

THIS CIRCULAR 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 advisers immediately.

This Circular has been reviewed by TA Securities Holdings Berhad, being the Principal Adviser of Kronologi Asia Berhad (“**Kronologi**”) for the Proposals (as defined herein).

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KRONOLOGI ASIA BERHAD
Registration No. 201301037868 (1067697-K)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED BONUS ISSUE OF UP TO 148,068,883 NEW ORDINARY SHARES IN KRONOLOGI (“KRONOLOGI SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 5 EXISTING KRONOLOGI SHARES HELD BY THE ENTITLED SHAREHOLDERS OF KRONOLOGI WHOSE NAMES APPEAR IN THE COMPANY’S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”); AND**
- (II) **PROPOSED BONUS ISSUE OF UP TO 148,068,883 NEW WARRANTS IN KRONOLOGI (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 5 EXISTING KRONOLOGI SHARES HELD BY THE ENTITLED SHAREHOLDERS OF KRONOLOGI ON THE ENTITLEMENT DATE**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

Principal Adviser

 **TA SECURITIES**

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The above Proposals would be tabled as Special Business at the Ninth Annual General Meeting (“**9th AGM**”) of Kronologi which will be held at Ballroom B, Level 2, Aloft Kuala Lumpur Sentral, No. 5, Jalan Stesen Sentral, 50470 Kuala Lumpur on Monday, 10 July 2023 at 3:30 p.m. or at any adjournment thereof. The Notice of the 9th AGM together with the Proxy Form, Administrative note and this Circular are available on the Company’s website at <https://www.kronologi.asia/investor-centre-reports/>. The 9th AGM will be held as follows:

Date and time of the 9 th AGM	: Monday, 10 July 2023, 3.30 p.m. or at any adjournment thereof
Last date and time for lodging the Proxy Form	: Saturday, 8 July 2023, 3.30 p.m. or at any adjournment thereof
Venue of the 9 th AGM	: Ballroom B, Level 2, Aloft Kuala Lumpur Sentral, No. 5, Jalan Stesen Sentral, 50470 Kuala Lumpur

As a shareholder, you are entitled to attend, participate, speak and vote at the 9th AGM and are entitled to appoint a proxy or proxies (where applicable) to attend, participate, speak and vote on your behalf. In such event, the completed Proxy Form should be lodged at the Share Registrar Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or submit electronically via TIIH Online at <https://tiah.online>, not less than forty-eight (48) hours before the time set for holding the 9th AGM or at any adjournment thereof. The Proxy Form once deposited will not preclude you from attending and voting in person at the 9th AGM should you subsequently wish to do so.

This Circular is dated 31 May 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

COMPANIES:

“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd [198701006854 (165570-W)]
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Kronologi” or “Company”	:	Kronologi Asia Berhad [201301037868 (1067697-K)]
“Kronologi Group” or “Group”	:	Kronologi and its subsidiaries, collectively
“TA Securities”	:	TA Securities Holdings Berhad [197301001467 (14948-M)]

GENERAL:

“5G”	:	Fifth-generation technology standard for broadband cellular networks
“9 th AGM”	:	9 th Annual General Meeting of the Company
“Act”	:	Companies Act 2016
“AAS” or “XaaS”	:	Anything as a service business model
“AGM”	:	Annual General Meeting of the Company
“Announcement LPD”	:	25 April 2023, being the latest practicable date prior to the announcement of the Proposals
“BNM”	:	Bank Negara Malaysia
“Board”	:	Board of Directors of Kronologi
“Bonus Shares”	:	Up to 148,068,883 new Kronologi Shares to be issued pursuant to the Proposed Bonus Issue of Shares
“Entitlement Date”	:	The date at the close of business (to be determined and announced later by the Board) on which the names of shareholders of Kronologi must be entered as a member in the Record of Depositors of Kronologi in order to be entitled to and participate in the Proposals
“Entitlement Shareholders”	:	Shareholders of Kronologi whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date
“Circular”	:	This circular to shareholders dated 31 May 2023 in respect of the Proposals
“COVID-19”	:	COVID-19 pandemic
“Deed Poll”	:	The deed poll constituting the Warrants and governing the rights of the holders of Warrants to be executed by the Company pursuant to the Proposed Bonus Issue of Warrants
“Director”	:	A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EDM”	:	Enterprise Data Management
“EPS”	:	Earnings per ordinary share in Kronologi
“FYE”	:	Financial year ended/ financial year ending, as the case may be
“ICT”	:	Information and Communications Technology

DEFINITIONS (CONT'D)

“Kronologi Shares” or “Shares”	:	Ordinary shares in Kronologi
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	26 May 2023, being the latest practicable date prior to the printing of this Circular
“Market Days”	:	Any days between Monday to Friday, excluding public holidays, and a day on which Bursa Securities is open for trading of securities
“NA”	:	Net assets attributable to ordinary equity holders of Kronologi
“Official List”	:	A list specifying all securities listed on the ACE Market of Bursa Securities
“Proposals”	:	Collectively, the Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants
“Proposed Bonus Issue of Shares”	:	Proposed bonus issue of up to 148,068,883 new Kronologi Shares on the basis of 1 Bonus Share for every 5 existing Kronologi Shares held on the Entitlement Date
“Proposed Bonus Issue of Warrants”	:	Proposed bonus issue of up to 148,068,883 Warrants on the basis of 1 Warrant for every 5 existing Kronologi Shares held on the Entitlement Date
“Record of Depositors”	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules of Bursa Depository”	:	The Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
“Share Grant Plan”	:	Share grant plan of up to 30% of the total number of issued Kronologi Shares (excluding any treasury shares) at any one time for the duration of the share grant plan, 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
“TEBP”	:	Theoretical ex-bonus price
“USD”	:	US Dollar
“VWAP”	:	Volume weighted average market price
“Warrants”	:	Up to 148,068,883 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants, which are exercisable into up to 148,068,883 Kronologi Shares

All references to “Company” in this Circular are to Kronologi, references to “Group” are to the Company and its subsidiaries. All references to “we”, “us”, “the” and “ourselves” are to the Company, or where the context requires, the Group. All references to “you” in this Circular are references to the shareholders of the 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. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified. Certain figures in this Circular have been subject to rounding adjustments.

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR AND THE APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSALS BEFORE VOTING.

