(595,889)
Profit for the financial period		–	–	–	–	1,419,876	1,419,876
Total comprehensive income for the financial period		–	–	(735,716)	(580,081)	1,419,876	104,079
Transaction with owners:							
Issuance of share capital	16	19,270,000	–	–	–	–	19,270,000
Balance as at 31 January 2021		201,120,898	(17,406,096)	1,719,608	(369,143)	57,328,658	242,393,925

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity (cont'd)

	Note	Attributable to owners of the Company Non-distributable Share capital RM	Distributable Retained earnings RM	Total RM
Company				
Balance as at 1 January 2019		130,600,898	11,549,280	142,150,178
- Effect of adoption of MFRS 16		–	(5,121)	(5,121)
Balance as restated		130,600,898	11,544,159	142,145,057
Total comprehensive income for the financial year		–	1,386,058	1,386,058
Transaction with owners:				
Issuance of share capital	16	51,250,000	–	51,250,000
Dividends paid		–	(9,785,547)	(9,785,547)
Total transaction with owners		51,250,000	(9,785,547)	41,464,453
Balance as at 31 December 2019		181,850,898	3,144,670	184,995,568
Total comprehensive loss for the financial period		–	(2,331,973)	(2,331,973)
Transaction with owners:				
Issuance of share capital	16	19,270,000	–	19,270,000
Balance as at 31 January 2021		201,120,898	812,697	201,933,595

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 JANUARY 2021

	Note	Group 01.01.2020 31.01.2021 RM	Group 01.01.2019 31.12.2019 RM	Company 01.01.2020 31.01.2021 RM	Company 01.01.2019 31.12.2019 RM
OPERATING ACTIVITIES					
Profit/ (Loss) before tax		4,162,673	23,918,114	(2,329,853)	1,387,927
Adjustments for:-					
Amortisation of intangible assets		455,686	404,013	455,686	404,013
Depreciation of property, plant and equipment		13,520,044	9,832,525	220,613	202,136
Gain on disposal of property, plant and equipment		(61,559)	(9)	–	–
Interest expense		1,539,122	2,032,100	12,493	9,142
Interest income		(88,284)	(368,941)	(759)	(15,815)
Impairment loss on inventories		803,514	102,936	–	–
Property, plant and equipment written off		11,737,915	45,237	–	–
Impairment loss on receivables		1,088,565	23,030	1,968,252	–
Reversal of inventories write-down		–	(1,440,408)	–	–
Share of results of equity-accounted associate		(1,057,395)	(309,158)	–	–
Unrealised (gain)/loss on foreign exchange		(596,928)	(640,481)	207,142	172,962
Operating profit before working capital changes		31,503,353	33,598,958	533,574	2,160,365
Changes in working capital:-					
Inventories		10,044,427	25,741,611	–	–
Receivables		7,867,643	5,869,332	168,237	138,042
Payables		(4,186,295)	(28,671,331)	(18,743,916)	(120,950)
Subsidiaries		–	–	(3,039,072)	(5,305,246)
Deferred income		(6,902,627)	5,296,290	–	–
Associate		(17,091,542)	(2,764,657)	–	–
Cash generated from/(used in) operations		21,234,959	39,070,203	(21,081,177)	(3,127,789)
Interest received		88,284	368,941	759	15,815
Tax paid		(598,254)	(5,855,680)	(45,328)	(66,451)
Net cash from/(used in) operating activities		20,724,989	33,583,464	(21,125,746)	(3,178,425)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows (cont'd)

	Note	Group 01.01.2020 31.01.2021 RM	Group 01.01.2019 31.12.2019 RM	Company 01.01.2020 31.01.2021 RM	Company 01.01.2019 31.12.2019 RM
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(18,705,513)	(31,081,714)	–	–
Proceeds from disposal of property, plant and equipment		662,437	1,905	–	–
Repayment from subsidiaries		–	–	–	1,429,799
Acquisition of subsidiaries, net of cash acquired		–	268,442	–	–
Addition of intangible assets (Note 8)		(120,000)	–	(120,000)	–
Net cash (used in)/from investing activities		(18,163,076)	(30,811,367)	(120,000)	1,429,799
FINANCING ACTIVITIES	A				
Proceeds from issuance of share capital		19,270,000	–	19,270,000	–
Repayment of lease liabilities		(5,109,938)	(5,311,709)	(182,507)	(170,859)
Net repayment of borrowings		(1,687,788)	(1,264,675)	–	–
Dividend paid		–	(9,785,547)	–	(9,785,547)
Interest paid		(1,539,122)	(2,032,100)	(12,493)	(9,142)
Net cash from/ (used in) financing activities		10,933,152	(18,394,031)	19,075,000	(9,965,548)
CASH AND CASH EQUIVALENTS					
Net movement		13,495,065	(15,621,934)	(2,170,746)	(11,714,174)
Effect of exchange translation differences		(957,098)	3,230,410	–	–
At beginning of the financial year		57,049,825	69,441,349	11,503,427	23,217,601
At end of the financial period/ year	B	69,587,792	57,049,825	9,332,681	11,503,427

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows (cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group			
	2021		2019	
	Borrowings RM	Lease liabilities RM	Borrowings RM	Lease liabilities RM
At 1 January 2020/ 2019 (restated)	30,551,126	9,295,096	21,193,331	14,087,858
Cash flows	(1,687,788)	(5,109,938)	(1,264,675)	(5,311,709)
Additions	–	5,045,194	–	–
Acquisition of subsidiary	–	–	10,902,595	323,386
Foreign currency translation differences	–	–	(280,125)	277,414
Unrealised gain on foreign exchange	(173,050)	51,972	–	(81,853)
At 31 January 2021/ 31 December 2019	28,690,288	9,282,324	30,551,126	9,295,096

	Company	
	2021 Lease liabilities RM	2019 Lease liabilities RM
At 1 January 2020/ 2019 (restated)	57,692	228,551
Cash flows	(182,507)	(170,859)
Additions	339,497	–
At 31 January 2021/ 31 December 2019	214,682	57,692

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statements of Cash Flows comprise the following:-

	Group		Company	
	2021 RM	2019 RM	2021 RM	2019 RM
Other investment (Note 13)	8,901,875	10,655,033	8,901,875	10,655,033
Fixed deposit with a licensed bank	–	12,282,071	–	–
Cash and bank balances	60,685,917	34,112,721	430,806	848,394
	69,587,792	57,049,825	9,332,681	11,503,427

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 JANUARY 2021

1. GENERAL INFORMATION

The Company was incorporated and domiciled in Malaysia. The registered office and the principal place of business of the Company are located at Third Floor, No.77, 79, 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan and Level 28-D, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan respectively.

The principal activities of the Company consist of investment holding and the provisions of business consulting, designing of solutions and research and development relating to new and emerging information technology software, applications, multimedia development, information systems, data management software, data protection solutions and processes, system back-up and disaster recovery systems and related businesses.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 May 2021.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Companies Act 2016 in Malaysia.

(b) Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. BASIS OF PREPARATION (CONT'D)

(b) Basis of measurement (Cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(d) Adoption of new standards/amendments/improvements to MFRSs and IC Interpretations ("IC Int")

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs and IC Int which are mandatory for the financial period beginning on or after 1 January 2020.

Description

- Amendments to MFRS 3, *Business Combinations*: Definition of Business
- Amendments to MFRS 4, *Insurance Contracts*: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Material
- Amendments from other Standards:
    - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
    - Amendments to MFRS 3, *Business Combinations*
    - Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
    - Amendments to MFRS 7, *Financial Instruments: Disclosures*
    - Amendments to MFRS 9, *Financial Instruments*
    - Amendments to MFRS 15, *Revenue from Contracts with Customers*
    - Amendments to MFRS 101, *Presentation of Financial Statements*
    - Amendments to MFRS 107, *Statement of Cash Flows*
    - Amendments to MFRS 110, *Events after the Reporting Period*
    - Amendments to MFRS 116, *Property, Plant and Equipment*
    - Amendments to MFRS 119, *Employee Benefits*
    - Amendments to MFRS 128, *Investments in Associates and Joint Ventures*
    - Amendments to MFRS 132, *Financial instruments: Presentation*
    - Amendments to MFRS 134, *Interim Financial Reporting*
    - Amendments to MFRS 136, *Impairment of Assets*
    - Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets*
    - Amendments to MFRS 138, *Intangible Assets*
    - Amendments to MFRS 140, *Investment Property*

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(e) Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions	1 June 2020
• Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases: Interest Rate Benchmark Reform - Phase 2	1 January 2021
• 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 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9, Financial Instruments	1 January 2022
- Amendments to MFRS 16, Leases	1 January 2022
- Amendments to MFRS 141, Agriculture	1 January 2022
• MFRS 17, Insurance Contracts	1 January 2023
• Amendments to MFRS 17, Insurance Contracts	1 January 2023
• 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 initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(f) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgement, estimate and assumption made by management, and will seldom equal the estimated results.

Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Property, plant and equipment are depreciated on a straight-line basis over their useful life. Management estimates the useful lives of the property, plant and equipment to be within 1 to 5 years and reviews the useful lives of depreciable assets at each end of the reporting year. As at 31 January 2021, management assesses that the useful lives represent the expected utilisation of the assets to the Group and the Company.

The carrying amount of the Group's and of the Company's property, plant and equipment and intangible assets with definite useful life at the end of the financial period/ year is disclosed on Notes 4 and 8 to the financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill and intangible assets are disclosed in Notes 5 and 8 to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

(f) Significant accounting estimates and judgements (Cont'd)

Estimation uncertainty (Cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, the management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the financial period/ year is disclosed on Note 11 to the financial statements.

The management expects that the expected net realisable values of the inventories would not have material difference from the management's estimation of net realisable values hence it would not result in material variance in the Group's profit for the financial period/ year.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Note 12 and Note 33(B)(a) to the financial statements.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(f) Significant accounting estimates and judgements (Cont'd)

Estimation uncertainty (Cont'd)

Tax expenses

The Group and the Company are exposed to income taxes. Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of the Group's and of the Company's provision for taxation, deferred tax assets and deferred tax liabilities at the end of the reporting period, are disclosed on the face of statements of financial position and in Notes 10 and 29 to the financial statements respectively.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

Research and development costs

The Group capitalises costs for development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Group's accounting policy to also require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data.

The Group's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

2. BASIS OF PREPARATION (CONT'D)

(f) Significant accounting estimates and judgements (Cont'd)

Significant management judgement (Cont'd)

Estimating stand-alone selling price

The Group provides installation and maintenance services that are either sold separately or bundled together with the sale of goods to a customer. The installation and maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

The Group determined that both the goods, installation and maintenance are capable of being distinct. The fact that the Group regularly sells both goods, installation and maintenance on a stand-alone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the goods and to provide installation are distinct within the context of the contract. The goods, installation and maintenance are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the goods, installation and maintenance together in this contract do not result in any additional or combined functionality and neither the goods nor the installation or maintenance modify or customise the other. In addition, the goods and installation are not highly interdependent or highly interrelated, because the Group would be able to transfer the goods even if the customer declined installation and maintenance and would be able to provide installation and maintenance in relation to products sold by other distributors.

Consequently, the Group allocated a portion of the transaction price to the goods and the installation and maintenance services based on relative stand-alone selling prices.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements, unless otherwise stated.

3.1 Consolidation

Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance with MFRS 112 Income Taxes.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other separately identifiable reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Business combinations and goodwill

Under the acquisition method, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

Business combinations and goodwill (Cont'd)

Goodwill initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Associate

Associate is an entity in which the Group and the Company have significant influence, but no control, over their financial and operating policies.

The Group's and the Company's investment in its associate is accounted for using the equity method. Under the equity method, investment in an associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's and the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's and of the Company's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate, the Group and the Company recognise its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group or the Company and the associate is eliminated to the extent of the interest in the associate.

The aggregate of the Group's and of the Company's share of profit or loss of an associate is shown on the face of the statements of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

Associate (Cont'd)

When the Group's and the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group and the Company have an obligation or has made payments on behalf of the associate.

The financial statements of the associate are prepared as of the same reporting period as the Group and the Company. Where necessary, adjustments are made to bring the accounting policies of the associate in line with those of the Group and of the Company.

After application of the equity method, the Group and the Company determine whether it is necessary to recognise an additional impairment loss on the Group's and the Company's investments in its associate. The Group and the Company determine at each end of the reporting year whether there is any objective evidence that the investments in the associate is impaired. If there is such evidence, the Group and the Company calculate the amount of impairment as the difference between the recoverable amount of the associate and their carrying value, then recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.2 Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency translation (Cont'd)

Foreign operations

The assets and liabilities of foreign operations are dominated in functional currencies other than Ringgit Malaysia ("RM") including goodwill and fair value adjustments arising on acquisition, are translated into RM at the rate of exchange prevailing at the end of the reporting date and their profit or loss and other comprehensive income are translated at average rate over the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operations, the component of other comprehensive income relating to that particular foreign operations is recognised in the profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.

3.3 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life. Annual depreciation based on the estimated useful lives of the assets are as follows:

Infrastructure equipment	3 - 5 years
Office equipment	1 - 5 years
Furniture and fittings	5 years
Renovation	5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial period in which the asset is derecognised.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, exclude capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss in the period in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite.

Definite life

Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life. Annual amortisation based on the estimated useful lives of the assets are as follows:

Intangible assets with finite useful life	5 years

Indefinite life

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred.

Deferred development costs arising from development expenditures on an individual project are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during development.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases

Accounting policies applied from 1 January 2019

(i) Initial recognition and measurement

As a lessee

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:-

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(ii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 4 to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

Operating leases

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statements of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments

3.6.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group or the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all risk and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.6.2 Financial asset - categorisation and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

(a) amortised cost ("AC")
(b) fair value through profit or loss ("FVTPL")
(c) fair value through other comprehensive income ("FVOCI")

In the years presented, the Group and the Company do not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's trade and other receivables, amount due from subsidiaries and an associate and cash and cash balances fall into this category of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6. Financial instruments (Cont'd)

3.6.2 Financial asset - categorisation and subsequent measurement (Cont'd)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an investment in cash management fund. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

3.6.3 Financial liabilities – categorisation and subsequent measurement

As the accounting for financial liabilities remains largely the same under MFRS 9 compared to MFRS 139, the Group's and the Company's financial liabilities were not impacted by the adoption of MFRS 9. However, for completeness, the accounting policy is disclosed below.

