



KRONOLOGI ASIA BERHAD

201301037868 (1067697-K)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE NINTH ANNUAL GENERAL MEETING OF KRONOLOGI ASIA BERHAD (“KRONOLOGI” OR “THE COMPANY”) HELD AT BALLROOM B, LEVEL 2, ALOFT KUALA LUMPUR SENTRAL, NO. 5, JALAN STESEN SENTRAL, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON MONDAY, 10 JULY 2023 AT 3:35 P.M.

REPLY TO QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)

Mr. Tan Jeck Min, the Executive Director cum Chief Operating Officer of the Company, presented to the Shareholders, the questions received from the MSWG along with the responses from the Board, as summarized below:

Operational & Financial Matters

Q1. The Group has a strong balance sheet with cash and bank balances of over RM100 million in FY2023. Gearing ratio improved slightly to 11.73% in FY2023 from 12.16% in FY2022. Interest expenses increased to RM2.67 million in FY2023 (FY2022: RM1.43 million) (pages 5, 7 & 76 of Annual Report (AR) 2023).

- (a) Is management looking to further improve its capital management by optimising its cash holdings and reducing borrowing costs?**
- (b) What factors influenced the Group's decision to opt for new bank borrowings of RM6.6 million in FY2023, considering its strong financial position and ample cash reserves of RM103 million, particularly considering the higher prevailing interest rates and potential rate hike?**

The management team regularly and prudently monitors the administration of its overall gearing ratio while reviewing cashflow needs to optimise its working capital and liquidity requirements.

We will try our best to avoid incurring borrowing costs. However, using cash is not always practical nor prudent from an operational risk and liquidity point of view.

In addition, some of our key factors and management considerations:

- a) To maintain sufficient funds and cashflow for the following purposes in the new financial year:
 - i) Potential investments in new businesses that may further enhance the growth plans of the Group;
 - ii) Investments in infrastructure and technology to support the growth of the Cloud As-A-Service business;
 - iii) Development of a Solutions Centre to showcase our solutions and technologies.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

- b) Part of the bank balances are maintained in foreign currencies; given the constant forex fluctuations, we need to regularly monitor for the appropriate timing for conversions – for both working capital needs or repatriation purposes.
- c) The bulk of our cash balances are usually deposited in Fixed Deposits or similar bank instruments, earning interest income. Prevailing bank deposit interest rates have also increased in the current environment. This helps to defray the higher borrowing costs. As such, although interest expenses had increased to RM2.67 million, there was also an increase in interest income to RM0.50 million.

Q2. An impairment loss on the amount due from subsidiaries increased from RM4.9 million in FY2022 to RM22.1 million in FY2023 (page 79 of AR 2023).

- (a) Please provide the name of the subsidiaries that have impairment losses.**

Quantum Storage (South Asia) Pte Ltd
Kronicles (Singapore) Pte Ltd

- (b) What were the reasons for the high impairment losses in FY2023?**

The impairment losses were mainly for inter-company amounts owing for trade transactions, including dividends. The impairment losses are provided in compliance with MFRS 9. Higher impairment losses correspond to the liquidity position and amount owing from the subsidiaries as at 31 Jan 2023.

- (c) What are the measures taken by the Company to ensure that the impairment losses on the amount due from subsidiaries do not increase further or recur?**

This impairment loss is eliminated on a Group level. Thus, there is no material impact.

Q3. The Group's trade receivables and contract assets that were past due more than 61-90 days have increased to RM1,813,720 in FY2023 from RM960,989 in FY2022 (page 140 of AR2023).

- (a) What were the difficulties faced by the Group in the collection of the trade receivables that were past due more than 61-90 days as the outstanding amount increased substantially?**

A key factor for the higher receivables during the period was attributable to delays in the completion of certain project implementations, which correspondingly resulted in later trade receivable collections.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

- (b) Who are the customers and their profiles that are made up of this category (past due 61-90 days) of the Group's trade receivables in FY2023?**

These are mainly from our customers in the Philippines, which comprise Enterprise and SME customers in the telecommunications, hospitality, and financial sectors.

- (c) To-date, how much of the overdue amount has been collected?**

To-date, all the overdue amount has been collected.