The Board is recommending shareholders of Kronologi to vote **in favour** of the resolutions in relation to the Proposals to be tabled at the forthcoming 9th AGM.

Proposals	
Details	<p>On 26 April 2023, Kronologi proposed to undertake the following:</p> <p>(i) <u>Proposed Bonus Issue of Shares</u></p> <p>The Proposed Bonus Issue of Shares will entail the issuance of up to 148,068,883 Bonus Shares to be credited as fully paid-up, on the basis of 1 Bonus Share for every 5 existing Kronologi Shares held by the Entitled Shareholders on the Entitlement Date.</p> <p>The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves, in compliance with the provisions of the Act.</p> <p>(ii) <u>Proposed Bonus Issue of Warrants</u></p> <p>The Proposed Bonus Issue of Warrants will entail the issuance of up to 148,068,883 Warrants on the basis of 1 Warrant for every 5 Kronologi Shares held by the Entitled Shareholders on the Entitlement Date.</p> <p>The Warrants will be issued at no cost to the Entitled Shareholders based on their respective shareholdings on the Entitlement Date.</p> <p>Further, it is the intention of the Board to fix the exercise price of the Warrants at a premium between 0% to 20% to the TEBP calculated based on 5-day VWAP of Kronologi Shares up to and including the date prior to the price-fixing date.</p> <p>For illustration purposes only, the exercise price of the Warrants is assumed to be RM0.52 per Warrant, representing a premium of approximately 10.64% to the TEBP of RM0.4700 calculated based on 5-day VWAP of Kronologi Shares up to and including the Announcement LPD of RM0.5657.</p> <p>The Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants will be implemented concurrently based on the same Entitlement Date.</p> <p>Please refer to Section 2 of this Circular for further details.</p>
Rationale	<p>(i) Proposed Bonus Issue of Shares:</p> <p>(a) will enable the shareholders of Kronologi to have greater participation in the equity of the Company in terms of the number of Kronologi Shares held, whilst maintaining their percentage of equity interest;</p> <p>(b) is expected to enhance the marketability and trading liquidity of Kronologi Shares on the ACE Market of Bursa Securities, thereby providing an opportunity for greater participation from a broader range of investors; and</p> <p>(c) will maintain the Company's reserves and total NA of the Company as the Proposed Bonus Issue of Shares will be implemented without capitalisation of the Company's reserves.</p>

EXECUTIVE SUMMARY (CONT'D)

Proposals	
Rationale (cont'd)	<p>(ii) Proposed Bonus Issue of Warrants:</p> <ul style="list-style-type: none"> (a) will allow the shareholders of Kronologi to benefit from any potential capital appreciation of the Warrants; and (b) will provide the Company with additional working capital as and when the Warrants are exercised without incurring interest costs as compared to conventional bank borrowings. <p>Please refer to Section 4 of this Circular for further details.</p>
Approvals required	<p>The Proposals are subject to and conditional upon the following approvals being obtained from:</p> <ul style="list-style-type: none"> (i) Bursa Securities for the: <ul style="list-style-type: none"> (a) listing and quotation for up to 148,068,883 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares; (b) admission to the Official List and listing and quotation for up to 148,068,883 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and (c) listing and quotation for up to 148,068,883 new Kronologi Shares to be issued pursuant to the exercise of the Warrants, <p>on the ACE Market of Bursa Securities; and</p> (ii) the shareholders of Kronologi at the 9th AGM to be convened.

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EXTRACT OF THE NOTICE OF THE 9TH AGM**ENCLOSED**



KRONOLOGI ASIA BERHAD
Registration No. 201301037868 (1067697-K)
(Incorporated in Malaysia)

Registered Office
Third Floor, No. 77, 79 & 81
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

31 May 2023

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*)
Lai Ching Thing (*Executive Director*)
John Chin Shoo Ted (*Senior Independent Non-Executive Director*)
Kok Cheang-hung (*Independent Non-Executive Director*)

To: Shareholders of Kronologi

Dear Shareholders,

- (I) PROPOSED BONUS ISSUE OF SHARES; AND**
- (II) PROPOSED BONUS ISSUE OF WARRANTS**

1. INTRODUCTION

On 26 April 2023, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

Bursa Securities had vide its letter dated 26 May 2023, approved the following:

- (i) listing and quotation for up to 148,068,883 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- (ii) admission to the Official List and listing and quotation for up to 148,068,883 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- (iii) listing and quotation for up to 148,068,883 Shares to be issued arising from the exercise of Warrants,

on the ACE Market of Bursa Securities, subject to the conditions as stated in **Section 8** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE BOARD'S RECOMMENDATION ON THE PROPOSALS AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING 9TH AGM OF THE COMPANY.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING 9TH AGM.

2. PROPOSED BONUS ISSUE OF SHARES

2.1 Basis and number of Bonus Shares to be issued

As at the LPD, the issued share capital of Kronologi is RM346,617,149 comprises 740,344,417 Kronologi Shares, and there are no treasury shares held in Kronologi.

Kronologi presently has the Share Grant Plan, which enables Kronologi to issue up to 30% of the total number of issued Kronologi Shares (excluding any treasury shares) at any one time for the duration of the Share Grant Plan until 30 March 2025. However, the Board does not intend to grant any further Kronologi Share prior to the Entitlement Date for the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants.

The Proposed Bonus Issue of Shares entails the issuance of up to 148,068,883 Bonus Shares on the basis of 1 Bonus Share for every 5 existing Kronologi Shares held by the shareholders of Kronologi on the Entitlement Date. The Entitlement Date will be determined and announced at a later date after all the relevant approvals for the Proposed Bonus Issue of Shares have been obtained.

The basis of 1 Bonus Share for every 5 existing Kronologi Shares was determined after taking into consideration the following:

- (i) the potential adjustment to the share price of Kronologi Shares arising from the Proposed Bonus Issue of Shares; and
- (ii) the potential enhancement to the trading liquidity of Kronologi Shares in the market given the adjustment to the share price as well as the increase in number of Kronologi Shares after the Proposed Bonus Issue of Shares.

The Proposed Bonus Issue of Shares will result in the issued shares in the Company to increase to up to 888,413,300 Kronologi Shares.

The fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and/or dealt with by the Board in such manner as it may in its absolute discretion deem fit or expedient and in the best interest of the Company.