The Group's and the Company's financial liabilities include borrowings, finance lease liabilities, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Other financial liabilities are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3.6.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6. Financial instruments (Cont'd)

3.6.5 Financial assets – impairment

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces MFRS 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under MFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group and the Company first identifying a credit loss event. Instead the Group and the Company consider a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group and the Company make use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group and the Company use its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group and the Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 33(B)(a) to accounts for a detailed analysis of how the impairment requirements of MFRS 9 are applied.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value after adequate write down has been made for deteriorated, obsolete and slow-moving inventories. Cost of inventories is determined on a first-in, first-out basis. Cost comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid investments which are readily convertible to known amount of cash and subject to insignificant risk of changes in value.

3.9 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

3.10 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue from sales of goods, installation and maintenance services

The Group provides installation and maintenance services that are either sold separately or bundled together with the sale of goods to a customer. The installation and maintenance services can be obtained from other providers and do not significantly customise or modify the goods.

Contracts for bundled sales of goods, installation and maintenance are comprised of three performance obligations because the promises to transfer goods, installation and maintenance services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the goods, installation and maintenance.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

Revenue from sales of goods, installation and maintenance services (Cont'd)

The Group recognises revenue from installation and maintenance services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the sale of the goods are recognised at a point in time, generally upon delivery of the goods.

Revenue invoiced where services have not been rendered at reporting date is recognised as deferred income.

Licensing fee

Revenue from licensing fee is recognised in the accounting period for the licensing of right to use the FABRiK framework.

Revenue from other sources

Interest income

Interest income is recognised using the effective interest method in profit or loss.

3.11 Employee benefits

Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting date.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with borrowing of funds.

3.13 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the financial statements as a liability (or an asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of its assets to determine whether there is any indication of impairment.

If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash-generating unit is less than its carrying amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the profit or loss immediately in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and intangible assets with indefinite useful lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at each reporting date, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting year, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.15 Equity, reserve and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings include all current and prior years' retained profits.

All transactions with owners of the Company are recorded separately within equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Government grants

The Group and the Company do not recognise government grants, including non-monetary grants at fair value, until there is reasonable assurance that the Group and the Company will comply with the conditions attaching to the grants and the grants will be received.

The Group's and the Company's government grant include government assistance for participation in social projects in undeveloped areas which may have no conditions specifically relating to the Group's and the Company's operating activities.

3.17 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decision about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

3.18 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.19 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(i) A person or a close member of that person's family is related to the Group if that person:

- (a) has control or joint control over the Group; or
- (b) has significant influence over the Group; or
- (c) is a member of the key management personnel the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

- (a) the entity and the Group are members of the same group; or
- (b) one entity is an associate or joint venture of the other entity; or
- (c) both entities are joint ventures of the same third party; or
- (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- (e) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group; or
- (f) the entity is controlled or jointly-controlled by a person identified in (i) above; or
- (g) a person identified in (i)(a) above which has significant influence over the entity or is a member of the key management personnel of the entity; or
- (h) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Notes to the Financial Statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	Infrastructure equipment RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Leasehold building RM	Total RM
Group							
Cost							
At 1 January 2019	31,306,574	820,693	388,600	853,698	256,930	–	33,626,495
- Effect of adoption of MFRS 16	–	–	–	–	–	4,732,685	4,732,685
Balance as restated	31,306,574	820,693	388,600	853,698	256,930	4,732,685	38,359,180
Acquisition of a subsidiary	95,973	4,328,481	–	208,748	59,176	835,655	5,528,033
Additions	30,888,451	193,263	–	–	–	273,052	31,354,766
Disposals	(8,217)	(183,533)	–	–	–	–	(191,750)
Written off	(28,721)	(78,016)	–	–	–	–	(106,737)
Foreign currency translation differences	(286,853)	69,971	(1,765)	(3,615)	(1,550)	(25,270)	(249,082)
At 31 December 2019	61,967,207	5,150,859	386,835	1,058,831	314,556	5,816,122	74,694,410
Additions	18,335,562	93,106	23,957	252,888	–	5,045,194	23,750,707
Disposals	(2,805,171)	–	–	–	–	–	(2,805,171)
Written off	(21,136,626)	(4,360,155)	–	(222,885)	–	(4,900,234)	(30,619,900)
Foreign currency translation differences	35,650	197,632	(2,102)	2,560	(740)	95,211	328,211
At 31 January 2021	56,396,622	1,081,442	408,690	1,091,394	313,816	6,056,293	65,348,257

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Infrastructure equipment RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Leasehold building RM	Total RM
Group (Cont'd)							
Accumulated depreciation							
At 1 January 2019	10,446,825	620,379	207,014	736,240	231,571	–	12,242,029
- Effect of adoption of MFRS 16	–	–	–	–	–	2,251,179	2,251,179
Balance as restated	10,446,825	620,379	207,014	736,240	231,571	2,251,179	14,493,208
Acquisition of a subsidiary	74,476	4,241,669	–	208,748	22,684	557,102	5,104,679
Charge for the financial year	7,609,102	185,183	30,508	28,646	33,694	1,945,392	9,832,525
Disposals	(6,321)	(183,533)	–	–	–	–	(189,854)
Written off	(9,096)	(52,405)	–	–	–	–	(61,501)
Foreign currency translation differences	(105,040)	71,456	(1,662)	(5,268)	(2,535)	(32,273)	(75,322)
At 31 December 2019	18,009,946	4,882,749	235,860	968,366	285,414	4,721,400	29,103,735
Charge for the financial period	10,892,530	179,300	38,454	30,833	13,690	2,365,237	13,520,044
Disposals	(2,204,293)	–	–	–	–	–	(2,204,293)
Written off	(9,398,711)	(4,360,155)	–	(222,885)	–	(4,900,234)	(18,881,985)
Foreign currency translation differences	(260,707)	189,510	(2,535)	2,106	(2,019)	39,473	(34,172)
At 31 January 2021	17,038,765	891,404	271,779	778,420	297,085	2,225,876	21,503,329
Net carrying amount							
At 31 January 2021	39,357,857	190,038	136,911	312,974	16,731	3,830,417	43,844,928
At 31 December 2019	43,957,261	268,110	150,975	90,465	29,142	1,094,722	45,590,675

Notes to the Financial Statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Renovation RM	Office equipment RM	Furniture and fittings RM	Leasehold building RM	Total RM
Company					
Cost					
At 1 January 2019	122,848	12,971	209,821	–	345,640
- Effect of adoption of MFRS 16	–	–	–	335,145	335,145
Balance as restated/ At 31 December 2019	122,848	12,971	209,821	335,145	680,785
Additions	–	–	–	339,497	339,497
Written off	–	–	–	(335,145)	(335,145)
At 31 January 2021	122,848	12,971	209,821	339,497	685,137
Accumulated depreciation					
At 1 January 2019	27,565	3,319	47,208	–	78,092
- Effect of adoption of MFRS 16	–	–	–	111,715	111,715
Balance as restated	27,565	3,319	47,208	111,715	189,807
Charge for the financial year	12,285	1,297	20,982	167,572	202,136
At 31 December 2019	39,850	4,616	68,190	279,287	391,943
Charge for the financial period	13,308	1,405	22,731	183,169	220,613
Written off	–	–	–	(335,145)	(335,145)
At 31 January 2021	53,158	6,021	90,921	127,311	277,411
Net carrying amount					
At 31 January 2021	69,690	6,950	118,900	212,186	407,726
At 31 December 2019	82,998	8,355	141,631	55,858	288,842

The property, plant and equipment are comprised of right-of-use assets – leasehold building and the Group and Company lease various office and warehouse premises. The contract term ranging from 2 to 3 years (2019: 2 to 3 years).

Impairment test for property, plant and equipment

During the financial period, the Group carried out a review on the recoverable amount of its property, plant and equipment. The recoverable amount of the property, plant and equipment has been determined based on value-in-use calculations using cash-flow projections from financial budgets approved by management covering a five-year period.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment test for property, plant and equipment (Cont'd)

The recoverable amount for the above was based on its value-in-use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5 years business plan.
- Revenue was projected at anticipated annual revenue growth of 1% per annum.
- Expenses were projected at an annual increase of approximately 1.50% per annum.
- A pre-tax discount rate of range of approximately 11.90% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium.

Sensitivity to change in assumptions

Management believes that the value-in-use calculation is sensitive to the changes in revenue and cost of sales growth rate applied in the calculation where it would cause the carrying value of property, plant and equipment to materially below their recoverable amounts.

5. GOODWILL ON CONSOLIDATION

	Group	
	2021 **RM**	**2019** **RM**
At 1 January 2020/ 2019	119,590,128	62,904,172
Acquisition of a subsidiary	–	56,967,884
Effect on exchange translation differences	(43,896)	(281,928)
At 31 January 2021/ 31 December 2019	119,546,232	119,590,128

Goodwill has been allocated to the Group's cash-generating units ("CGU") identified in the foreign subsidiary's operations acquired.

The recoverable amount for the above was based on its value-in-use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5 years business plan.
- Revenue was projected at anticipated annual revenue growth of approximately 2% to 30% (2019: 6.00% to 10.00%) per annum.
- Expenses were projected at an annual increase of approximately 2.48% to 4.20% (2019: 6% to 10%) per annum.
- A pre-tax discount rate of range of approximately 11.90% (2019: 10.40% to 14.79%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium.

Notes to the Financial Statements (cont'd)

5. GOODWILL ON CONSOLIDATION (CONT'D)

Sensitivity to changes in assumptions

With regards to the assessments of value-in-use of these CGU, management believes the calculation of the value-in-use are sensitive to the changes in growth rate of revenue and rate of increase of cost of sales applied would cause the carrying values of these units to differ materially from their recoverable amounts.

6. SUBSIDIARIES

A. Investment in subsidiaries

	Company 2021 RM	Company 2019 RM
Unquoted shares, at cost	137,764,100	137,764,100

The details of the subsidiaries are as follows:-

Name of subsidiaries	Country of incorporation	Effective interest 2021 %	Effective interest 2019 %	Principal activities
Quantum Storage (South Asia) Pte. Ltd. ("QSA") #	Singapore	100	100	Infrastructure technology business providing data protection, hardware and software solutions to enterprises.
Kronicles (Singapore) Pte. Ltd. ("KS") #	Singapore	100	100	Managed services business providing a holistic comprehensive and automated daily backup targeted at medium sized enterprises.
Kronicles (Malaysia) Sdn. Bhd.	Malaysia	100	100	Managed services business providing a holistic comprehensive and automated daily backup targeted at medium sized enterprises.
Quantum Storage (Hong Kong) Limited ("QHK") *	British Virgin Islands	100	100	Investment holding and infrastructure technology business providing data protection, hardware and software solutions to enterprises.
Sandz Solutions (Singapore) Pte Ltd ("Sandz") *	Singapore	100	100	Investment holding and distribution and reselling of computers, related products.

Notes to the Financial Statements (cont'd)

6. SUBSIDIARIES (CONT'D)

A. Investment in subsidiaries (Cont'd)

The details of the subsidiaries are as follows (Cont'd):-

Name of subsidiaries	Country of incorporation	Effective interest 2021 %	2019 %	Principal activities
Subsidiaries of QSA				
Quantum Storage South Asia Sdn. Bhd.	Malaysia	100	100	Infrastructure technology business providing data protection, hardware and software solutions to enterprises.
Subsidiary of QSI				
Quantum Storage (India) Pvt Ltd #	India	100	100	Infrastructure technology business providing data protection, hardware and software solutions to enterprises.
Subsidiaries of QHK				
Quantum Storage (Hong Kong) Limited *	Hong Kong	100	100	Infrastructure technology business providing data protection, hardware and software solutions to enterprises.
Quantum Taiwan Limited *	Taiwan	100	100	Infrastructure technology business providing data protection, hardware and software solutions to enterprises.
Subsidiary of KS				
Kronicles (Hong Kong) Limited *	Hong Kong	100	100	Managed services business providing a holistic comprehensive and automated daily backup targeted at medium sized enterprises.
Subsidiaries of Sandz				
Sandz Solutions Philippines, Inc *	Philippines	100	100	Distribution and reselling of computers, related products.
Sandz Solutions (China) co,.Ltd	Republic of China	–	100	Strike off on 19 March 2020.

* The companies are audited by other firms of auditors.
\# The companies are audited by member alliance

Notes to the Financial Statements (cont'd)

6. SUBSIDIARIES (CONT'D)

A. Investment in subsidiaries (Cont'd)

Acquisition of a subsidiary

2019 – Sandz

On 27 December 2018, the Company entered into a conditional sale and purchase agreement ("SPASandz") with a third party to acquire the entire issued and paid-up share capital of Sandz for a purchase consideration of up to RM75,000,000.

The purchase consideration was satisfied through a mixture of allotment and issuance of up to 123,565,754 new ordinary shares of the Company ("Consideration Shares") and payment of a cash consideration component, details as follows:

(i) 1st payment tranche: Payment of RM56,250,000 in which shall be fully satisfied by the mixture of RM5,000,000 in cash and allotment and issuance of 90,467,784 Consideration Shares by the Company, each credited as fully paid-up, at the issue price of RM0.5665 per Consideration Share ("Issue Price"), on the completion date of the SPA Sandz; and

(ii) 2nd payment tranche: Payment of RM18,750,000, shall be fully satisfied by the allotment and issuance of 33,097,970 Consideration Shares by the Company, each credited as fully paid-up, at the Issue Price, upon Sandz Group achieving the Profit Warranty of USD1,500,000 for financial year ended 31 December 2019.

In the event that Sandz Group fails to achieve the Profit Warranty, the consideration amount payable shall be adjusted downwards proportionately by a ratio of 1% of the 2nd Payment Consideration for every USD15,000 shortfall of the Profit Warranty if the relevant Profit Warranty are not met. The Profit Warranty was met for the financial year ended 31 December 2019.

6. SUBSIDIARIES (CONT'D)

B. Amount due from subsidiaries

	Company 2021 RM	2019 RM
Trade	27,310,515	25,087,576
Less: Impairment loss		
At 1 January 2020/ 2019	–	–
Impairment	(1,385,075)	–
At 31 January 2021/ 31 December 2019	(1,385,075)	–
	25,925,440	25,087,576
Non-trade	12,944,033	12,335,042
Less: Impairment loss		
At 1 January 2020/ 2019	–	–
Impairment	(583,177)	–
At 31 January 2021/ 31 December 2019	(583,177)	–
	12,360,856	12,335,042
	38,286,296	37,422,618

The trade balance included dividend receivable of RM10,106,750 (2019: RM10,235,055). The normal trade credit terms granted by the Company is 30 days (2019: 30 days).