Corporate Governance Matters

- Q1. Practice 1.4 of the Malaysian Code of Corporate Governance (MCCG) stipulates that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.**

Having the same person assume the positions of Chairman of the board, and Chairman of the Audit Committee (AC), Nomination Committee (NC) or Remuneration Committee (RC) gives rise to the risk of self-review and may impair the objectivity of the Chairman and the board when deliberating on the observations and recommendations put forth by the board committees. Thus, the Chairman of the board should not be involved in these committees to ensure there is check and balance as well as objective review by the board.

The Company has departed from this practice as Mr. Geoffrey Ng Ching Fung, Chairman of the Board is also a member of the AC, NC, RC, and Share Grant Plan Committee. Does the Company have any plans to address this situation, and if yes, by when?

The Board acknowledges Practice 1.4 of the MCCG.

Kronologi has a moderate-sized Board comprising three (3) Independent Directors and three (3) Executive Directors. The Board recognizes that the individual Directors, particularly the Independent Directors, bring diverse skills and competencies to form a capable and robust Board.

While the Chairman of the Board is a member of the Board Committees, he does not assume the position of Chairman for any of the Committees. The participation of the Chairman at the committee level is determined based on his ability to contribute and actively participate while ensuring the need for objectivity is upheld.

The Board believes that this approach does not compromise the objectivity in receiving or assessing reports from the committees in any manner.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

- Q2. The Board's composition is deficient in terms of women directors, as it currently only comprises one female Director, representing a mere 16.67% of the total. This figure falls below the recommended benchmark of 30% set forth in Practice 5.9 of the MCGG, which advocates for a more substantial representation of women directors.**

Has there been any progress made in the identification of suitable female candidates for a new Director position within the Group? If so, how many candidates have been interviewed and shortlisted?

The Board acknowledges Practice 5.9 of MCGG.

At the same time, the Company complies with Rule 15.02 (1)(b) Listing Requirement of the Bursa Securities where the composition of the Board should consist of one (1) woman Director.

The Company is committed to promoting diversity and inclusion within our organization, including gender diversity on the Board. We recognize the importance of having a more substantial representation of women directors.

The Board makes decisions objectively in the best interests of the Group, taking into account diverse perspectives and insights. Our focus is on recruiting and retaining the best available talent regardless of gender, ethnicity or age, to maximise the effectiveness of the Board.

QUESTIONS RAISED BY THE SHAREHOLDERS DURING THE MEETING

There were several questions/comments posted by the Shareholders which were duly responded to by the Board members. The questions and answers provided, where relevant, are as summarised below:-

- Q1. Why did the Company experience an increase in profit this year compared to last year while tax expense decreased? From the normal perspective, higher profit would imply higher tax expenses. Please explain the reasons.**

The decrease in tax expense is due to the adjustment of over-provision in the prior year.

- Q2. What advantages does the Company possess that allow it to stand out and differentiate itself from its competitors?**

Firstly, the Company is constantly innovating and introducing several solutions to address the market demands within the swiftly evolving technology sector. Our capacity for reinvention provides the Company with benefits and advantages.

Secondly, the strategic geography dispersion across multiple locations provides significant advantages and skills for the Company to reinvent and learn.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

Thirdly, the Company originated as a services company and has consistently expanded its range of services in response to market demands. The ongoing retention and recruitment of talent align with the Company's goal and mission.

Q3. Why are minority shareholders being disregarded from the earlier business briefing? Is it possible for the Company to share information to keep all shareholders well-informed?

The Company recognizes the importance of treating all shareholders equitably and does not disregard the minority shareholders or provide any special privileges to the larger fund investors.

The Company conducts regular briefings open to all investors. These briefings are designed to keep investors informed about the Company's progress, performance, and future plans. It is important to note that participation in these briefings is not limited to larger fund investors, we welcome all shareholders, including minority shareholders, to attend these briefings. To facilitate smooth communication, we encourage interested parties to register their names and contact details in our database. By doing so, the Company can provide them with timely updates on future briefings and ensure that they receive the latest information.

In summary, the Company remains committed to treating all shareholders fairly and ensuring that no individual or group is disregarded. We strive to foster a transparent and inclusive environment where every investor can access relevant information and actively participate in our Annual General Meetings and regular briefings.