The Proposed Bonus Issue of Shares will not be implemented on a staggered basis over a period of time.

There will be an adjustment to the market price of Kronologi Shares listed and quoted on the ACE Market of Bursa Securities pursuant to the Proposed Bonus Issue of Shares.

The TEBP of Kronologi Shares based on the 5-day VWAP of Kronologi Shares up to and including the Announcement LPD and the lowest 3-month daily VWAP of Kronologi Shares up to 25 April 2023 (being the date immediately before the submission of Kronologi's application to Bursa Securities ("Application")) are as follows:

Before the Proposed Bonus Issue of Shares		TEBP after the Proposed Bonus Issue of Shares
5-day VWAP up to the Announcement LPD	RM0.5657	$T_x = \frac{(P \times Y)}{Y + X}$ $= \frac{0.5657 \times 5}{5 + 1}$ $= \text{RM0.4700 (Rounded down to the nearest sen)}$

Before the Proposed Bonus Issue of Shares		TEBP after the Proposed Bonus Issue of Shares
Lowest past 3-month daily VWAP up to 25 April 2023	RM0.4820	$T_x = \frac{(P \times Y)}{Y + X}$ $= \frac{0.4820 \times 5}{5+1}$ $= \text{RM0.4016}$

where:

T_x	=	Theoretical ex-bonus price (RM)
P	=	5-day VWAP of Kronologi Shares
X	=	Bonus Share (unit)
Y	=	Holding of existing Kronologi Share (unit)

The Board confirms that the share price of Kronologi Shares adjusted for the Proposed Bonus Issue of Shares is not less than RM0.20 based on the daily VWAP during the 3-month period up to 25 April 2023 before the Application date of 26 April 2023, in compliance with Rule 6.31(1A) of the Listing Requirements.

The Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants will be implemented concurrently based on the same Entitlement Date.

2.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves.

For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Kronologi Shares but will not change the value of the share capital of Kronologi.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Kronologi Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the Entitlement Date.

3. PROPOSED BONUS ISSUE OF WARRANTS

3.1 Basis and number of Warrants to be issued

As at the LPD, the issued share capital of Kronologi is RM346,617,149 comprises 740,344,417 Kronologi Shares, and there are no treasury shares held in Kronologi. The Proposed Bonus Issue of Warrants will entail an issuance of up to 148,068,883 Warrants, on the basis of 1 Warrant for every 5 existing Kronologi Shares held by the Entitled Shareholders on the Entitlement Date.

The entitlement basis for the Proposed Bonus Issue of Warrants was determined based on the following:

- (i) the amount of proceeds which could potentially be raised by the Company as and when the Warrants are exercised during the exercise period of the Warrants;
- (ii) the dilutive effects arising from the full exercise of the Warrants on the EPS and NA per Share of the Company; and

- (iii) compliance with Rule 6.51 of the Listing Requirements which states that the Company must ensure that the number of new Kronologi Shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the Company (excluding treasury shares, if any and before the exercise of the convertible equity securities) at all times.

The fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and/or dealt with by the Board in such manner as it may in its absolute discretion deem fit or expedient and in the best interest of the Company.

The Proposed Bonus Issue of Warrants will not be implemented on a staggered basis over a period of time.

The Proposed Bonus Issue of Warrants will be implemented concurrently with the Proposed Bonus Issue of Shares based on the same Entitlement Date. Therefore, the Bonus Shares will not be entitled to the Warrants.

3.2 Basis of determining the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders based on their respective shareholdings on the Entitlement Date.

The exercise price of the Warrants will be determined by the Board at a later date, after the receipt of all relevant approvals but before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:

- (a) the historical price movement of Kronologi Shares;
- (b) the 5-day VWAP of Kronologi Shares prior to the price-fixing date and the prevailing market price of Kronologi Shares, after adjusting for the Proposed Bonus Issue of Shares.

In any case, it is the intention of the Board to fix the exercise price of the Warrants at a premium between 0% to 20% to the TEBP calculated based on 5-day VWAP of Kronologi Shares up to and including the date prior to the price-fixing date.

For illustration purposes only, the exercise price of the Warrants is assumed to be RM0.52 per Warrant, representing a premium of approximately 10.64% to the TEBP of RM0.4700 calculated based on 5-day VWAP of Kronologi Shares up to and including the Announcement LPD of RM0.5657. The Warrants will be traded on the ACE Market of Bursa Securities separately from the existing Kronologi Shares. The Warrants will be issued in a registered form and constituted by the Deed Poll;

- (c) the Warrants are exercisable at any time for a tenure of 5 years from the date of issuance of the Warrants which may provide the shareholders an alternative to participate and trade in the equity derivative of Kronologi over the tenure of Warrants and potentially realise a capital gain in the event of any Share price appreciation; and
- (d) the Warrants will be issued at no cost.

The Board wishes to emphasise that the indicative exercise price should not be taken as an indication of or reference to the actual exercise price of the Warrants as it will only be determined and announced at a later date and dependent on the abovementioned factors.

3.3 Utilisation of proceeds

The Proposed Bonus Issue of Warrants will not raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders.

The amount of proceeds to be raised from the exercise of the Warrants would depend on the actual number of Warrants exercised during the exercise period. Assuming that all Warrants are exercised at the exercise price of RM0.52 each, the Group would be able to raise gross proceeds of up to RM77.00 million.

The Board anticipates that any proceeds to be raised from the exercise of the Warrants will be utilised by the Group within 12 months from the date of receipt of such proceeds. The proceeds received are expected to be used for the following:

- (i) up to 70% for the Group's working capital requirements (including staff salaries, statutory contributions, payment to trade creditors and suppliers as well as to support the Group's ongoing business operations).

The allocation and the breakdown of the proceeds towards the working capital components will depend on the Group's operating requirements at the particular point in time, and such allocation shall be determined at the Board's discretion at a later date; and

- (ii) up to 30% for the repayment of bank borrowings.

As at the LPD, the Group's total borrowings amount to approximately RM59.68 million. The Group had decided to partially repay the borrowings of up to approximately RM23.10 million in view of potential interest savings of up to approximately RM1.23 million per annum (with an average annual interest rate of 5.33%).

The exact quantum and timeframe for utilisation of the proceeds to be raised for the purpose of the Group's working capital requirements and the repayment of bank borrowings cannot be determined at this juncture. Any surplus or shortfall for any category as set out in (i) to (ii) above will be adjusted against each other.