Amount due from subsidiaries are unsecured, bears no interest and repayable on demand.

The foreign currency exposure profile of amount due from subsidiaries are as follows:-

	Company 2021 RM	2019 RM
US Dollar	16,296,124	16,503,003
Singapore Dollar	1,372,612	1,847,266

Notes to the Financial Statements (cont'd)

7. ASSOCIATE

A. Investment in an associate

	Group		Company	
	2021 RM	2019 RM	2021 RM	2019 RM
Unquoted shares outside Malaysia, at cost	12,553,024	12,553,024	12,553,024	12,553,024
Share of post-acquisition reserves	1,366,757	374,691	–	–
	13,919,781	12,927,715	12,553,024	12,553,024

The details of the associate are as follows:-

Name of associate	Country of incorporation	Effective interest 2021 %	Effective interest 2019 %	Principal activities
Quantum China Limited ("QCL")	British Virgin Island	16.67	16.67	Infrastructure technology business providing data protection, hardware and software solutions to enterprises.

Notes to the Financial Statements (cont'd)

7. ASSOCIATE (CONT'D)

A. Investment in an associate (Cont'd)

The following table summarises the information of QCL for the financial period/ year ended 31 January 2021/ 31 December 2019, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's and of the Company's interest in the associate.

	2021 RM	2019 RM
Financial position		
Non-current assets	5,455,894	4,725,983
Current assets	51,190,560	27,731,591
Non-current liabilities	(4,790,288)	(3,364,115)
Current liabilities	(31,881,595)	(15,181,526)
Net assets	19,974,571	13,911,933
Summary of financial performance		
Net profit/total comprehensive income for the period/ year	6,343,101	1,854,575
Reconciliation of net assets to carrying amount		
Group's share of net assets	3,329,761	2,319,119
Goodwill	10,609,891	10,609,891
Carrying amount in the Statements of Financial Position	13,939,652	12,929,010
Group's share of results		
Group's share of profit or loss	1,432,842	375,458
Group's share of other comprehensive income	(66,085)	(767)
Group's share of total comprehensive income	1,366,757	374,691

Contingent liabilities and capital commitments

The associate has no material contingent liabilities or capital commitments as at the reporting date.

B. Amount due from/(to) an associate

The amount due from/(to) an associate is trade in nature, interest free and with credit term of 60 days (2019: 60 days)

Notes to the Financial Statements (cont'd)

8. INTANGIBLE ASSETS

	Group and Company Software with definite useful life RM	FABRiK framework with indefinite useful life RM	Total RM
Cost			
At 1 January 2020/ 2019/ 31 December 2019	2,020,038	2,793,271	4,813,309
Additions	120,000	–	120,000
At 31 January 2021	2,140,038	2,793,271	4,933,309
At 1 January 2019	283,000	–	283,000
Amortisation for the financial year	404,013	–	404,013
At 31 December 2019	687,013	–	687,013
Amortisation for the financial period	455,686	–	455,686
At 31 January 2021	1,142,699	–	1,142,699
Net carrying amount			
At 31 January 2021	997,339	2,793,271	3,790,610
At 31 December 2019	1,333,025	2,793,271	4,126,296

8. INTANGIBLE ASSETS (CONT'D)

The FABRiK framework represents processes, tools and best practices with establish standards and defines rules that the Group's apply in its daily operations and entire products and services delivery. The useful life of the framework is estimated to be indefinite because the management believes that there are no foreseeable limits to the period over which the processes and best practices are expected to generate net cash inflows to the Group. FABRiK framework is assessed for impairment on an annual basis.

The software with definite useful life represents software enhancements made to the components of FABRiK framework in order for it to deliver additional functionality. The useful life of the software is defined to be 5 years.

Impairment test review of FABRiK framework with indefinite useful life

During the financial period, the Group has carried out a review on the recoverable amount of its FABRiK framework. The recoverable amount of the FABRiK framework has been determined based on value-in-use calculations using cash-flow projections from financial budgets approved by management covering a five-year period.

Key assumptions used in value-in-use calculations

Key assumptions and managements approach to determine the values assigned to each key assumption are as follows:

(i)	Technical service fee	-	The technical service fee is determined by management which is receivable from its subsidiaries. Cash flow forecast from subsidiaries had been used as the reference to determine the technical service fee.
(ii)	Discount rate	-	The discount rate applied to the cash flows projection is 11.90% (2019: 10.40%) and is based on the weighted average cost of capital of the Company.
(iii)	Expenses	-	The inflation rate of 2.00% to 2.50% has been applied as the growth rate of the expenses over the 5 years under review.

Sensitivity to changes in assumptions

Management believes that the value-in-use calculation is sensitive to the changes in technical service fee and expenses growth rate applied in the calculation where it would cause the carrying value of FABRiK framework to materially below their recoverable amounts.

Notes to the Financial Statements (cont'd)

9. OTHER RECEIVABLES

	Group 2021 RM	Group 2019 RM	Company 2021 RM	Company 2019 RM
Non-current				
Prepayments	6,360,093	7,835,619	–	–
Current				
Non-trade receivables	13,997,068	10,111,444	–	31,029
Deposits	1,261,826	1,051,214	84,357	84,457
Prepayments	14,998,484	16,695,370	88,515	225,623
Total current	30,257,378	27,858,028	172,872	341,109
Total other receivables	36,617,471	35,693,647	172,872	341,109

Prepayments amounting to RM20,924,297 (2019: RM23,823,343) of the Group is in respect of trade expenditure which are maintenance fees paid in advance to suppliers, represented by:-

	Group 2021 RM	Group 2019 RM	Company 2021 RM	Company 2019 RM
Current				
Within one year	14,564,204	15,987,724	–	–
Non-current				
Later than one year but not later than two years	3,730,530	4,942,764	–	–
Later than two years but not later than five years	1,555,162	2,858,590	–	–
More than five years	1,074,401	34,265	–	–
	6,360,093	7,835,619	–	–
	20,924,297	23,823,343	–	–

9. OTHER RECEIVABLES (CONT'D)

The foreign currency exposure profile of other receivables are as follows:-

	Group	
	2021 RM	2019 RM
US Dollar	1,141,296	102,350
Singapore Dollar	642,015	579,876
Thai Baht	18,655	18,962
Indonesian Rupiah	40,460	41,392
Indian Rupee	933,193	471,631
New Taiwan Dollar	27,136	25,698
Philippines Peso	12,263,181	9,695,639
Hong Kong Dollar	104,478	108,535

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2021 RM	2019 RM
Deferred tax assets	1,297,158	502,973
Deferred tax liabilities	(2,614,741)	(2,638,291)
	(1,317,583)	(2,135,318)

The movement of deferred tax assets/(liabilities) is as follows:-

At 1 January 2020/ 2019	(2,135,318)	(724,693)
Acquisition of subsidiary	–	953,672
Recognised in profit or loss (Note 29)	690,541	(2,401,086)
Foreign currency translation differences	127,194	36,789
At 31 January 2021/ 31 December 2019	(1,317,583)	(2,135,318)

The deferred tax assets/(liabilities) as at reporting date are made up of temporary difference arising from:-

	Group	
	2021 RM	2019 RM
Property, plant and equipment	(1,593,378)	(2,068,030)
Provisions	–	26,612
Others	275,795	(93,900)
	(1,317,583)	(2,135,318)

Notes to the Financial Statements (cont'd)

11. INVENTORIES

	Group 2021 RM	2019 RM
Trading goods	10,668,238	20,742,324
Less: Impairment loss		
At 1 January 2020/ 2019	101,798	–
Impairment	803,514	102,936
Foreign currency translation differences	(14,829)	(1,138)
At 31 January 2021/ 31 December 2019	890,483	101,798
	9,777,755	20,640,526
Recognised in profit or loss:		
Inventories recognised as cost of sales	213,173,482	144,879,876
Impairment loss of inventories	803,514	102,936
Reversal of inventories write-down	–	(1,440,408)

12. TRADE RECEIVABLES

	Group 2021 RM	2019 RM
Trade receivables	49,498,678	59,878,726
Less: Impairment loss		
At 1 January 2020/ 2019	23,193	–
Impairment	1,088,565	23,030
Foreign currency translation differences	(6,672)	163
At 31 January 2021/ 31 December 2019	1,105,086	23,193
	48,393,592	59,855,533

The normal trade credit terms granted to the trade receivables ranging from 7 to 90 days (2019: 7 to 90 days).

Trade receivables are recognised at their original invoice amounts which represent their fair value at initial recognition.

12. TRADE RECEIVABLES (CONT'D)

The foreign currency exposure profile of the trade receivables are as follows:-

	Group	
	2021 RM	2019 RM
US Dollar	24,705,892	26,715,183
Singapore Dollar	6,854,101	3,655,294
Indian Rupee	614,336	1,911,654
Philippines Peso	16,212,056	26,862,535

13. OTHER INVESTMENT

	Group and Company	
	2021 RM	2019 RM
Financial asset at fair value through profit or loss		
Current asset		
Cash management fund	8,901,875	10,655,033

Cash management fund is a highly liquid investment which are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

14. FIXED DEPOSIT WITH A LICENSED BANK

At 31 December 2019, the fixed deposit is denominated in US dollar, bears an interest rate of 1.65% per annum and has a maturity period of 1 month.

15. CASH AND BANK BALANCES

The foreign currency exposure profile of the cash and bank balances are as follows:-

	Group	
	2021 RM	2019 RM
US Dollar	51,294,215	25,406,918
Singapore Dollar	1,612,512	3,122,363
Thailand Baht	772	924
Philippines Peso	2,171,089	2,211,272
Indian Rupee	4,330,896	1,443,646
Indonesian Rupiah	2,144	1,091
New Taiwan Dollar	210,043	163,773
Hong Kong Dollar	163,541	798,326

Notes to the Financial Statements (cont'd)

16. SHARE CAPITAL

	Group and Company			
	No. of ordinary shares		Amount	
	2021 Unit	2019 Unit	2021 RM	2019 RM
Issued and fully paid:-				
At 1 January 2020/ 2019	489,277,330	398,809,546	181,850,898	130,600,898
Issued during the financial period/ year pursuant to:				
- Share grant plan	1,000,000	–	520,000	–
- Acquisition of subsidiary:				
- Sandz	33,097,970	90,467,784	18,750,000	51,250,000
	34,097,970	90,467,784	19,270,000	51,250,000
At 31 January 2021/ 31 December 2019	523,375,300	489,277,330	201,120,898	181,850,898

During the financial period, the Company issued:-

(a) 33,097,970 new ordinary shares at issue price of RM0.5665 for a total consideration of RM18,750,000 pursuant to the acquisition of subsidiary as disclosed in Note 6 to the financial statements.

(b) 1,000,000 new shares at issued price of RM0.52 for a total consideration of RM520,000 pursuant to the Company Share Grant Plan.

The new ordinary shares issued during the financial period/ year ranked pari passu in all respect with the existing ordinary shares of the Company.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares are carrying one (1) vote per share without restriction and rank equally with regards to the Company's residual interests.

17. MERGER DEFICIT

The merger deficit arises as and when the combination takes place, where the cost of merger exceeds the nominal value of the share capital of the subsidiaries acquired.

18. EXCHANGE TRANSLATION RESERVE

The exchange translation reserve comprises foreign exchange differences arising from the translation of financial statements of foreign subsidiaries.

19. RETIREMENT BENEFIT OBLIGATIONS

The Group has a non-contributory, defined benefit plan covering all its officers and regular employees. Retirement benefits expense recognised in the statement of comprehensive income is computed based on provision of MFRS 119. The principal actuarial assumptions used to determine the funding of the trust fund is accrued benefit actuarial cost method which take into account the factors of investment, mortality, disability and salary projection rates.

(a) The movement in the defined benefit obligation is as follows:-

	Group	
	2021 **RM**	**2019** **RM**
Non-current		
At 1 January 2020/ 2019		
- Present value of the obligation	937,605	–
Acquisition of subsidiary	–	758,533
Foreign currency translation differences	30,877	18,656
	968,482	777,189
Expense recognised in profit and loss:-		
- Current service cost	101,474	100,555
- Interest cost	74,673	59,861
	176,147	160,416
Remeasurement in other comprehensive income:-	851,272	–
At 31 January 2021/ 31 December 2019		
- Present value of the obligation	1,995,901	937,605

(b) Remeasurement in other comprehensive income represent actuarial gain and losses which are presented at net of related deferred tax as shown below:-

	Group	
	2021 **RM**	**2019** **RM**
Actuarial gain recognised		
- Changes in financial assumptions	731,509	–
- Deferred tax asset	(255,383)	–
- Experience adjustments	119,763	–
At 31 January 2021/ 31 December 2019	595,889	–

Notes to the Financial Statements (cont'd)

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) The accumulated remeasurements loss recognised in the statement of financial positions as follows:-

	Group 2021 RM	2019 RM
Equity		
At 1 January 2020/ 2019	210,938	–
Acquisition of subsidiary	–	210,938
Remeasurement during the financial period/year, net of tax	(595,889)	–
Foreign currency translation differences	15,808	–
At 31 January 2021/ 31 December 2019	(369,143)	210,938

The defined benefit obligation is calculated using the discount rate set with reference to government bonds. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting date) has been applied as when calculating the retirement benefit liability recognised in the statements of financial position.

There were no changes from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

20. RETAINED EARNINGS

Under the single tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained profits can be distributed to shareholders as tax exempt dividends.

21. DEFERRED INCOME

	Group 2021 RM	2019 RM
Current		
Within one year	19,372,905	22,538,037
Non-current		
Later than one year but not later than two years	5,593,693	7,785,654
Later than two years but not later than five years	1,748,494	4,080,712
More than 5 years	797,359	10,676
	8,139,546	11,877,042
	27,512,451	34,415,079

22. LEASE LIABILITIES

	Group		Company	
	2021 RM	2019 RM	2021 RM	2019 RM
Current	4,674,204	3,713,198	171,413	57,692
Non-current	4,608,120	5,581,898	43,269	–
	9,282,324	9,295,096	214,682	57,692

The lease liabilities bear interest ranging from 2.60% to 11.23% (2019: 1.00% to 11.23%) per annum.