Q4. Why is the hard copy of the Annual Report not available to shareholders at this Meeting?

While the hard copy of the Annual Report is not immediately available at this Meeting, shareholders can obtain a copy upon request. The Company values transparency and accessibility of information, and thus, we are committed to providing the Annual Report to all shareholders who wish to receive it.

To obtain a copy of the Annual Report, shareholders can make a requisition to the Company. Once we receive the request, we will promptly provide the Annual Report as soon as possible.

The Board has acknowledged the importance of making the Annual Report readily available to shareholders during future AGMs. To address this concern, we plan to have more copies of the Annual Report on hand at upcoming AGMs, making it more convenient for shareholders to access the report during these events.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

Q5. Could we receive a brief presentation similar to the one shared with the investor earlier?

Thank you for your suggestion. The Board took note of your request and appreciates your interest in receiving a presentation similar to the one shared with investors previously.

Q6. Why there is no presentation over the past 3 years?

Over the past 3 years, the Company has faced extraordinary challenges brought about by the COVID-19 pandemic. As a result, the majority of AGMs were held virtually. However, it is important to note that there was one physical AGM conducted amidst these exceptional circumstances. At both physical and virtual AGMs, the Company did provide a comprehensive presentation, offering valuable insights into the Company's performance, achievements, and future plans, as part of the agenda.

Q7. Please provide the email address for shareholders' inquiries or invitations. If hard copies of the Annual Report are unavailable, please display it on screen during the meeting for shareholders' access.

Thank you for your comments. The Board appreciates your input, and we are committed to improving our communication with shareholders. To enhance the process, we referred shareholders to the Company's Investor Relation email address ir@kronologi.asia for shareholder's inquiries.

Q8. Can you present the earlier business briefing to us now?

We are delighted to share the business briefing with all our valued shareholders.

Mr. Edmond Tay Nam Hiong ("Mr. Edmond Tay") proceeded to present a comprehensive report about the operational aspects of the business. Key highlights from Mr. Edmond's presentation include key achievements, ongoing projects, and strategic initiatives that have been driving the Company's growth.

Following Mr. Edmond Tay's presentation, Mr. Tan Jeck Min delivered the financial part of the presentation. His briefing of the Company's financial performance, including revenue trends, profitability, and fiscal highlights.

After the presentation, relevant questions and answers were provided, and the following is a summary:

Q8. How long of the lifecycle of the Company?

In the IT industry, the lifecycle for companies tends to be relatively short. Typically, for an IT Company, the lifecycle is around 5 years. This is due to the rapid pace of technological advancements and market changes, which often drive companies to adapt and innovate within relatively short periods.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

Q9. What does “hybrid” refer to in the context of data digitalization and hybrid cloud?

In the context of data digitalization and hybrid cloud, the term "hybrid" refers to the integration and synergy between two key components: "edge" and "cloud." The "edge" represents physical locations like offices that are equipped with edge devices, which are capable of processing and collecting data locally. On the other hand, "cloud" involves storing and managing data in cloud infrastructure, often optimized through private cloud or multi-cloud configurations to enhance storage and processing efficiency.

As the Company continues to enhance its focus in these areas, it is expected to have a positive impact on its performance, ultimately increasing shareholder value. Embracing the hybrid approach to data digitalization and the hybrid cloud can lead to improved operational efficiency, better data insights, and enhanced customer experiences, positioning the Company for a successful future.

Q10. Is the management of the cloud server system handled internally by the Company or outsourced?

The Company operates its own cloud operating system, powered by virtualized servers. The Company does not produce hardware and only focuses on providing cloud services.

Q11. How does the Company manage the security of data and the backbone of the data storage?

Ensuring data security and the robustness of data storage are paramount for the Company. In professional terms, this involves two critical aspects: data sovereignty and data residency.

Data sovereignty pertains to the legal and regulatory control over data. The Company takes ownership of its cloud business, enabling us to maintain control and comply with data sovereignty requirements in each country where we operate.

Data residency, on the other hand, refers to the physical location where data is stored. The Company adopts good standard data management practices, which include having data storage facilities strategically located in various countries.