Before the proceeds are utilised, they will be placed as deposits with financial institutions or short-term money market instruments. Any interest income and gain earned therefrom will be used for the Group's working capital as mentioned above.

3.4 Ranking of the Warrants and the new Kronologi Shares to be issued arising to the exercise of the Warrants

The warrant holder(s) will not be entitled to any voting rights or right to participate in any form of distributions other than on winding up, compromise or arrangement of Kronologi as set out in the Deed Poll and/or offer of further securities in Kronologi until and unless such warrant holders exercise their Warrants into new Kronologi Shares.

The new Kronologi Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Kronologi Shares, save and except that the new Kronologi Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of the new Kronologi Shares.

3.5 Indicative salient terms of the Warrants

The Warrants will be traded on the ACE Market of Bursa Securities separately from the existing Kronologi Shares. The Warrants will be issued in a registered form and constituted by the Deed Poll.

The indicative salient terms of the Warrants are set out in **Appendix I** of this Circular.

3.6 Fund-raising exercises undertaken in the past 12 months

The Company did not undertake any fund-raising exercises in the past 12 months preceding the LPD.

4. RATIONALE FOR THE PROPOSALS

4.1 Rationale for Proposed Bonus Issue of Shares

The Board is of the view that the Proposed Bonus Issue of Shares:

- (i) will enable the shareholders of Kronologi to have greater participation in the equity of the Company in terms of the number of Kronologi Shares held, whilst maintaining their percentage of equity interest;
- (ii) is expected to enhance the marketability and trading liquidity of Kronologi Shares on the ACE Market of Bursa Securities, thereby providing an opportunity for greater participation from a broader range of investors; and
- (iii) will maintain the Company's reserves and total NA of the Company as the Proposed Bonus Issue of Shares will be implemented without capitalisation of the Company's reserves.

4.2 Rationale for Proposed Bonus Issue of Warrants

The Board is of the view that the Proposed Bonus Issue of Warrants:

- (i) will enable the shareholders of Kronologi to own convertible securities in the Company, which are tradable on Bursa Securities, without incurring any cost;
- (ii) will provide the shareholders of Kronologi with an opportunity to further increase their equity participation in the Company at a pre-determined exercise price over the tenure of the Warrants;
- (iii) will allow the shareholders of Kronologi to benefit from any potential capital appreciation of the Warrants; and
- (iv) will provide the Company with additional working capital as and when the Warrants are exercised without incurring interest costs as compared to conventional bank borrowings

5. INDUSTRY OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the global economy

The global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

According to the International Monetary Fund, global economic growth will drop to 2.8% in 2023, before rising modestly to 3.0% in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. Notably, emerging market and developing economies are already powering ahead in many cases, with annual growth rates jumping from 2.8% in 2022 to 4.5% in 2023. The slowdown is concentrated in advanced economies, especially the Euro area and the United Kingdom, where annual growth is expected to fall to 0.7% and -0.4%, respectively, in 2023 before rebounding to 1.8% and 2.0% in 2024.

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Global headline inflation has been declining since mid-2022 at a three-month seasonally adjusted annualised rate. A fall in fuel and energy commodity prices, particularly for the United States, Euro area, and Latin America, has contributed to this decline. To dampen demand and reduce rising inflation rates, many central banks around the world have been raising interest rates since 2021, both at a faster pace and in a more synchronous manner than in the previous global monetary tightening episode just before the global financial crisis in 2008. This more restrictive monetary policy has started to show up in a slowdown in new home construction in many countries. Inflation excluding volatile food and energy prices has been declining at a three-month rate, although at a slower pace than headline inflation—in most major economies since mid-2022.

(Source: *World Economic Outlook – April 2023: A Rocky Recovery*, International Monetary Fund)

5.2 Overview and outlook of the economy in Singapore

The Ministry of Trade and Industry, Singapore announced that the Singapore economy expanded by 3.6% in 2022. The Ministry of Trade and Industry, Singapore has maintained the Gross Domestic Product growth forecast for 2023 at “0.5% to 2.5%”. The Singapore economy grew by 2.1% on a year-on-year basis in the fourth quarter of 2022, moderating from the 4.0% expansion in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded marginally by 0.1%, easing from the 0.8% growth in the third quarter. The manufacturing sector shrank by 2.6% year-on-year, a reversal from the 1.1% growth in the previous quarter. The contraction was due to output declines in the biomedical manufacturing, chemicals, electronics and general manufacturing clusters. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 1.0% in the fourth quarter of 2022, a turnaround from the 2.9% contraction in the preceding quarter.

The manufacturing sector grew by 2.5% in 2022, a marked slowdown from the 13.3% growth achieved in the preceding year. Growth in the sector for the year was supported by output expansions across all clusters, except for the chemicals and biomedical manufacturing clusters. Services producing industries posted an annual growth of 4.8% in 2022, easing from the 7.6% expansion in 2021. All services sectors registered full-year expansions, with the food & beverage services and real estate sectors recording the fastest growth of 14.1% respectively, in the year 2022. Meanwhile, the construction sector grew by 6.7% in 2022, extending the 20.5% expansion in the preceding year. Output growth in the sector was supported by an increase in both public and private sector construction works.

(Source: *Economic Survey of Singapore 2022, February 2023*, Ministry of Trade and Industry Singapore)

5.3 Overview and outlook of the economy in China

The economic growth for China slowed to 3.0% in 2022 and is forecasted to rebound to 5.2% in 2023 and 4.5% in 2024.

(Source: *World Economic Outlook – April 2023: A Rocky Recovery*, International Monetary Fund)

The recurring COVID-19 pandemic has led to recurring waves of lockdowns in 2022, disrupting economic activity. Amid mounting headwinds, growth will be held up by infrastructure investment and supportive measures that moderate the correction in the real estate sector. A pick-up in precautionary savings, spurred by low consumer confidence coupled with inadequate social protection, is holding back a rebalancing of demand towards consumption. Export growth will remain low amid weaker global growth prospects before picking up in 2024. Despite recent fresh food price rises, consumer price inflation will remain benign due to the current measures to manage energy and food prices.