Group and Company as Lessee

The Group and Company have lease contracts for building. The Company's obligations under these leases are secured by the lessors' title to the leased assets. The Group and Company are restricted from assigning and subleasing the lease assets. There are several lease contracts that include extension options which are further discussed below:-

a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Motor Vehicle RM	Infrastructure Equipment RM	Leasehold Building RM	Total RM
Group				
At 1 January 2019	25,694	16,929,686	2,481,506	19,436,886
Acquisition of subsidiary	40,981	–	278,553	319,534
Addition	–	–	273,052	273,052
Depreciation	(37,684)	(4,193,464)	(1,945,392)	(6,176,540)
Foreign currency translation differences	151	(9,783)	7,003	(2,629)
At 31 December 2019	29,142	12,726,439	1,094,722	13,850,303
Addition	–	–	5,045,194	5,045,194
Depreciation	(13,690)	(1,051,963)	(2,365,237)	(3,430,890)
Written off	–	(11,737,915)	–	(11,737,915)
Foreign currency translation differences	1,279	63,439	55,738	120,456
At 31 January 2021	16,731	–	3,830,417	3,847,148

Notes to the Financial Statements (cont'd)

22. LEASE LIABILITIES (CONT'D)

Group and Company as Lessee (Cont'd)

a) Carrying amounts of right-of-use assets classified within property, plant and equipment (Cont'd)

	Leasehold building RM
Company	
At 1 January 2019	223,430
Depreciation	(167,572)
At 31 December 2019	55,858
Addition	339,497
Depreciation	(183,169)
At 31 January 2021	212,186

b) Amount recognised in profit or loss

	Group		Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**01.01.2020 31.01.2021 RM**	**01.01.2019 31.12.2019 RM**
Depreciation of right-of-use assets	3,430,890	6,176,540	183,169	167,572
Interest expense on lease liabilities	663,780	786,547	12,493	9,142
Lease expense not capitalised in lease liabilities	234,165	327,535	–	34,660
	4,328,835	7,290,622	195,662	211,374

The total cash outflow (included interest expense) of the Group and of the Company for leases for the financial period ended 31 January 2021 are RM5,109,938 and RM182,507 (2019: RM5,311,709 and RM170,859) respectively.

23. OTHER PAYABLES

	Group 2021 RM	Group 2019 RM	Company 2021 RM	Company 2019 RM
Non-current				
Non-trade payables	51,223	43,483	–	–
Current				
Non-trade payables	8,228,951	22,419,571	32,140	18,750,869
Accrual of expenses	12,238,852	9,410,471	207,350	232,537
Deposits received from customers	–	138,318	–	–
Total current	20,467,803	31,968,360	239,490	18,983,406
Total other payables	20,519,026	32,011,843	239,490	18,983,406

As at 31 December 2019, included in the non-trade payables is an amount payable to the previous shareholder of Sandz amounting RM18,750,000 as set out in Note 6 to the Financial Statements.

The foreign currency exposure profile of the other payables are as follows:-

	Group 2021 RM	Group 2019 RM
US Dollar	3,244,796	1,286,245
Singapore Dollar	5,068,208	3,648,813
Indian Rupee	216,734	444,471
New Taiwan Dollar	28,272	94,134
Philippines Peso	11,524,298	7,515,948
Hong Kong Dollar	44,489	78,707
Others	19,046	19,187

24. TRADE PAYABLES

The normal trade credit terms granted by trade payables ranging from 30 to 180 days (2019: 30 to 180 days).

The foreign currency exposure profile of the trade payables are as follows:-

	Group 2021 RM	Group 2019 RM
US Dollar	31,190,811	26,207,135
Singapore Dollar	487,204	146,972
Indian Rupee	–	119
New Taiwan Dollar	–	10,878
Philippines Peso	4,165,042	1,410,196

Notes to the Financial Statements (cont'd)

25. BORROWINGS

The borrowings consist of bills payable which have effective interest rates between 2.69% and 2.74% (2019: 3.84% and 5.42%) per annum and are repayable within the next 4 months (2019: 5 months). The borrowings are obtained by way of corporate guarantee by the Company.

26. REVENUE

Revenue comprise the following:-

	Group		Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**01.01.2020 31.01.2021 RM**	**01.01.2019 31.12.2019 RM**
Sale of goods	167,594,072	156,480,846	–	–
Rendering of services	97,900,454	79,020,223	2,400,000	3,932,525
Licensing fee	–	–	–	480,000
	265,494,526	235,501,069	2,400,000	4,412,525

Disaggregated revenue information

	Group		Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**01.01.2020 31.01.2021 RM**	**01.01.2019 31.12.2019 RM**
Segments				
Types of good or service				
EDM infrastructure technology	226,084,453	217,484,794	–	–
EDM Managed services	39,410,073	18,016,275	–	–
Investment holding and others	–	–	2,400,000	4,412,525
Total revenue from contracts with customers	265,494,526	235,501,069	2,400,000	4,412,525
Geographical markets				
Philippines	84,962,038	75,750,860	–	–
Singapore	143,088,410	71,900,016	2,400,000	4,412,525
China	23,502	28,913,364	–	–
Hong Kong and Taiwan	17,114,987	27,784,311	–	–
India	13,826,214	17,110,893	–	–
Malaysia	1,731,206	2,313,265	–	–
Others	4,748,169	11,728,360	–	–
Total revenue from contracts with customers	265,494,526	235,501,069	2,400,000	4,412,525

26. REVENUE (CONT'D)

Disaggregated revenue information (Cont'd)

Timing of revenue recognition

	Group		Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**01.01.2020 31.01.2021 RM**	**01.01.2019 31.12.2019 RM**
Goods transferred at a point in time	166,645,513	156,480,846	–	–
Service transferred at a point in time	22,960,937	38,409,360	–	1,655,800
Services transferred over time	75,888,076	40,610,863	2,400,000	2,756,725
Total revenue from contracts with customers	265,494,526	235,501,069	2,400,000	4,412,525

27. EMPLOYEE BENEFITS

	Group		Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**01.01.2020 31.01.2021 RM**	**01.01.2019 31.12.2019 RM**
Salaries, wages and bonuses	19,956,559	20,527,227	375,240	536,771
Defined contribution plans	1,591,324	1,643,812	45,289	67,602
Directors' emolument	2,741,050	1,695,882	409,500	388,500
	24,288,933	23,866,921	830,029	992,873
Amount capitalised to intangible assets	(120,000)	–	–	–
	24,168,933	23,866,921	830,029	992,873

The details of Directors' emoluments are as follows:-

	Group		Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**01.01.2020 31.01.2021 RM**	**01.01.2019 31.12.2019 RM**
Remuneration	1,693,751	1,235,348	–	–
Share grant	520,000	–	–	–
Fees	409,500	382,000	409,500	382,000
Defined contribution plans	111,794	72,034	–	–
Others	–	6,500	–	6,500
	2,735,045	1,695,882	409,500	388,500

Notes to the Financial Statements (cont'd)

28. PROFIT/ (LOSS) BEFORE TAX

Profit before tax has been arrived at after charging/(crediting) the following:-

	Group		Company	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Audit fee				
- Statutory	637,778	564,750	200,000	167,000
- Non-statutory	10,000	8,000	10,000	8,000
Employee benefit expenses (including key management personnel)	22,577,609	22,223,109	784,740	925,271
Cost of defined contribution plan included in employee benefit expenses	1,591,324	1,643,812	45,289	67,602
Amortisation of intangible assets	455,686	404,013	455,686	404,013
Depreciation of property, plant and equipment	13,520,044	9,832,525	220,613	202,136
Gain on disposal of property, plant and equipment	(61,559)	(9)	–	–
Property, plant and equipment written off	11,737,915	45,237	–	–
Impairment loss on receivables	1,088,565	23,030	1,968,252	–
Interest expense	1,539,122	2,032,100	12,493	9,142
Interest income	(88,284)	(368,941)	(759)	(15,815)
Impairment loss on inventories	803,514	102,936	–	–
Reversal of inventories write-down	–	(1,440,408)	–	–
Foreign exchange (gain)/ loss (net)	(532,300)	(404,202)	206,099	274,452

29. TAX EXPENSE

	Group		Company	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Current tax				
- current period/ year	3,408,947	3,124,188	2,000	4,000
- prior years	24,391	(203,554)	120	(2,131)
	3,433,338	2,920,634	2,120	1,869
Deferred tax (Note 10)				
- current period/ year	(208,246)	2,089,943	–	–
- prior years	(482,295)	311,143	–	–
	(690,541)	2,401,086	–	–
	2,742,797	5,321,720	2,120	1,869

29. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Profit/(Loss) before tax	4,162,673	23,918,114	(2,329,853)	1,387,927
Tax at Malaysian statutory tax rate	999,042	5,740,347	(559,165)	333,102
Tax effect in respect of:-				
Effects of different tax rates in other jurisdictions	484,606	(528,674)	–	–
Income not subject to tax	(629,216)	(153,963)	(60,716)	(126,755)
Expenses not deductible for tax purposes	920,486	1,584,885	115,452	585,523
Partial tax exemption and tax incentives	(105,928)	(172,981)	–	–
Others	1,498,074	(154,311)	–	–
Movement of deferred tax assets not recognised	590,537	(314,426)	521,079	(1,124)
Statutory income exempted under pioneer status	(14,650)	(786,746)	(14,650)	(786,746)
Utilisation of previously unrecognised capital allowance	(742,678)	–	–	–
Under/(Over)provision in prior year	(257,476)	107,589	120	(2,131)
	2,742,797	5,321,720	2,120	1,869

The Company was granted pioneer status by the Ministry of International Trade and Industry Malaysia for a period of five years, whereby 100% of the Company's profits from the pioneer business operations during the pioneer period will be exempted from income tax commencing from 31 October 2015 to 30 October 2020. The Company is in the midst of renewing the pioneer status with the Ministry.

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements (cont'd)

29. TAX EXPENSE (CONT'D)

Deferred tax assets that have not been recognised in respect of the following items due to uncertainty of probable future taxable profit will be available against which the Group and the Company can utilise the benefits:-

	Group		Company	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Property, plant and equipment	(49,840)	(66,920)	(52,646)	(55,050)
Provisions	2,692,998	–	2,683,835	–
Unabsorbed business losses	3,037,528	5,491,280	2,708,616	3,421,603
Unutilised capital allowances	(7,955,093)	–	–	–
Others	209,637	549,331	209,637	8,573
	(2,064,770)	5,973,691	5,549,442	3,375,126

Effective from year of assessment 2020, the unutilised tax losses can be carried forward for a period of 7 years from year of assessment ("YA") to set against future profits as follows:

	Group RM	Company RM	Utilised up to
YA 2018	3,562,253	3,421,603	YA 2025
YA 2019	33,551	–	YA 2026
YA 2021	379,599	–	YA 2028
	3,975,403	3,421,603	

30. EARNINGS PER SHARE

Basic EPS

The basic earnings per share ("EPS") has been calculated by dividing the Group's profit for the financial period/ year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period/ year:-

	Group	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Profit attributable to ordinary equity holders of the Company	1,419,876	18,596,394
Weighted average number of ordinary shares	515,954,067	459,782,354
Basic EPS (sen)	0.28	4.04

30. EARNINGS PER SHARE (CONT'D)

Diluted EPS

The diluted EPS has been calculated by the dividing the Group's profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of shares that would have been in issue upon the fulfillment of the conditions in relation to the acquisitions of subsidiaries in Note 6 to the financial statements.

	Group	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**
Profit attributable to ordinary equity holders of the Company	*	18,596,394
Weighted average number of ordinary shares at 31 December	*	459,782,354
Effect of issuance of share capital upon fulfillment of the condition on acquisition of subsidiary (Note 6)	*	8,097,970
Total weighted average number of shares	*	467,880,324
Diluted EPS (sen)	*	3.97

* No diluted earnings per share is presented as there are no potential dilutive ordinary shares at the end of the financial period.

31. RELATED PARTY DISCLOSURES

<u>Related party transactions</u>

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are as follows:-

	Company	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**
Transactions with subsidiaries		
Licensing fee income	–	480,000
Technical service income	2,400,000	3,932,525
Managed services	192,000	192,000
Research and development cost recharge from	120,000	–

Notes to the Financial Statements (cont'd)

31. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The compensation of Directors and other members of key management personnel during the financial period/ year are as follows:-

	Group		Company	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Salaries and other emoluments	2,924,469	1,654,130	–	178,795
Directors fee	104,000	100,000	104,000	100,000
Defined contribution plans	212,461	147,411	–	22,753
Share grant	520,000	–	–	–
	3,760,930	1,901,541	104,000	301,548

The Company had on 12 June 2020 granted 1,000,000 ordinary shares pursuant to the Share Grant Plan at RM0.52 to the Executive Director cum Chief Executive Officer of the Company as part of his sales commission.

32. OPERATING SEGMENTS

(a) Business segments

For the management purposes, the Group is organised into business units based on its products and services, which comprises the following:-

EDM Infrastructure Technology	Provision of EDM infrastructure technology which comprises both hardware and software. EDM hardware refers to computer component used to record, store and retain digital data while EDM software supports the process of data backup, storage, recovery and restoration.
EDM Managed Services	Comprehensive service provided for data assurance and operational continuity. The EDM managed services comprise the backup, storage, recovery and restoration of enterprise data, health checks, capacity planning, remote monitoring and disaster recovery services.
Investment holding and others	Provision for funding and investment related services, provision for administrative support services and licensing fee charged to subsidiaries for research and development costs incurred.