Q12. According to the analysis of the shareholdings, one of the substantial shareholders is an India Company, how does this India Company contribute to the Group?

The substantial shareholder is referred to Quantum Storage (India) Limited where the beneficial owner is Mr. Edmond Tay. This is an investment vehicle owned by Mr. Edmond Tay. The Company acquired the business venture in India from Quantum Storage (India) Limited.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

Q13. Has the Company considered transferring to the Main Market of Bursa Malaysia Securities Berhad?

The Company has indeed carefully considered this matter, but as of now, no final decision has been reached. The potential transfer to the Main Market is being evaluated, taking into account various factors, including the associated costs and benefits.

At this juncture, the Company's primary focus is directed towards strategic business growth. Our objective is to achieve a certain size and scale that would enable us to realize more meaningful outcomes.

Q14. It is important to avoid rushing or prohibiting shareholders from asking questions as the Company only holds AGM once a year. After the presentation, there are likely to have questions from shareholders. Thus, a suitable allocation of time should be ensured to allow shareholders to raise questions in the future.

The Board noted your comments and guidance in this regard. Moving forward, we will make deliberate efforts to enhance the Q&A session during future AGMs, allowing shareholders to raise questions and receive satisfactory responses.

Q15. Based on question 1 raised by MSWG, what is the cash utilisation, potential investment, potential investment in infrastructure, development on solution center and how is the allocation of utilisation and when it will be implemented?

The Board is currently unable to provide specific cash utilization details for the three potential investments mentioned earlier.

Regarding the investment in infrastructure, it pertains to the cloud segment of our business. As we focus on business growth, increased investment in infrastructure is necessary.

Regarding the development of the solution center, the Company utilized funds raised from private placement to establish the solution center.

Q16. Is the Company considering declaring dividend to the shareholders more frequently in the future and did the Company establish a dividend policy?

The Company may consider the possibility of declaring dividends more frequently in the future. A proposal for a Bonus Issue of Shares and Warrants has been presented during this AGM. However, it is essential to emphasize that our primary focus currently remains on driving business growth.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

Q17. Is the same briefing presented to minority shareholders or is there additional confidential information provided?

The Company ensures equal treatment of all shareholders, including minority shareholders. There is no sharing of additional confidential information with any specific group. The presentation given to investors, the press, and the media is consistent with the one shared with all shareholders.

Q18. Is there a specific threshold or size requirement and does the Company foresee individual consumers will look for the storage services?

There is no specific threshold as it depends on the data growth rate. There is a possibility that individual consumers may seek storage services.

Q19. Why the auditors' fee is nearly RM1.0 million?

The auditors' fee is referred to Group's audit fees, encompassing all the subsidiaries shown in the Company's organizational chart.

Q20. What is the cost incurred by the Company for the corporate exercise related to the Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants?

The cost incurred for the above corporate exercises is less than RM200,000.

Q21. What is the purpose to seek shareholders' approval on the proposed share buy-back?

The purpose of seeking shareholders' approval on the proposed share buy-back is to renew the mandate for the Company to engage in this activity. It is essential to differentiate this proposal from the Proposed Bonus Issue of Shares and Warrants, as they serve distinct purposes.

Renewing this mandate enables the Company to have the flexibility to implement share buy-back initiatives strategically. It is crucial to note that the Company will only engage in share buy-back when deemed necessary in accordance with applicable regulations and best practices.

Q22. What is the amount of Directors' fee for the year 2022?

The Directors' fees for the years 2022 and 2023 remain unchanged from the previous year. There has been no increase in the Directors' fees during this period.

Q23. What is the exercise price of warrants? How to ensure the warrant is converted?

The exercise price of warrants has not been finalized by the Company yet. As a standard practice, the Company typically sets the exercise price at a premium compared to the prevailing market price.

KRONOLOGI ASIA BERHAD [201301037868 (1067697-K)]

Summary of Key Matters discussed at the 9th Annual General Meeting of the Company held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Monday, 10 July 2023.....cont'd

Q24. How many years of tenure for the warrants?

The tenure for the warrants is set at 5 years.

This summary is reviewed and approved:-

Tan Jeck Min

Executive Director cum
Chief Operating Officer