The impact of Russia’s war of aggression against Ukraine has been limited as neither Ukraine nor Russia is an important economic partner for China. Moreover, China is relatively well insulated from global food and energy market shocks due to the structure of consumption, with a large share of food that has limited import content. China’s large grain reserves and export restrictions in the form of quotas will continue to mitigate the impact of rising global grain prices on domestic inflation and reduce the risk of shortages.

However, lockdown-induced supply-side constraints on fresh food have started to push Consumer Price Index inflation higher, to 2.8% year-on-year in September.

(Source: *Economic Outlook Volume 2022 Issue 2, November 2022, Organisation for Economic Co-operation and Development*)

China's economic growth for the year 2023 is projected to recover to 4.3% but remain below the potential rate. China has been moving quickly toward reopening since November 2022, with public health measures being eased rapidly. During the initial stage of reopening COVID infections will rise sharply and might lead to a voluntary reduction in social interactions, which will weigh on consumer demand and may lead to continued disruption even after restrictions are lifted. These impacts of the initial exit wave are expected to be concentrated in the first quarter of 2023 followed by a rebound in subsequent quarters, as the economy transitions to living with COVID, consumer confidence improves and pent-up demand is released. Investment growth would also pick up, supported by continued infrastructure spending and improved investor sentiment.

Meanwhile, external demand is expected to wane in line with weaker global demand growth. Amid the domestic demand recovery, consumer inflation is expected to moderately pick up as the economy reopens.

China has adequate fiscal policy space, especially at the central level, that could be deployed to bolster a stronger recovery. Directing these fiscal efforts toward social spending and green investment rather than traditional infrastructure would not only support short-term demand but also contribute to more inclusive and sustainable growth in the medium-term.

(Source: *China Economic Update - December 2022, World Bank Group*)

5.4 Overview and outlook of the economy in the Philippines

The Asian Development Bank forecasts that the Philippine economy will grow by 6.0% in 2023, a 1.6% drop in annual economic growth as compared to 7.6% in 2022.

(Source: *Philippine Economy to Post Robust Growth in 2023, 2024 Despite Inflation Pressures, April 2023, Asian Development Bank*)

The growth slowdown in 2023 is premised on the fading of pent-up demand, alongside elevated inflation and higher interest rate environment that will temper domestic demand. The higher rates will lead to lower private credit and subdued investments at a critical time when public investment growth is expected to slow in line with fiscal consolidation and a programmed decline of public infrastructure spending. As global growth is expected to decelerate next year, external demand from advanced economies, which are key buyers of Philippines merchandise exports, will be subdued. Medium-term growth will gradually approach its potential rate at 5.7% as the output gap closes in line with the cyclical recovery. The reopening benefitted the contact-intensive services sector, while the public infrastructure investment program fueled construction and industry growth. However, growth in manufacturing moderated due to lower export demand and base effects from the previous year, while agriculture performed modestly amid the impact of typhoons, rising input costs, and low sectoral productivity. On the demand side, private consumption accelerated on the back of recovering household incomes, and sustained remittance growth. Capital investment growth anchored on renewed private sector optimism and sustained public investment. However, government consumption slowed as the government continued to unwind fiscal support for the pandemic, while net exports weakened amid low external demand.

(Source: *Philippines Economic Update – December 2022: Bracing for headwinds, Advancing Food Security, 7 December 2022, World Bank Group*)

5.5 Overview and outlook of the global ICT industry

The global ICT industry spending dropped by 0.2% to USD4.39 trillion in 2022 due to the unstable economic situation and high inflation, which continues to undermine the purchasing power of consumers. However, it is expected to rebound by 2.4% to USD4.49 trillion in 2023.

(Source: *ICT (Global Market), February 2023, TAdviser*)

Small businesses are the backbone of the global economy, accounting for 90% of all total businesses, 60 to 70% of total employment and 50% of total Gross Domestic Product worldwide. A strong and sustained global economic recovery is only possible if these businesses can successfully adapt to post-COVID consumer behavior. This is where digitalisation is the great equalizer.

Digital technology will drive the recovery for small businesses, for several reasons. First, the adoption of mobile devices has made it easier for people to experience the benefits of digitalisation. The digital shift will only accelerate in the coming years, as the number of mobile device users in the world is expected to increase from 6.38 billion in 2021 to 7.52 billion in 2026.

In June 2022, Morgan Stanley forecasted that the global e-commerce market would grow from USD3.3 trillion in 2023 to USD5.4 trillion in 2026, an increase of more than 60% in four years.

(Source: Excerpt from World Economic Forum Annual Meeting 2023, World Economic Forum)

The global cloud computing market size is expected to reach USD1,554.94 billion by 2030, registering a constant annual growth rate of 14.1% from 2023 to 2030. The main factors driving the market growth include the rising adoption of cloud-native applications by several business sectors, such as banking and supply chain automation. In addition, they allow businesses to develop, manage, and roll out web applications quickly. For instance, in June 2022, Redington, a technology products and services provider, partnered with Amazon Web Services, Inc. to promote the adoption of cloud computing in India. The partnership helps the former company to enhance cloud capabilities within existing markets and allows it to expand its reach into Tier 2 and 3 locations.

Increased adoption of advanced and innovative technologies, such as Artificial Intelligence, Machine Learning, and 5G technologies, and their rapid implementation within business applications is anticipated to drive market growth. Since the COVID-19 pandemic, technological advancements have accelerated rapidly. Enterprises can now efficiently store, access, and manage vital data owing to cloud computing technologies.

With the increasing use of smartphones, computers, and the internet, businesses now need to store and process enormous amounts of data to provide their consumers and clients with services centered on their needs. This is attributed to the rise in demand for cloud computing. Machine learning, edge computing, and personalisation is currently significant trend across several businesses.

(Source: Cloud Computing Global Market Report 2023: Rising Adoption of Cloud-Native Applications in Several Industries Boosts Growth, Research and Markets)

5.6 Overview and outlook of the global AAS Industry

In 2022, the global AAS Industry grew by 29.0% to USD247.1 billion, up from USD191.7 billion in 2021. The global AAS Industry is expected to continue to grow by 23.0% in 2023.