Management monitors operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements (cont'd)

32. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

	Note	EDM Infrastructure Technology RM	EDM Managed Services RM	Investment holding and others RM	Total RM	Elimination/ Adjustment RM	Consolidated financial statements RM
01.01.2020							
31.01.2021							
Group revenue:							
External customers		226,084,453	39,410,073	–	265,494,526	–	265,494,526
Inter-segment	i	12,763,324	4,051,030	2,400,000	19,214,354	(19,214,354)	–
Total revenue		238,847,777	43,461,103	2,400,000	284,708,880	(19,214,354)	265,494,526
Depreciation and amortisation		(6,541,031)	(6,758,400)	(676,299)	(13,975,730)	–	(13,975,730)
Interest income		684,261	1,320	759	686,340	(598,056)	88,284
Finance cost		(1,430,801)	(693,435)	(12,493)	(2,136,729)	597,607	(1,539,122)
Tax expense		(2,058,685)	(681,992)	(2,120)	(2,742,797)	–	(2,742,797)
Share of results of an associate		–	–	1,057,395	1,057,395	–	1,057,395
Other non-cash expenses	ii	(1,565,354)	(11,199,012)	(207,141)	(12,971,507)	–	(12,971,507)
Segment profit/ (loss)	iii	10,738,997	(5,843,142)	(2,318,120)	2,577,735	1,978,381	4,556,116
Assets:							
Investments in an associate		–	–	12,553,024	12,553,024	1,366,757	13,919,781
Additions to non-current assets	iv	10,755,312	7,950,201	120,000	18,825,513	–	18,825,513
Segment assets		206,342,256	38,055,113	190,815,469	435,212,838	(97,187,316)	338,025,522
Liabilities:							
Segment liabilities		138,584,014	42,606,492	1,554,900	182,745,406	(54,368,515)	128,376,891

32. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

	Note	EDM Infrastructure Technology RM	EDM Managed Services RM	Investment holding and others RM	Total RM	Elimination/ Adjustment RM	Consolidated financial statements RM
01.01.2019							
31.12.2019							
Group revenue:							
External customers		217,484,794	18,016,275	–	235,501,069	–	235,501,069
Inter-segment	i	23,408,223	4,560,651	4,412,525	32,381,399	(32,381,399)	–
Total revenue		240,893,017	22,576,926	4,412,525	267,882,468	(32,381,399)	235,501,069
Depreciation and amortisation		(4,271,634)	(5,358,757)	(606,147)	(10,236,538)	–	(10,236,538)
Interest income		692,606	14,704	15,815	723,125	(354,184)	368,941
Finance cost		(1,144,672)	(1,232,321)	(9,142)	(2,386,135)	354,035	(2,032,100)
Tax expense		(3,968,680)	(1,349,040)	(4,000)	(5,321,720)	–	(5,321,720)
Share of results of an associate		–	–	309,158	309,158	–	309,158
Other non-cash income	ii	1,712,695	369,961	(172,961)	1,909,695	–	1,909,695
Segment profit	iii	18,349,310	5,541,402	1,381,254	25,271,966	149	25,272,115
Assets:							
Investments in an associate		–	–	12,553,024	12,553,024	374,691	12,927,715
Additions to non-current assets	iv	13,211,428	17,870,286	–	31,081,714	–	31,081,714
Segment assets		209,872,188	28,828,126	191,483,640	430,183,954	(111,411,385)	318,772,569
Liabilities:							
Segment liabilities		151,693,372	35,349,039	19,041,098	206,083,509	(66,321,357)	139,762,152

32. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

i. Inter-segment revenues are eliminated on consolidation.

ii. Other material non-cash (expenses)/income consist of the following items:-

	Group	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**
Gain on disposal of property, plant and equipment	61,559	9
Impairment loss on inventories	(803,514)	(102,936)
Impairment loss on receivables	(1,088,565)	(23,030)
Reversal of inventories write-down	–	1,440,408
Unrealised gain on foreign exchange	596,928	640,481
Property, plant and equipment written off	(11,737,915)	(45,237)
	(12,971,507)	1,909,695

iii. The following items are added to/(deducted from) segment profit to arrive at "Profit after tax from continuing operations" presented in the consolidated statement of profit or loss and other comprehensive income:-

	Group	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**
Segment profit	4,556,116	25,272,115
Interest income	88,284	368,941
Finance costs	(1,539,122)	(2,032,100)
Share of results of associate	1,057,395	309,158
Tax expense	(2,742,797)	(5,321,720)
	1,419,876	18,596,394

Notes to the Financial Statements (cont'd)

32. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

iv. Additions to non-current assets consist of:-

	Group	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**
Property, plant and equipment	18,705,513	31,081,714
Intangible assets	120,000	–
	18,825,513	31,081,714

(b) Geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

	Group			
	Revenue		Non-current assets #	
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	**2021 RM**	**2019 RM**
Philippines	84,962,039	75,750,860	10,169,055	439,687
Singapore	143,088,410	71,900,016	109,109,192	118,225,406
China	23,502	28,913,364	13,919,781	12,927,715
Hong Kong and Taiwan	17,114,987	27,784,311	43,121,332	43,523,950
India	13,826,214	17,110,893	295,308	2,025,089
Malaysia *	1,731,206	2,313,265	4,292,169	4,659,933
Others	4,748,168	11,728,360	194,714	433,034
	265,494,526	235,501,069	181,101,551	182,234,814

* the Company's home country

\# Non-current assets do not include deferred tax assets and financial instruments

Information about major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:-

	Revenue		Segment
	01.01.2020 31.01.2021 RM	**01.01.2019 31.12.2019 RM**	
Customer A	53,465,491	-	EDM Infrastructure Technology
Customer B	40,837,900	-	EDM Infrastructure Technology
Customer C	28,639,608	-	EDM Infrastructure Technology

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments as at 31 January 2021 categorised as follows:-

(i) Financial assets at fair value through profit or loss (FVTPL)
(ii) Amortised cost (AC)

	Carrying amount RM	FVTPL RM	AC RM
Group			
2021			
Financial assets			
Receivables	63,652,486	–	63,652,486
Amount due from an associate	23,851,410	–	23,851,410
Other investment	8,901,875	8,901,875	–
Cash and bank balances	60,685,917	–	60,685,917
	157,091,688	8,901,875	148,189,813
Financial liabilities			
Payables	56,362,083	–	56,362,083
Lease liabilities	9,282,324	–	9,282,324
Borrowings	28,690,288	–	28,690,288
	94,334,695	–	94,334,695
2019			
Financial assets			
Receivables	71,018,191	–	71,018,191
Amount due from an associate	6,759,849	–	6,759,849
Other investment	10,655,033	10,655,033	–
Fixed deposit with a licensed bank	12,282,071	–	12,282,071
Cash and bank balances	34,112,721	–	34,112,721
	134,827,865	10,655,033	124,172,832
Financial liabilities			
Payables	59,648,825	–	59,648,825
Amount due to an associate	1,307,196	–	1,307,196
Lease liabilities	9,295,096	–	9,295,096
Borrowings	30,551,126	–	30,551,126
	100,802,243	–	100,802,243

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

A. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments as at 31 January 2021 categorised as follows:-

(i) Financial assets at fair value through profit or loss (FVTPL)
(ii) Amortised cost (AC)

	Carrying amount RM	FVTPL RM	AC RM
Company			
2021			
Financial assets			
Receivables	84,357	–	84,357
Amount due from subsidiaries	38,286,296	–	38,286,296
Other investment	8,901,875	8,901,875	–
Cash and bank balances	430,806	–	430,806
	47,703,334	8,901,875	38,801,459
Financial liabilities			
Payables	239,490	–	239,490
Lease liability	214,682	–	214,682
	454,172	–	454,172
2019			
Financial assets			
Receivables	115,486	–	115,486
Amount due from subsidiaries	37,422,618	–	37,422,618
Other investment	10,655,033	10,655,033	–
Cash and bank balances	848,394	–	848,394
	49,041,531	10,655,033	38,386,498
Financial liabilities			
Payables	18,983,406	–	18,983,406
Lease liability	57,692	–	57,692
	19,041,098	–	19,041,098

33. FINANCIAL INSTRUMENTS (CONT'D)

A. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Group		Company	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
Net gains/(losses) arising on:				
Financial assets measured at amortised cost				
Interest income	88,284	368,941	759	15,815
Impairment loss on receivables	(1,088,565)	(23,030)	(1,968,252)	–
Unrealised gain/(loss) on foreign exchange	596,928	640,481	(207,142)	(172,962)
Realised gain/(loss) on foreign exchange	(64,628)	(236,279)	1,043	(101,490)
Financial liabilities measured at amortised cost				
Interest expense	(1,539,122)	(2,032,100)	(12,493)	(9,142)
	(2,007,103)	(1,281,987)	(2,186,085)	(267,779)

B. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exist when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

Following are the areas where the Group and the Company are exposed to credit risk: -

Trade receivables and contract assets

The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability- weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk arising from trade receivable and contract assets are limited to the carrying amounts in the statement of financial position.

At 31 January 2021, the Group and the Company have provided for expected credit losses of RM1,088,565 and RM1,968,252 respectively.

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:-

	Expected credit loss rate RM	Estimated total gross carrying amount RM	Expected credit loss RM
Group			
2021			
Within credit terms	0.46%	18,938,192	60,305
Past due 0-30 days	4.47%	14,047,506	252,006
Past due 31-60 days	6.21%	5,763,400	357,638
Past due 61-90 days	4.42%	3,565,039	157,629
Past due more than 91 days	4.09%	7,184,541	277,508
		49,498,678	1,105,086
2019			
Within credit terms	0%	40,464,397	–
Past due 0-30 days	0%	3,211,492	–
Past due 31-60 days	0%	2,749,129	–
Past due 61-90 days	0%	4,170,673	–
Past due more than 91 days	0%	9,283,035	23,193
		59,878,726	23,193

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Intercompany loans and advances

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Group and the Company provide unsecured loans and advances to subsidiaries and monitors the results of the subsidiaries regularly.

As at the reporting date, there was no indication that the loans and advances to the subsidiaries are not recoverable.

Financial guarantee

The Company provides secured financial guarantees to banks in respect of banking facilities granted to companies in which Directors have interests.

The Company monitors on an ongoing basis the repayments made by those companies and their financial performance.

The maximum exposure to credit risk amounts to RM28,846,476 (2019: RM30,551,126) representing the outstanding credit facilities to banks of those subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that those companies would default on its repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contributes towards credit enhancement of the borrowing in view of the securities pledged by those companies and it is unlikely those companies will default within the guarantee period.

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due as a result of shortage of funds.

The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings and they maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure it has sufficient liquidity to meet their obligations when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on the contractual undiscounted repayment obligation is as below:-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Later than 1 year but not later than 2 years RM	Later than 2 years but not later than 5 years RM
Group					
2021					
Payables	56,362,083	56,362,083	56,310,860	51,223	–
Lease liabilities	9,282,324	9,836,453	5,034,779	4,092,116	709,558
Borrowings	28,690,288	28,846,476	28,846,476	–	–
	94,334,695	95,045,012	90,192,115	4,143,339	709,558
2019					
Payables	59,648,825	59,648,825	59,605,342	43,483	–
Lease liabilities	9,295,096	10,099,904	4,113,016	3,084,114	2,902,774
Borrowings	30,551,126	30,551,126	30,551,126	–	–
	99,495,047	100,299,855	94,269,484	3,127,597	2,902,774

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Later than 1 year but not later than 2 years RM	Later than 2 years but not later than 5 years RM
Company					
2021					
Payables	239,490	239,490	239,490	–	–
Lease liability	214,682	225,000	180,000	45,000	–
	454,172	464,490	419,490	45,000	–
Financial guarantees	–	28,846,476	28,846,476	–	–
2019					
Payables	18,983,406	18,983,406	18,983,406	–	–
Lease liability	57,692	57,692	57,692	–	–
	19,041,098	19,041,098	19,041,098	–	–
Financial guarantees	–	30,551,126	30,551,126	–	–

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on sales, purchases and investments that are denominated in a currency other than the respective functional currencies of the Group and of the Company. The currencies giving rise to this risk are primarily US Dollar ("USD"), Singapore Dollar ("SGD") and Philippines Peso ("PHP").

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's profit for the financial period/ year to a 5% (2019: 5%) change in the USD, SGD and PHP exchange rates at the reporting period against the respective functional currency of the companies within the Group and the Company, with all variables held constant.

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Foreign currency risk (Cont'd)

	Group Profit for the period/ year	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
USD/RM		
- Strengthened	(1,432,862)	(41,396)
- Weakened	1,432,862	41,396
SGD/RM		
- Strengthened	141,102	103,873
- Weakened	(141,102)	(103,873)
PHP/RM		
- Strengthened	568,365	–
- Weakened	(568,365)	–

	Company (Loss)/ Profit for the period/ year	
	01.01.2020 31.01.2021 RM	01.01.2019 31.12.2019 RM
USD/RM		
- Strengthened	365	627,377
- Weakened	(365)	(627,377)
SGD/RM		
- Strengthened	1,105	71,263
- Weakened	(1,105)	(71,263)

Exposures to foreign exchange rates vary during the financial period/ year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and of the Company's exposure to currency risk.

Notes to the Financial Statements (cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of change in market interest rates.

Although the debts are fixed borrowings, there is an inherent risk in stating their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and of the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at end of reporting period/ year was:-

	Group		Company	
	2021 RM	2019 RM	2021 RM	2019 RM
Fixed rate instrument				
Fixed deposit with a licensed bank	–	12,282,071	–	–
Lease liabilities	9,282,324	9,295,096	214,682	57,692
Floating rate instrument				
Borrowings	28,690,288	30,551,126	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

33. FINANCIAL INSTRUMENTS (CONT'D)

B. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change in 5% in interest rates at the end of the reporting period would have increased/(decreased) profit for the period/ year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Increase/(Decrease) Profit for the period/ year	
	+ 5%	**- 5%**
	RM	**RM**
Group		
2021		
Floating rate instruments	(1,090,231)	1,090,231
2019		
Floating rate instruments	(1,160,943)	1,160,943

C. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of short term receivables and payables, cash and cash equivalents, except for borrowings and finance lease liabilities, approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

34. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that the maintain a strong credit rating and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise shareholder value.

The Group and the Company manage this capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain and adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

35. CHANGE OF FINANCIAL YEAR END

The financial year end of the Company has been changed from 31 December to 31 January and this is the first set of financial statements prepared to end on the new accounting date. As a result of this, the audited financial statements are prepared for a period of 13 months from 1 January 2020 to 31 January 2021.

Notes to the Financial Statements (cont'd)

36. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ("MCO") effective from 18 March 2020 to 31 March 2020 arising from the COVID-19 pandemic. The MCO was subsequently extended until 12 May 2020, followed by Conditional MCO until 9 June 2020 and then, Recovery MCO until 31 August 2020.