(Source: Worldwide cloud service spend to grow by 23% in 2023, February 2023, Canalys)

The emergence of the XaaS model has gained traction with the growing prominence of innovative products and services, insight-driven strategies, and digitally-powered technology architecture. The trend for the subscription-based model has encouraged XaaS vendors to reduce costs and streamline operations. Stakeholders expect media & entertainment, healthcare, BFSI, oil & gas, and IT & telecom to exhibit an increased inclination for XaaS models. XaaS shows how enterprises and organizations embrace the as-a-service model and tap into growth opportunities. Anything as a service alludes to the delivery of products, services, physical assets, and equipment made available to use by paying on a usage basis. The trend for “as a service” and the rising prominence of cloud computing along with remote access have augured well for the leading companies gearing to boost their portfolios.

The challenges presented by the COVID-19 pandemic have fostered the need for a work-from-home model, boosting companies' demand for the XaaS delivery model. Besides, an upsurge in cyber incidents during the outbreak has also prompted companies to adopt anything as a service. The prevalence of COVID-related phishing campaigns and scams led to distributed denial of service (“DDoS”) attacks and ransomware. For instance, in April 2020, the OECD reported that cybercriminals mirrored Johns Hopkins University's interactive dashboard tracking coronavirus infections to spread password-stealing malware.

The pandemic triggered the need for XaaS as companies strived to become agile and augment investments in the cloud. Service-based technologies are poised to gain a foothold to contain costs, create new business processes and enhance workforce efficiency. Moreover, organizations have started using cloud-based services such as common as a services tool for video conferencing, project management, and different messaging applications. Industry players are poised to explore opportunities in XaaS models to boost customer centricity and gain a competitive edge.

(Source: *Everything As A Service Market Size & Share Report (2022 – 2030)*, Grand View Research)

5.7 Overview and outlook of the ICT industry in Singapore

The information & communications sector in Singapore expanded by 8.6% year-on-year in 2022.

This positive outturn was largely due to the IT & information services segment, while the telecommunications segment saw more modest growth during the quarter. On the other hand, the “others” segment contracted.

Meanwhile, the telecommunications segment in Singapore shrank by 0.4% in 2022 as compared to 2021, weighed down by weaker demand for fixed line services. For instance, the total number of fixed line subscribers declined by 2.6% on a year-on-year basis in the third quarter of 2022. This was partially offset by an increase in mobile and broadband subscriptions over the same period.

In September 2022, the number of mobile subscriptions in Singapore grew by 6.4% compared to the same period in 2021 (2021 growth rate: 4.2%). While there was a 24.7% decline in the number of 3G subscriptions to 527,000, this was offset by a 9.3% increase in 4G subscriptions to around 8.7 million. In September 2022, the number of broadband subscriptions in Singapore rose by 6.4%. The increase was broad-based, led by a 7.0% increase in wireless broadband subscriptions.

(Source: *Economic Survey of Singapore 2022, February 2023*, Ministry of Trade and Industry Singapore)

The ICT industry in Singapore is expected to grow at 8.2% per annum in 2023 until 2028. Singapore is one of the global leaders in technology development and is always one step ahead regarding technological advancement compared to most countries in the world. The population is extremely digitally connected and voracious data consumers.

(Source: *Singapore ICT Market - Growth, Trends, COVID-19 Impact, and Forecasts (2023 - 2028)*, Mordor Intelligence)

5.8 Overview and outlook of the ICT industry in China

The ICT industry in China grew by 9.1% in 2022.

(Source: *Asian Development Outlook, April 2023*, Asian Development Bank)

China's economy is on the road to recovery, following the easing of COVID-19 restrictions from late 2022. Mobile connectivity served as a lifeline throughout the pandemic and will play an even more crucial role in enabling the safe return to social interaction and the restart of many economic activities. To this end, authorities across China have outlined plans to integrate digital technologies, underpinned by advanced mobile connectivity, into every aspect of society to sustain China's competitiveness in an evolving global economy. In 2022, mobile technologies and services generated 5.5% of China's GDP – a contribution that amounted to USD 1.1 trillion of economic value added.

5G will underpin future mobile innovation and services, building on current deployments and adoption. The number of 5G base stations in China exceeded 2.3 million at the end of 2022, including approximately 887,000 built during the year. China will be the first market with 1 billion 5G connections, reaching the milestone by 2025. By 2030, 5G connections in China will reach 1.6 billion, accounting for nearly a third of the global total. The technology will add USD290 billion to the Chinese economy in 2030, with benefits spread across industries.

Mainland China is the largest 5G market in the world, accounting for more than 60% of global 5G connections at the end of 2022. With the strong takeup of 5G among consumers, the focus of operators is now increasingly shifting to 5G for enterprises. This offers opportunities to grow revenues beyond connectivity in adjacent areas such as cloud services – a segment where operators in China have recently made significant progress.

The mobile internet usage gap in China has narrowed markedly in the last five years – from 37% in 2017 to 20% in 2022. More people rely on the internet for many daily activities, especially in the wake of the COVID-19 pandemic. The usage gap in China is greatest among the elderly, mainly due to low levels of digital skills. According to the China Internet Network Information Center (CNNIC), internet penetration among those aged 60 years and above was 43% in 2021. Video content and social media platforms, such as WeChat, are among the main services bringing the elderly online.

(Source: The Mobile Economy Report China 2023, March 2023, GSM Association)

The ICT industry in China is expected to grow at 7.5% per annum in 2023 until 2028. Future development will be powered by integrating ICT technology into and transforming conventional businesses as China's ICT market matures and specific sub-sectors driving growth (for example, smartphones) are projected to become saturated.

(Source: China ICT Market - Growth, Trends, COVID-19 Impact, and Forecasts (2023 - 2028), Mordor Intelligence)

5.9 Overview and outlook of the ICT industry in the Philippines

The ICT market in the Philippines grew by 10.3% in 2022 and is expected to grow at an annual growth rate ranging from 8% to 10% in 2023.

(Source: IT-BPM beats 2022 revenue, March 2023, Philstar Global)

According to London-based data analytics and consulting company GlobalData Plc, the cumulative revenue generation opportunities for ICT in the Philippines between 2022 and 2026 are estimated at USD89.98 billion. The IT service management company of the PLDT group, ePLDT, Inc., said it has seen a steady increase in investment in ICT solutions from its enterprise customers compared with last year.

(Source: Philippines ICT market seen to hit USD21 Billion by 2026 as firms spend more on tech, November 2022, Businessworld)

Economic growth in the Philippines was supported by the continued strong performance of the information technology-business process outsourcing (IT-BPO) sector, which accounted for around three quarters of the country's services exports. Imports increased by 15.5% in the same period (up from 12.5% in the first 3 quarters of 2021), supported by strong domestic demand, and reflected in a broad-based recovery of consumption goods, raw materials, and capital goods imports.