The Group recognised a property, plant and equipment written off of RM11,737,915 during the financial period as a result of the COVID-19 pandemic.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows and undrawn facilities to meets its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group does not anticipate significant supply disruptions and would continuing monitor its fund and operational needs.

37. EVENTS SUBSEQUENT TO FINANCIAL PERIOD END

(i) On 22 March 2021, the Company has proposed private placement of not more than 20% of the total number of issued shares in Kronologi (Proposed Private Placement).

The Company has further announced on 31 March 2021 that Bursa Securities had, vide its letter dated 31 March 2021, approved the listing and quotation of up to 104,675,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Ace Market of Bursa Securities, subject to the conditions set out in the Bursa Securities' letter.

On 20 April 2021, the Company announced that the issued price for the Proposed Private Placement has been fixed at RM0.6623 per Placement Share and will comprise up to 104,675,000 Placement Shares.

On 5 May 2021, the 1st tranche of the placement of 102,445,000 Placement Shares has been issued and listed on the Ace Market of Bursa Securities pursuant to the Proposed Private Placement.

On 7 May 2021, the 2nd tranche of the placement of 2,230,000 Placement Shares has been issued and listed on the Ace Market of Bursa Securities pursuant to the Proposed Private Placement.

(ii) On 24 May 2021, the Company had announced to undertake the proposed acquisition by KAB of the remaining 83.33% equity interest in Quantum China Limited ("QCL"), comprising 100 ordinary shares of USD1 each in QCL ("QCL Shares") ("Sale Shares") from Lavender Blooms Investments Limited ("Lavender Blooms" or "Vendor"), for a purchase consideration of up to RM150,000,000 ("Purchase Consideration"), to be satisfied via a combination of cash payment of RM75,000,000 ("Cash Consideration") and the issuance of up to 110,294,117 new ordinary shares in KAB ("KAB Shares" or "Shares") ("Consideration Shares") at the issue price of RM0.68 per Consideration Share ("Issue Price") ("Proposed Acquisition").

The Sale Shares shall be acquired free from all encumbrances (including but not limited to any form of legal, equitable, or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, security interest, hypothecation, option, right of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise), any other encumbrance or condition whatsoever, or any other arrangements having similar effect) and together with all rights and advantages attaching or accruing to it as at the completion date on which completion of the sale and purchase of the Sale Shares takes place ("Completion") ("Completion Date") (including the right to receive all dividends and distributions declared, made or paid on or after the Completion Date).

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2021

Total number of issued shares	:	523,375,300 ordinary shares
Class of Equity Securities	:	Ordinary Shares ("Shares")
Voting Rights by show of hand	:	One vote for every member
Voting Rights by poll	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	22	0.22	297	0.00
100 - 1,000 shares	1,077	11.01	680,253	0.13
1,001 - 10,000 shares	5,155	52.67	29,161,800	5.57
10,001 - 100,000 shares	3,155	32.24	104,676,408	20.00
100,001 - less than 5% of issued Shares	376	3.84	132,959,900	25.40
5% and above of issued Shares	2	0.02	255,896,642	48.90
Total	**9,787**	**100.00**	**523,375,300**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Desert Streams Investments Limited	115,565,754	22.08	–	–
Tan Jeck Min	55,129,768	10.53	–	–
Icapital.biz Berhad	31,112,400	5.94	–	–

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Edmond Tay Nam Hiong	760,000	0.15	24,213,200 [1]	4.63
Tan Jeck Min	55,129,768	10.53	–	–
Geoffrey Ng Ching Fung	–	–	–	–
John Chin Shoo Ted	135,000	0.03	–	–
Kok Cheang-Hung	21,000	0.01	–	–

Note:

[1] Deemed interested by virtue of the shares held by Mr. Edmond Tay Nam Hiong in Quantum Storage (India) Limited pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings (cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2021

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares held	%
1.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Clients A/C-NR)	224,784,242	42.95
2.	Cartaban Nominees (Tempatan) Sdn. Bhd. Icapital.biz Berhad	31,112,400	5.94
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	4,984,100	0.95
4.	Lim Kooi Fui	3,681,100	0.70
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Dana Makmur PHEIM (211901)	3,269,800	0.62
6.	Federlite Holdings Sdn. Bhd.	2,872,900	0.55
7.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Low Wee Yien (6000828)	2,199,600	0.42
8.	Tan Han Wooi	2,000,000	0.38
9.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mak Tian Meng (MY3136)	1,968,000	0.38
10.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kelly Liew Chee Kwong (70004027)	1,900,000	0.36
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Capital Dynamics Asset Management Sdn. Bhd. for KESM Industries Berhad (CDAM30-990472)	1,810,000	0.35
12.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt An For UOB Kay Hian Pte. Ltd. (A/C Clients)	1,805,000	0.34
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Joo Khim	1,700,000	0.32
14.	Lim Kooi Fui	1,640,000	0.31
15.	Maybank Nominees (Tempatan) Sdn. Bhd. Capital Dynamics Asset Management Sdn. Bhd. for Chieng Lee Hook (CDAM46-230153)	1,515,000	0.29
16.	Ng Ah Meng Sdn. Bhd.	1,500,000	0.29
17.	Wong Kum Fatt	1,500,000	0.29
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Tan Foh Hua	1,479,800	0.28
19.	Darren Lau Hui Lee	1,330,000	0.25
20.	Phua Siew Geok	1,265,000	0.24
21.	Yee Ngan Ching	1,230,400	0.24
22.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Choon Hee (E-TCS)	1,200,800	0.23
23.	Capital Dynamics Asset Management Sdn. Bhd.	1,200,000	0.23
24.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Khor Kim Hock (B B Klang-CL)	1,190,000	0.23
25.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Woo (E-TSA)	1,060,000	0.20
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Capital Dynamics Asset Management Sdn. Bhd. for Pang Kuan Soh (CDAM8-981516)	995,000	0.19
27.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd. (SFS)	975,000	0.19
28.	Inter-Pacific Securities Sdn. Bhd. IVT (7100)	909,900	0.17
29.	Au Ai Leen	907,400	0.17
30.	RHB Nominees (Asing) Sdn. Bhd. Exempt An For Phillip Securities Pte. Ltd. (A/C Clients)	904,000	0.17

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting ("7th AGM" or "Meeting") of **KRONOLOGI ASIA BERHAD** ("KAB" or "Company") will be held on fully virtual basis and entirely via remote participation and voting at the Broadcast Venue: Conference Room of Kronologi Asia Berhad, Level 28-D Axiata Tower, No.9 Jalan Stesen Sentral 5, KL Sentral, 50470 Kuala Lumpur on Tuesday, 29 June 2021 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

1.	To receive the Audited Financial Statements for the financial period ended 31 January 2021 together with the reports of the Directors and Auditors thereon.	**Please refer to Explanatory Note 1**
2.	To approve the payment of additional Directors' fees and benefits of RM9,500 for the financial period ended 31 January 2021.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' fees and benefits of up to RM600,000 for the period from 1 February 2021 until the next Annual General Meeting of the Company.	**Ordinary Resolution 2**
4.	To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-	
	i. Mr. Tan Jeck Min	**Ordinary Resolution 3**
	ii. Mr. Geoffrey Ng Ching Fung	**Ordinary Resolution 4**
5.	To re-appoint PKF Malaysia as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 5**

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — **Ordinary Resolution 6**

"THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Securities on 16 April 2020 and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier."

Notice of Seventh Annual General Meeting (cont'd)

7. **PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 7**

"THAT subject always to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of any other relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares in the Company's issued share capital ("KAB Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of KAB Shares bought-back and/or held as treasury shares does not exceed ten per centum (10%) of the total number of issued shares of the Company subject to a restriction that the issued share capital of the Company does not fall below the public shareholding spread requirement of the Listing Requirements;

(ii) the maximum amount of funds to be allocated for the share buy-back shall not exceed the aggregate of the retained profits of the Company; and

(iii) the KAB Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manner:

  (a) cancel the purchased KAB Shares;

  (b) retain the purchased KAB Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or

  (c) retain part of the purchased KAB Shares as treasury shares and cancel the remainder,

AND THAT such authority shall commence immediately upon the passing of this resolution until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

(ii) the expiration of the period within which the next AGM after that date it is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the KAB Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities;

Notice of Seventh Annual General Meeting (cont'd)

AND FURTHER THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the KAB Shares."

8. **PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION** **Special Resolution**

"THAT the proposed amendments to the Constitution of the Company as set out in the "Appendix A", be approved for adoption with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

9. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (CCM PC No.: 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
31 May 2021

Notes:

a) A member who is entitled to attend, participate, speak and vote at the 7th AGM shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

Notice of Seventh Annual General Meeting (cont'd)

Notes: (Cont'd)

f) To be valid, the instrument appointing a proxy shall be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)], at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, in the case of an appointment made via TIIH Online, the electronic proxy form must be submitted at https://tiih.online. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote.

g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 22 June 2021. Only members whose names appear in the General Meeting Record of Depositors as at 22 June 2021 shall be regarded as members and entitled to attend, participate, speak and vote at the 7th AGM.

h) All the resolutions as set out in this Notice of Meeting will be put to vote by poll.

i) The Broadcast Venue is strictly for the purpose of complying with the requirement of Chairman of the Meeting to be present at the main venue of the Meeting. Members or proxies **WILL NOT BE ALLOWED** to attend the Meeting in person at the Broadcast Venue on the day of the Meeting. Members are advised to refer to the Administrative Guide on the registration and voting process for the Meeting.

j) Members or proxies are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Meeting using Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.

k) In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 7th AGM at short notice. Kindly check Bursa Securities' and Company's website at www.kronologi.asia for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial period ended 31 January 2021

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the audited financial statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The shareholders had at the Sixth AGM held on 29 May 2020 (6th AGM") approved the Directors' fees and benefits of up to RM400,000 for the financial year ended 31 December 2020. However, the proposed amount was insufficient due to change of financial year of the Company. This resolution is to facilitate the payment of the shortfall of Directors' fees and benefit of RM9,500 for the financial period ended 31 January 2021.

Notice of Seventh Annual General Meeting (cont'd)

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS (CONT'D)

3. Item 3 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and/or benefits are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits for the period from 1 February 2021 until the next AGM of the Company to be held in year 2022. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for such shortfall.

4. Item 6 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had at its 6th AGM, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this 7th AGM.

As at the date of this Notice, the Company had undertaken private placement exercises pursuant to the 20% General Mandate granted to the Directors at the 6th AGM, where the Company had placed out 104,675,000 new ordinary shares which raised a total proceeds of RM69,326,253.

The details of utilisation of proceeds raised from the said private placement exercise were as follows:-

	Detail of utilisation	Proposed utilisation RM'000	Actual proceeds raised RM'000	Actual utilisation 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	–	9,162	Within 24 months
4	Estimated expenses for the private placement exercise	1,001	1,001	–	1,001	Immediately
	Total	**71,001**	**69,326**	**–**	**69,326**	

Notice of Seventh Annual General Meeting (cont'd)

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS (CONT'D)

4. **Item 6 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Cont'd)**

The Ordinary Resolution 6 proposed under item 6 of the Agenda, is to seek a 20% General Mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act. This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares **until 31 December 2021** and thereafter, unless extended by Bursa Securities, the 10% limit under Rule 6.04(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at general meeting, will expire at the next AGM.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Rule 6.04 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasure shares) for issue of new securities.

The Board of Directors' Statement

The Board of Directors of KAB ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by the COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

5. **Item 7 of the Agenda – Proposed Renewal of Share Buy-Back Authority**

The Ordinary Resolution 7 proposed under item 7 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/or hold up to a maximum of ten per centum (10%) of the Company's total number of issued shares at any point of time, by utilising the amount allocated which shall not exceed the total retained profits of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to the Share Buy-Back Statement contained in the Annual Report 2021 for further details.

6. **Item 8 of the Agenda – Proposed Amendments to the Company's Constitution**

The Special Resolution proposed under item 8 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company ("Proposed Amendments"), are made mainly for the following purposes:

(a) to align the Company's Constitution with the Companies (Amendment) Act 2019 which came into operation on 15 January 2020 in relation to the alteration of share capital;
(b) to provide clarity on the objects of the Company; and
(c) to enhance administrative efficiency.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF KRONOLOGI ASIA BERHAD ("COMPANY")

This is the Appendix A referred to in Agenda 8 of the Notice of Seventh Annual General Meeting of the Company ("7th AGM") dated 31 May 2021.

Day, Date and time of 7th AGM	:	Tuesday, 29 June 2021 at 2:30 p.m.
Broadcast Venue of the 7th AGM	:	Conference Room of Kronologi Asia Berhad Level 28-D Axiata Tower, No.9 Jalan Stesen Sentral 5, KL Sentral 50470 Kuala Lumpur

<table>
<tr><th>Clause No.</th><th>Existing Clause</th><th>Proposed Clause</th></tr>
<tr><td>1.

(Definitions)</td>
<td><table>
<tr><th>Words</th><th>Meanings</th></tr>
<tr><td>Company</td><td>KRONOLOGI ASIA BERHAD (1067697-K) including any change of name from time to time.</td></tr>
<tr><td>Listing Requirements</td><td>The ACE Market Listing Requirements of the Exchange including any amendments thereto that may be made from time to time.</td></tr>
</table></td>
<td><table>
<tr><th>Words</th><th>Meanings</th></tr>
<tr><td>Company</td><td>KRONOLOGI ASIA BERHAD [Registration No. 201301037868 (1067697-K)] including any change of name from time to time.</td></tr>
<tr><td>Listing Requirements</td><td>The MAIN Market or ACE Market Listing Requirements (as the case may be) of the Exchange including any amendments thereto that may be made from time to time.</td></tr>
</table></td></tr>
<tr><td>4.

(Objects)</td>
<td>Subject to the provisions of the Act, this Constitution and any other written law, the Company has:-

(a) Full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) For the purposes of Clause 4(a) above, full rights, powers and privileges.</td>
<td>Subject to the provisions of the Act, this Constitution and any other written law, the objects for which the Company is established are:-

(a) To carry on the business of an investment holding company and for that purpose to promote or form or assist in promotion of any company or the subsidiary of the Company or otherwise and to acquire and hold for investment shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company or private undertaking; and

(b) To carry on or undertake any business activity, to do any act or enter into any transaction or to do all such other things as are incidental or conducive to the attainment of the above objects.

Section 21 of the Act shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or any activity the Directors consider advantageous to the Company and that are not prohibited under any law for the time being enforced in Malaysia.</td></tr>
</table>

Appendix A (cont'd)

Clause No.	Existing Clause	Proposed Clause
56. (Power to alter capital)	Subject to the provisions of this Constitution and the Act, the Company may by special resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act; (iii) convert and/or re-classify any class of shares into any other class of shares; or (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.	Subject to the provisions of this Constitution and the Act, the Company may by **ordinary** resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act; (iii) convert and/or re-classify any class of shares into any other class of shares; or (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.
61. (Meetings of members at two or more venues)	The meeting of its Members may be held at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.	The meeting of its Members may be held **by fully virtual or hybrid** at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and **subject to Clause 69**, the Chairman shall be present at the main venue of the meeting. **For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.**

Appendix A (cont'd)

Clause No.	Existing Clause	Proposed Clause
62. (Notice of meeting)	Every notice convening meetings shall be in writing and shall be given to the Members either in hard copy, or in electronic form, or partly in hard copy and partly in electronic form specify the venue, the date and the time of the meeting and the general nature of the business of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business; PROVIDED that a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Constitution, be deemed to have been duly called if it is so agreed:- (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, together holding not less than ninety-five per cent (95%) of the issued shares giving that right. NOTWITHSTANDING the foregoing at least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such general meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Stock Exchange on which the Company is listed.	Every notice convening meetings shall be in writing and shall be given to the Members either in hard copy, **publication on the Company's website** or in electronic form, or partly in hard copy and partly in electronic form specify the venue, the date and the time of the meeting and the general nature of the business of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business; PROVIDED that a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Constitution, be deemed to have been duly called if it is so agreed:- (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and (ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote thereat, together holding not less than ninety-five per cent (95%) of the issued shares giving that right. NOTWITHSTANDING the foregoing at least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such general meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.

Appendix A (cont'd)

Clause No.	Existing Clause	Proposed Clause
107(b). (Meeting of Directors)	A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board.	**The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method**. A member of the Board **or any invitees** may participate in **the** meeting ~~of the Board~~ by means of a telephone conference or any other audio, or audio visual, **or** communication means which allows all persons participating in the meeting to hear and speak with each other and such Director **or person** shall be regarded for all purposes as personally **attended** such a meeting and **such Director** shall be counted in a quorum and be entitled to vote on the **resolutions** tabled at **the** meeting ~~of the Board~~.
107(c). (Meeting of Directors)	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.	**Deleted**
123(a). (Participation at Committee Meeting by way of telephone and video conference)	Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee.	Notwithstanding any provisions to the contrary contained in this Constitution, **the committee meetings may be held by fully virtual or hybrid at more than one venue using any technology or method**. ~~any~~ **A committee** member ~~of a committee~~ **or any invitees** may participate ~~at a committee~~ **in the** meeting by means of a telephone conference or any other audio, or audio visual, **or** communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member **or person** shall be regarded for all purposes as personally **attended** such a meeting and **such committee member** shall be counted in a quorum and be entitled to vote on the **resolutions** tabled at ~~a meeting of~~ the committee **meeting**.
123(b). (Participation at Committee Meeting by way of telephone and video conference)	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.	**Deleted**

Appendix A (cont'd)

Clause No.	Existing Clause	Proposed Clause
135(a). (Preparation, ~~and~~ circulation **and publication** of audited financial statements and reports of directors and auditors thereon)	The Directors shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.	The Directors shall cause to be prepared **and circulated**~~, sent~~ to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.
135(b). (Preparation, ~~and~~ circulation **and publication** of audited financial statements and reports of directors and auditors thereon)	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent to every Member of, and to every holder of debentures of the Company , the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent **or circulated** to every Member of **the Company**, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

SHARE BUY-BACK STATEMENT

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Statement prior to its issuance as it is exempt document pursuant to Guidance Note 22 of Bursa Securities ACE Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

"Act"	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
"AGM" or "7th AGM"	:	Annual General Meeting or Seventh Annual General Meeting
"Annual Report 2021"	:	Annual Report of KAB for the financial period ended 31 January 2021
"KAB" or the "Company"	:	Kronologi Asia Berhad [Registration No. 201301037868 (1067697-K)]
"KAB Group" or the "Group"	:	Collectively, KAB and its subsidiary companies
"KAB Share(s)" or "Share(s)"	:	Ordinary share(s) in KAB
"Board"	:	The Board of Directors of KAB
"Bursa Securities"	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"Code"	:	Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisition, including any amendment that may be made from time to time
"Director(s)"	:	Director(s) of KAB or its subsidiaries (as the case may be)
"EPS"	:	Earnings per Share
"FPE"	:	Financial period ended
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
"LPD"	:	12 May 2021, being the latest practicable date prior to the printing of this Statement

DEFINITIONS (CONT'D)

"Major Shareholder"	:	A person who has an interest or interests in one or more of the voting shares in a corporation and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.
"NA"	:	Net assets
"Person(s) Connected"	:	Person(s) connected as defined in Rule 1.01 of the Listing Requirements
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed renewal of authority for the Company to purchase its own Shares of up to ten per centum (10%) of the total number of issued Shares of KAB
"Purchased Share(s)"	:	KAB Share(s) purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
"Record of Depositors"	:	A record consisting of names of depositors provided by Bursa Depository under the Rules of Bursa Depository
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Rules"	:	Rules on Take-Overs, Merges and Compulsory Acquisitions as may be amended, modified or re-enacted from time to time
"Statement"	:	The share buy-back statement dated 31 May 2021 in relation to the Proposed Renewal of Share Buy-Back Authority
"Treasury shares"	:	Has the meaning given in Section 127(4) of the Act

All references to "we", "us", "our" and "ourselves" mean our Company, or where the context requires, our Group. All references to "you" in this Statement mean the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in the quarterly results or annual reports of our Company (as the case may be), is due to rounding.

Share Buy-Back Statement (cont'd)

1. INTRODUCTION

At the Sixth AGM held on 29 May 2020, our shareholders had approved, amongst others, the renewal of authority for the Company to undertake a share buy-back of up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Securities at any point in time subject to the compliance of the Act, rules and regulations made pursuant to the Act, the provisions of the Company's Constitution and the Listing Requirements of Bursa Securities and any other relevant authority ("Existing Authority"). The Existing Authority will expire at the conclusion of the forthcoming 7th AGM of the Company scheduled to be held on 29 June 2021.

On 25 May 2021, the Board announced the Company's intention to seek the approval of the shareholders of KAB for the Proposed Renewal of Share Buy-Back Authority by way of an ordinary resolution at the forthcoming 7th AGM.

The purpose of this statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority, together with the recommendation of the board to seek your approval for the ordinary resolution to be tabled at the forthcoming 7th AGM. The notice of the 7th AGM is set out in the Annual Report 2021, the extract of which is enclosed in this Statement.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek the approval from the shareholders for the renewal of the authority for the Company to purchase the Company's own shares of up to ten per centum (10%) of the total number of issued shares of the Company.

The Proposed Renewal of Share Buy-Back Authority is subject to compliance with the Act, the Listing Requirements, any prevailing laws and/or any other relevant authorities at the time of purchase.

Pursuant to Rule 12.07(3) of the Listing Requirements, the approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 7th AGM to be convened and shall be valid until: -

i. the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii. the expiration of the period within the next AGM of the Company after the date it is required by law to be held; or

iii. revoked or varied by ordinary resolution passed by the shareholders at a general meeting of the Company,

whichever occurs first.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.1 Maximum number or percentage of KAB Shares to be acquired

The maximum aggregate number of KAB Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares in our Company at any point in time subject to compliance with the provision of the Act, the Listing Requirements and/or any other relevant authorities.

Based on the issued shares of KAB of 628,050,300 KAB Shares as at the LPD, KAB may buy-back up to 62,805,030 KAB Shares (inclusive of the Purchased Shares that have been bought back to date), representing up to 10% of its issued shares as at the LPD.

The actual number of KAB Shares to be purchased and the timing of such purchase will depend on, amongst others, market conditions and sentiments, as well as the retained earnings and financial resources of the Company at the time of the purchase(s).

2.2 Pricing

Pursuant to Rule 12.17 of the Listing Requirements, our Company may only purchase KAB shares on Bursa Securities at a price which is not more than 15% above the weighted average market price ("WAMP") of KAB Shares for the five (5) market days immediately before the date of purchase(s).

In addition, pursuant to Rule 12.18 of the Listing Requirements, in the case of a resale or transfer of treasury shares, our Company may only resell treasury shares on Bursa Securities or transfer treasury shares pursuant to Section 127(7) of the Act, at: -

a) a price which is not less than the WAMP of KAB Shares for the five (5) Market Days immediately before the resale or transfer; or

b) a discounted price of not more than five per cent (5%) to the WAMP of KAB Shares for the five (5) Market Days immediately before the resale or transfer provided that:

   i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
   ii) the resale or transfer price is not less than the cost of purchase of KAB Shares being resold or transferred.

2.3 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, our Directors may deal with the Purchased Shares, at their discretion, in the following manner: -

a) cancel the Purchased Shares; or

b) retain the Purchased Shares as treasury shares; or

c) retain part of the Purchased Shares as treasury shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, our Directors may, at their discretion: -

a) distribute the Purchased Shares as dividends to shareholders, such dividends to be known as "shares dividends"; or

b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities; or

Share Buy-Back Statement (cont'd)

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.3 Treatment of Purchased Shares (Cont'd)

c) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme; or

d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration; or

e) cancel the Purchased Shares or any of the Purchased Shares; or

f) sell, transfer or otherwise use the Purchase Shares for such other purposes as the Minister may by order prescribe; and/or

g) in any other manner as may be prescribed by the Act, rules, regulations and order made pursuant to the Act and the requirements of Bursa Securities, and/or any other relevant authority for the time being in force.

In the event the Purchased Shares are held as treasury shares, the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, will be suspended and the treasury shares will not be taken into account in calculating the number of percentage of Shares, or of a class of shares in our Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on resolution(s) at a meeting.

An immediate announcement will be made to Bursa Securities in respect of the intention of our Directors to either resell the Purchased Shares or cancel them.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable KAB to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market. The Company will be able to purchase its own Shares when the Shares are being traded at values that are below what the Board believes to be their intrinsic value. This will enable the prices of KAB Shares traded on the ACE Market of the Bursa Securities to be stabilised and therefore better reflect its fundamentals.

If the KAB Shares purchased are subsequently cancelled, the Proposed Renewal of Share Buy-Back Authority may strengthen the EPS of KAB. Consequently, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

The Purchased Shares can also be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and its shareholders, and it will be exercised only after due consideration of the financial resources of KAB Group, and of the resultant impact on the shareholders of the Company. The Board in exercising any decision to buy-back any KAB Shares will be mindful of the interests of KAB and its shareholders.

4. FUNDING FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority may be funded through internally-generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of our Company. As at the LPD, we have not determined the source of funding for the Proposed Renewal of Share Buy-Back Authority. The actual amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority will only be determined later depending on the actual number of KAB Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of our Company. Based on our Company's latest audited consolidated financial statements for the financial period ended 31 January 2021, the retained profits of the Company was RM812,697.

The Proposed Renewal of Share Buy-Back Authority, if funded through internally generated funds, is not expected to have a material impact on the cash flow position of our Company. In the event the Proposed Renewal of Share Buy-Back Authority is to be financed by bank borrowings, our Company will ensure our capabilities of repaying such borrowings and that such repayment will not have a material effect on our cash flow position. In addition, the Board will ensure that our Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

a. Allows the Company to utilise its financial resources to enhance the value of shareholders' investments in the Company if there are no immediate use, to purchase the KAB Shares;

b. allows the Company to take preventive measures against speculation particularly when its shares are undervalued, which would in turn, stabilise its market price and hence, enhance investors' confidence;

c. allows the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;

d. allows the Company to utilise the treasury shares as purchase consideration in corporate transactions thereby reducing the financial outflow and/or preserve the working capital of the Company;

e. the Company may distribute any shares held as treasury shares as share dividends to reward the shareholders of the Company; and

f. the Company may realise potential gains from the resale of the treasury shares, if the Purchased Shares which are retained as treasury shares are resold at a higher price.

Share Buy-Back Statement (cont'd)

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

i. the Proposed Renewal of Share Buy-Back Authority will reduce the financial resources of KAB and may result in the Group foregoing other investment opportunities that may emerge in the future; and

ii. as the Proposed Renewal of Share Buy-Back Authority can only be made out of retained earnings of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

However, these disadvantages are mitigated by the prospect that the financial capacity of our Group may increase, if the Purchased Shares held as treasury shares are resold at higher price than their purchase price.

The Board, in exercising any decision on the purchase of KAB Shares pursuant to the Proposed Renewal of Share Buy-Back Authority and any subsequent resale of treasury shares on the Bursa Securities, will be mindful of the interest of the Company and its shareholders.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

6.1 Issued Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

The Proposed Renewal of Share Buy-Back Authority will however, result in the reduction of the issued share capital of the Company if the Purchased Shares are cancelled. Based on the issued share capital of the Company as at LPD, and assuming that the maximum number of KAB Shares (of up to ten per centum (10%) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority is set out as follows:

	No. of Ordinary Shares
Issued share capital of the Company as at LPD	628,050,300
Maximum number purchased shares cancelled	(62,805,030)
Resultant total number of issued shares	**565,245,270**

On the other hand, if KAB Shares purchased are retained as treasury shares, resold or distributed to its shareholders, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the total number of issued shares of KAB.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

6.2 EPS

Where the Shares so purchased are cancelled, the EPS of the Group will increase. However, the increase in EPS will be affected to the extent of the reduction of the interest income arising from the funds utilised for the Purchased Shares or any increase in the interest expense arising from borrowings to fund the purchase. In the event that the Purchased Shares are treated as treasury shares and subsequently sold, the EPS of the Group will increase where the treasury shares are sold at prices above the purchase price and also due to any resultant increase in interest income of the Group.

6.3 NA and Working Capital

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA of the Group will depend on the number of Shares purchase, the purchase price for such KAB Shares and whether the Purchased Shares are cancelled or retained as treasury shares.

If the Purchased Shares are kept as treasury shares, the NA per Share will decrease, unless the cost per Share of the treasury shares purchased is below the NA per Share at the relevant point in time. This is because the treasury shares, which are required to be carried at cost, must be offset against equity and therefore would result in a decrease in NA of the Company.