There have been major developments in digital agriculture and new information and communication technologies and tools. Such developments have led to major agricultural extension and advisory service delivery improvements. New modes of communication between agents and farmers allow more efficient dissemination of information than the old face-to-face contact model. As extension services are increasingly decentralized, investments in technologies that help local extension staff reach a larger number of farmers should have high payoffs.

(Source: Philippines Economic Update – December 2022: Bracing for headwinds, Advancing Food Security, 7 December 2022, World Bank)

5.10 Prospects of the Group

The Group is principally involved in the following:

- (i) provision of EDM infrastructure technology solutions, such as IT infrastructure Optimization and Data Protection; and
- (ii) provision of comprehensive service for data assurance and operational continuity with EDM As-A-Service solutions.

The Group remained focused and determined to assist customers to build out their digital capability in EDM to improve efficiency and mobility as part of their operational transformation to the changing landscape following the post-pandemic economy.

Despite the challenges of the on-going pandemic, the Group benefited from the strength of government, financial and cloud-sector businesses where the Group saw gradual and steady recovery across some of the vertical markets and key geographies, in particular, in the EDM managed services and cloud hyperscale business.

As more companies turn to cloud-based solutions to manage their data and applications, the demand for hyperscale data centers and cloud providers is rapidly increasing. Hyperscale data centers are designed to handle massive amounts of data, while cloud providers offer scalable and flexible computing resources that can be easily customised to meet the needs of individual customers. The Group can help these data centers and cloud providers optimise their storage and computing resources, making them more efficient and cost-effective including managing unstructured data growth, including data archiving, backup, and recovery, as well as data analytics and machine learning.

New products and services are essential for driving business growth and staying competitive in today's fast-paced market. The Group can achieve this by leveraging technology to develop new and innovative solutions that address the evolving needs of its customers. This may involve using cutting-edge technologies such as artificial intelligence, internet of things, machine learning, and blockchain to create new products and services that provide better value and functionality to customers.

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, AAS provides a more complete portfolio of data management solutions to the Group's customers, assists the customers to adapt and adopt cloud based services and also improve profitability to the Group

The Group will continue to identify and pursue opportunities to help customers manage enterprise data across hybrid and cloud environments as well as other forms of unstructured data through consumption and subscription-based models. Further, the Group will continue to identify and explore potential business ventures which will expand its revenue base in order to minimise reliance on its existing business and/or customer base.

The global ICT industry has been experiencing rapid growth due to the rise of emerging technologies such as Artificial Intelligence (AI), Internet of Things (IoT), 5G, and cloud computing. These technologies have transformed the way businesses operate and have created new opportunities for innovation and growth. The AAS industry includes Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS) has been growing rapidly as more businesses shift towards cloud-based solutions. The growth in the AAS industry is driven by factors such as cost-effectiveness, scalability, and flexibility.

Kronologi is keen to execute its strategic growth plans for aggressive expansion as they are major drivers of revenue growth in the Group's EDM IT segment. For the FYE 31 March 2022, the Group's EDM IT segment registered a 12.94% growth in revenue to RM255.34 million with a higher segment profit of RM24.49 million. Three of the Group's largest markets, Singapore, China and the Philippines contributed to 85.86% of the Group's EDM IT segment revenue in FYE 31 March 2022.

Singapore, being one of the global leaders in ICT technology, is expected to witness growth of 8.2% per annum from 2023 until 2028, thanks to the heavy prioritisation of the Singaporean government in advocating the usage of innovative technology in developing Singapore. China possesses the largest ICT consumer market in the world, with an expected 7.5% annual growth in the ICT for the next 5 years until 2028. This growth in the ICT industry in China is further supported by the China government authorities plans to build China as an international technology hub. The sustained strong performance of the information technology-business process outsourcing (IT-BPO) sector in the Philippines, which accounted for approximately 75 percent of the services exports, contributed to the Philippines' economic growth.

The prospects of business development in Singapore, China and the Philippines can be very rewarding, as it has the potential to generate significant returns on investment. However, the continuous success on the development of the strategic growth plans requires careful planning and consideration of several factors, including market conditions, different regulatory restrictions in different nations, market demand, financing, and project feasibility.

Premised on the above, and after taking into consideration the outlook of the global ICT industry, overview and outlook of the global AAS industry as well as overview and outlook of the ICT industry in Singapore, China and the Philippines as set out in **Sections 5.5 to 5.9** of this Circular, the Board is cautiously optimistic of the Group's future prospects.

(Source: *The management of Kronologi*)

6. EFFECTS OF THE PROPOSALS

6.1 Share capital

The proforma effects of the Proposals on the share capital of Kronologi are as follows:

Share capital	No. of Shares	RM
Share capital as at the LPD	740,344,417	346,617,149
Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares	148,068,883 ⁽¹⁾	-
After the full exercise of Warrants pursuant to the Proposed Bonus Issue of Warrants	888,413,300 148,068,883 ⁽²⁾	346,617,149 76,995,819 ⁽³⁾
Enlarged share capital	1,036,482,183	423,612,968

Notes:

- (1) After the issuance of 148,068,883 Bonus Shares pursuant to the Proposed Bonus Issue of Shares.
- (2) After the issuance of 148,068,883 Warrants pursuant to the Proposed Bonus Issue of Warrants.
- (3) Based on the assumption that all of the 148,068,883 Warrants are exercised at the price of RM0.52 per Warrant.