Similarly, if the Purchased Shares are cancelled as provided under the Act, the NA per Share of the KAB Group will decrease, unless the cost per Share of the Purchased Shares is below the NA per Share at the relevant point in time.

In the case where the Purchased Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of the KAB Group will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the KAB Group will decrease accordingly by the cost of the treasury shares.

The implementation of the Proposed Renewal of Share Buy-Back Authority is likely to reduce the working capital of the Group, the quantum of which will depend on the purchase price of the Shares, the actual number of Shares bought back and any associated costs incurred in making the purchase.

However, for Shares so purchased which are kept as treasury shares, upon its resale at a high selling price than the initial purchase price, the working capital of the Company will increase. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

6.4 Dividends

The Proposed Renewal of Share Buy-Back Authority is not expected to have any impact on the dividend policy of the Board in recommending dividends, if any, to shareholders of KAB. However, as stated herein above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

6.5 Directors' and Substantial Shareholders' Shareholdings

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at LPD and assuming that the maximum number of KAB Shares (of up to ten per centum (10%) of the total number issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased from shareholders other than the existing substantial shareholders of KAB, and all such shares purchased are cancelled or retained as treasury shares, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing Directors and substantial shareholders of KAB are set out below:

	As at LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Edmond Tay Nam Hiong	760,000	0.12	24,213,200[1]	3.86	760,000	0.13	24,213,200[1]	4.28
Tan Jeck Min	55,129,768	8.78	–	–	55,129,768	9.75	–	–
Geoffrey Ng Ching Fung	–	–	–	–	–	–	–	–
John Chin Shoo Ted	110,000	0.02	–	–	110,000	0.02	–	–
Kok Cheang-hung	21,000	*Neg*	–	–	21,000	*Neg*	–	–
Substantial Shareholders								
Desert Stream Investments Limited	115,565,754	18.40	–	–	115,565,754	20.45	–	–
Tan Jeck Min	55,129,768	8.78	–	–	55,129,768	9.75	–	–

Notes:

(1) Deemed interested by virtue of his interest in Quantum Storage (India) Limited pursuant to Section 8 of the Companies Act 2016

Save for the resulting increase in percentage shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors or substantial shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Renewal Share Buy-Back Authority or the resale of treasury shares, if any.

Share Buy-Back Statement (cont'd)

7. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread as required under Rule 8.02(1) of the Listing Requirements.

As at 30 April 2021, public shareholding spread of the Company is 51.82%. The Company will endeavour to ensure that the Proposed Renewal of Share Buy-Back Authority will not breach Rule 12.14 of the Listing Requirements, which states that a listed corporation must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirements as set out under Rule 8.02(1) of the Listing Requirements.

8. PURCHASES AND RESALE OF KAB SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not purchase, resale or cancel any Share from open market in the previous twelve (12) months. As at LPD, there was no Shares held by the Company as Treasury Shares.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of KAB shares as traded on Bursa Securities for the past twelve (12) months are as follows: -

	High RM	Low RM
2020		
May	0.680	0.500
June	0.605	0.495
July	0.610	0.535
August	0.735	0.555
September	0.685	0.540
October	0.595	0.510
November	0.640	0.495
December	0.720	0.585
2021		
January	0.885	0.645
February	0.945	0.755
March	0.805	0.660
April	0.745	0.680

(Source: investing.com)

The last transacted price of KAB Shares as at the LPD prior to the printing of this Statement was RM0.645 per Share.

Share Buy-Back Statement (cont'd)

10. IMPLICATIONS OF THE CODE

A person and any person acting in concert with him will be obliged to make a mandatory general offer under Part III and subparagraph 10.1 of Practice Note 9 of the Code for the remaining ordinary shares of the Company not already owned by him/them if as a result of the Proposed Renewal of Share Buy-Back Authority:

a. a person obtains control in the Company;

b. a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) increases his holding of the voting shares or voting rights of the Company by more than 2% in any six (6)-month period; or

c. a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) acquires more than 2% of the voting shares or voting rights of the Company when he knows or reasonably ought to know that the Company would carry out a share buy-back scheme.

As it is not intended for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory general offer under the Code by any of our Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Renewal of Share Buy-Back Authority would not result in the triggering of any mandatory offer obligation on the part of our Company's substantial shareholders and/or persons acting in connect with them. In this connection, the Board is mindful of the requirements when making any purchase of our Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

11. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to and conditional upon the approval of KAB's shareholders at the forthcoming 7th AGM of the Company.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors, substantial shareholders of KAB, and/or person connected to them, as defined in the Listing Requirements, have any interest, whether directly or indirectly, in the Proposed Renewal of Share Buy-Back Authority.

13. DIRECTORS' STATEMENT

The Board of KAB, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company.

14. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 7th AGM of the Company.

Share Buy-Back Statement (cont'd)

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of KAB and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at Third Floor, No. 77, 79 and 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except for Public Holiday) from the date of this Statement up to and including the date of the 7th AGM:

(a) Constitution of the Company; and

(b) Audited financial statements of KAB for the past one (1) financial year ended 31 December 2019 and past one (1) FPE 31 January 2021.

ADMINISTRATIVE GUIDE

FOR THE FULLY VIRTUAL SEVENTH ANNUAL GENERAL MEETING OF KRONOLOGI ASIA BERHAD ("KAB" OR "COMPANY") ("7TH AGM" OR "MEETING")

Day, Date	:	Tuesday, 29 June 2021
Time	:	2:30 p.m.
Broadcast Venue	:	Conference Room of Kronologi Asia Berhad Level 28-D Axiata Tower No. 9 Jalan Stesen Sentral 5, KL Sentral 50470 Kuala Lumpur

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, 7th AGM will be **held on a fully virtual and entirely via remote participation and voting at** the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, including any amendment that may be made from time to time.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Clause 61 of the Company's Constitution. Shareholders **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the meeting.

In view of the recent evolving COVID-19 cases in Malaysia, we may be required to change the meeting arrangements of the Meeting at short notice. As such, shareholders are advised to check the Company's website or announcements for the latest updates on the status of the Meeting. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV FACILITIES")

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the Meeting using RPV Facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its **TIIH Online** website at https://tiih.online.

Shareholders who appoint proxies to participate via RPV Facilities in the Meeting must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor not later than **Sunday, 27 June 2021 at 2:30 p.m.**

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 27 June 2021 at 2:30 p.m.** to participate via RPV Facilities in the Meeting.

Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 27 June 2021 at 2:30 p.m.** to participate via RPV Facilities in the Meeting.

A shareholder who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the Meeting via RPV Facilities must request his/her proxy to register himself/herself for RPV Facilities at TIIH Online website at https://tiih.online.

As the Meeting is a fully virtual meeting, shareholders who are unable to participate in this Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

Administrative Guide (cont'd)

PROCEDURES FOR RPV FACILITIES

Shareholders/proxies/corporate representatives/attorneys who wish to participate the Meeting remotely using the RPV Facilities are to follow the requirements and procedures as summarised below:

	Procedure	Action
BEFORE THE DAY OF THE MEETING		
(a)	Register as a user with **TIIH Online**	• Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services" select "**Create Account by Individual Holder**". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with **TIIH Online**, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at **TIIH Online**.
(b)	Request to attend 7th AGM remotely	• **Registration is open from Monday, 31 May 2021 until the day of 7th AGM on Tuesday, 29 June 2021 at 2:30 p.m.** Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 7th AGM to ascertain their eligibility to participate the 7th AGM using the RPV. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: "**(REGISTRATION) KRONOLOGI 7TH AGM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting" • Review your registration and proceed to register • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at 22 June 2021, the system will send you an e-mail after 27 June 2021 to approve or reject your registration for remote participation and the procedures to use the RPV are detailed therein. *(Note: Please allow sufficient time for the approval as a new user of TIIH Online as well as the registration for RPV).*

Administrative Guide (cont'd)

PROCEDURES FOR RPV FACILITIES (CONT'D)

	Procedure	Action
ON THE DAY OF THE MEETING		
(c)	Login to **TIIH Online**	• Login with your user ID and password for remote participation at the 7th AGM at any time from **1.30 p.m.** i.e. **1 hour** before the commencement of the Meeting on **Tuesday, 29 June 2021 at 2:30 p.m.**
(d)	Participate through Live Streaming	• Select the corporate event: **(LIVE STREAM MEETING) KRONOLOGI 7TH AGM** to engage in the proceedings of the Meeting remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by remote participants during the 7th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online remote voting	• Voting session commences from **2:30 p.m. on Tuesday, 29 June 2021** until a time when the Chairman announces the completion of the voting session. • Select the corporate event: • "**(REMOTE VOTING) KRONOLOGI 7TH AGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• Upon the announcement by the Chairman on the closure of the 7th AGM, the live streaming will end.

Note to users of the RPV Facilities:

1. Should your application to join the Meeting be approved we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to **TIIH Online** on the day of Meeting will indicate your presence at the virtual Meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

Administrative Guide (cont'd)

PROCEDURES FOR RPV FACILITIES (CONT'D)

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 22 June 2021 shall be eligible to attend, speak and vote at the 7th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

- In view that the 7th AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the 7th AGM yourself, please do not submit any Form of Proxy for the 7th AGM. You will not be allowed to participate in the 7th AGM together with a proxy appointed by you.

- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 7th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Sunday, 27 June 2021 at 2.30 p.m.**:

  (i) In Hard copy:

  a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

  b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

  (ii) By Electronic form:

  All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

ELECTRONIC LODGEMENT OF PROXY FORM

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **"Kronologi 7th AGM - Submission of Proxy Form"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.

Administrative Guide (cont'd)

PROCEDURES FOR RPV FACILITIES (CONT'D)

ELECTRONIC LODGEMENT OF PROXY FORM (CONT'D)

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online • Select the corporate exercise name: "**Kronologi 7th AGM: Submission of Proxy Form**" • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate exercise name: "**Kronologi 7th AGM: Submission of Proxy Form**". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

POLL VOTING

The voting at the Meeting will be conducted by poll in accordance with Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions at any time from **2.30 p.m.** on **Tuesday, 29 June 2021** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV Facilities for guidance on how to vote remotely from TIIH Online website at https://tiih.online.

Upon completion of the voting session for Meeting, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Administrative Guide (cont'd)

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the Meting via Tricor's **TIIH Online** website at https://tiih.online by selecting "e-Services" to login, pose your questions and submit it electronically not later than **Sunday, 27 June 2021 at 2.30 p.m.** The Board will endeavor to answer the questions received at the Meeting.

NO RECORDING OR PHOTOGRAPHY

By participating at the Meeting, you agree that no part of the Meeting proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

NO DOOR GIFT/FOOD VOUCHER

There will be **no distribution** of door gifts or food vouchers for the Meeting since the meeting is being conducted on a fully virtual basis.

The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

Annual Report

- The Annual Report is available on the Company's website at https://www.kronologi.asia/investor-centre-reports/ and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Annual Report at https://tiih.online by selecting "Request for Annual Report" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299	
Fax Number	:	+603-2783 9222	
Email	:	is.enquiry@my.tricorglobal.com	
Contact persons	:	Lim Lay Kiow	+603-27839232 (Lay.Kiow.Lim@my.tricorglobal.com)
		Siti Zalina	+603-27839247 (Siti.Zalina@my.tricorglobal.com)
		Lim Jia Jin	+603-27839246 (Jia.Jin.Lim@my.tricorglobal.com)

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KRONOLOGI ASIA BERHAD
201301037868 (1067697-K)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held	:	
CDS Account No.	:	

I/We * ________________________________ NRIC/Passport/Registration No.* ________________
(Full name in block)

of ____
(Address)

with email address ________________________ mobile phone no. ________________________

being a member/members* of **KRONOLOGI ASIA BERHAD** ("Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Seventh Annual General Meeting of the Company ("7th AGM" or "Meeting") to be held on fully virtual basis and entirely via remote participation and voting at the Broadcast Venue at Conference Room of Kronologi Asia Berhad, Level 28-D Axiata Tower, No.9 Jalan Stesen Sentral 5, KL Sentral, 50470 Kuala Lumpur on Tuesday, 29 June 2021 at 2:30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of additional Directors' fees and benefits of RM9,500 for the financial period ended 31 January 2021.		
2.	To approve the payment of Directors' fees and benefits of up to RM600,000 for the period from 1 February 2021 until the next Annual General Meeting of the Company.		
3.	To re-elect Mr. Tan Jeck Min as Director of the Company.		
4.	To re-elect Mr. Geoffrey Ng Ching Fung as Director of the Company.		
5.	To re-appoint PKF Malaysia as Auditors of the Company.		
6.	To approve the authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the Proposed Renewal of Share Buy-Back Authority.		

No.	Special Resolution	For	Against
1.	To approve the proposed amendments to the Company's Constitution.		

Dated this ____________ day of ________________________ 2021

____
Signature of Member(s) / Common Seal

NOTES:

a) A member who is entitled to attend, participate, speak and vote at the 7th AGM shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

f) To be valid, the instrument appointing a proxy shall be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)], at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, in the case of an appointment made via TIIH Online, the electronic proxy form must be submitted at https://tiih.online. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote.

g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 22 June 2021. Only members whose names appear in the General Meeting Record of Depositors as at 22 June 2021 shall be regarded as members and entitled to attend, participate, speak and vote at the 7th AGM .

h) All the resolutions as set out in this Notice of Meeting will be put to vote by poll.

i) The Broadcast Venue is strictly for the purpose of complying with the requirement of Chairman of the Meeting to be present at the main venue of the Meeting. Members or proxies **WILL NOT BE ALLOWED** to attend the Meeting in person at the Broadcast Venue on the day of the Meeting. Members are advised to refer to the Administrative Guide on the registration and voting process for the Meeting.

j) Members or proxies are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Meeting using Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.

k) In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 7th AGM at short notice. Kindly check Bursa Securities' and Company's website at www.kronologi.asia for the latest updates on the status of the Meeting.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
KRONOLOGI ASIA BERHAD
201301037868 (1067697-K)
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32 Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1st fold here

KRONOLOGI ASIA BERHAD
Registration No.: 201301037868 (1067697-K)

Level 28-D, Axiata Tower
No.9, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470, Kuala Lumpur, Malaysia

Tel: (03) 2773 5700
Fax: (03) 2773 5710

www.kronologi.asia