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6.2 NA and gearing

The Proposals have the following pro forma effects on the NA and gearing of the Group based on its audited financial statements as at 31 January 2022:

	(Audited) As at 31 January 2022 (RM)	(I) After subsequent events ⁽¹⁾ (RM)	(II) After (I) and the Proposed Bonus Issue of Shares (RM)	(III) After (II) and the full exercise of Warrants ⁽³⁾ (RM)
Share capital	294,447,149	346,617,149	346,617,149	423,612,968
Merger deficit	(17,406,096)	(17,406,096)	(17,406,096)	(17,406,096)
Exchange translation reserve	2,828,526	2,828,526	2,828,526	2,828,526
Retirement benefits obligations	(408,939)	(408,939)	(408,939)	(408,939)
Retained earnings	75,933,360	75,933,360	75,763,360 ⁽²⁾	75,763,360
Shareholders' funds / NA	355,394,000	407,564,000	407,394,000	484,389,819
No. of Kronologi Shares in issue NA per Kronologi Share	663,344,417 0.54	740,344,417 0.55	888,413,300 0.46	1,036,482,183 0.47
Total borrowings Gearing (times)	43,220,280 0.12	43,220,280 0.11	43,220,280 0.11	43,220,280 0.09

Notes:

- (1) After the following events:
- (i) issuance of 55,000,000 Kronologi Shares at RM0.68 each in relation to the profit warranty for the FYE 31 January 2022 pursuant to the 2nd payment tranche for the acquisition of Quantum China Limited on 28 April 2022.
 - (ii) issuance of 2,000,000 Kronologi Shares at RM0.585 each pursuant to Share Grant Plan on 13 April 2023.
 - (iii) issuance of 20,000,000 Kronologi Shares at RM0.68 each in relation to the profit warranty for the FYE 31 January 2023 pursuant to the 3rd payment tranche for the acquisition of Quantum China Limited on 27 April 2023.
- (2) After deducting the estimated expenses of RM170,000 for the Proposals.
- (3) After the issuance of 148,068,883 Kronologi Shares pursuant to the exercise of the Warrants pursuant to the Proposed Bonus Issue of Warrants.

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6.3 Substantial shareholders' shareholdings

The effects of the Proposals on the substantial shareholders' shareholdings in Kronologi as at the LPD are as follows:

	As at the LPD			(I) After the Proposed Bonus Issue of Shares		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Tan Jeck Min	99,637,105	13.46	-	119,564,526	13.46	-
Desert Streams Investments Limited	85,565,754	11.56	-	102,678,905	11.56	-
Quantum Storage (India) Limited	40,000,000	5.40	-	48,000,000	5.40	-
Edmond Tay Nam Hiong ⁽¹⁾	1,760,000	0.24	40,000,000	2,112,000	0.24	48,000,000
						5.40

	(II) After the exercise of Warrants		
	Direct		Indirect
	No. of Shares	%	No. of Shares
Tan Jeck Min	139,491,947	13.46	-
Desert Streams Investments Limited	119,792,056	11.56	-
Quantum Storage (India) Limited	56,000,000	5.40	-
Edmond Tay Nam Hiong ⁽¹⁾	2,464,000	0.24	56,000,000
			5.40

Note:

(1) Deemed interested by virtue of his interest in Quantum Storage (India) Limited pursuant to Section 8 of the Act .

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6.4 Earnings and EPS

The Proposed Bonus Issue of Shares is not expected to have any effect on the earnings of Kronologi Group for the FYE 31 January 2024. However, there will be a corresponding dilution in the EPS of Kronologi Group for the FYE 31 January 2024 as a result of the increase in the number of Kronologi Shares in issue arising from the Proposed Bonus Issue of Shares.

The Proposed Bonus Issue of Warrants is not expected to have any immediate effect on the EPS of the Group. However, there will be a corresponding dilution in the EPS of Kronologi Group for the FYE 31 January 2024 as a result of the increase in the number of Kronologi Shares in issue arising from the exercise of the Warrants. Any potential effect on the consolidated earnings and EPS in the future will depend on factors such as the number of Warrants exercised at any point in time, throughout the tenure of the Warrants.

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. HISTORICAL SHARE PRICES

The monthly high and low transacted prices of Kronologi Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<u>2022</u>		
May	0.530	0.460
June	0.535	0.440
July	0.510	0.440
August	0.555	0.495
September	0.525	0.440
October	0.455	0.395
November	0.420	0.360
December	0.525	0.415
<u>2023</u>		
January	0.520	0.455
February	0.560	0.475
March	0.600	0.490
April	0.630	0.550

The last transacted market price of Kronologi Share on 25 April 2023 (being the last trading date prior to the announcement of the Proposals) was RM0.575 each.

The last transacted market price of Kronologi Share on 26 May 2023 (being the LPD) was RM0.540.

(Source: Bloomberg Finance L.P.)

8. APPROVALS REQUIRED

The Proposals are subject to and conditional upon the following approvals being obtained from:

- (i) Bursa Securities for the:
 - (a) listing and quotation for up to 148,068,883 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
 - (b) admission to the Official List and listing and quotation for up to 148,068,883 Warrants pursuant to the Proposed Bonus Issue of Warrants; and

- (c) listing and quotation for up to 148,068,883 new Kronologi Shares to be issued pursuant to the exercise of the Warrants,

on the ACE Market of Bursa Securities; and

- (ii) the shareholders of Kronologi at the forthcoming 9th AGM to be convened for the Proposals.

The approval of Bursa Securities for the Proposed Bonus Issue of Shares is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	Kronologi and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Shares;	To be complied.
(b)	Kronologi and TA Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Shares;	To be complied.
(c)	Kronologi to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Shares is completed; and	To be complied.
(d)	Kronologi and TA Securities are required to make the relevant announcements pursuant to Rule 6.36(2)(a) & (b) and 6.36(4) of the Listing Requirements.	To be complied.

The approval of Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	Kronologi and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To be complied.
(b)	Kronologi and TA Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;	To be complied.
(c)	Kronologi to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed; and	To be complied.
(d)	Kronologi to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.

Upon obtaining all the necessary approvals, the Bonus Shares will be listed and quoted on the ACE Market of Bursa Securities on the next market day after the Entitlement Date. The notices of allotment for the Bonus Shares will be issued and despatched to the Entitled Shareholders no later than 4 market days after the date for the listing and quotation for the Bonus Shares, or such other period as may be prescribed by Bursa Securities.

9. CONDITIONALITY OF THE PROPOSALS

The Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants are not conditional upon each other. It is the intention of the Board to implement the Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants concurrently based on the same Entitlement Date. Therefore, the Bonus Shares will not be entitled to the Warrants. The Proposals are not conditional upon any proposals undertaken or to be undertaken by the Company.

Save for the Proposals, there are no other outstanding corporate exercises that have been announced but pending completion by the Company prior to the printing of this Circular.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED

None of the directors, major shareholders of the Company, chief executive and persons connected with them has any interest, whether direct or indirect, in the Proposals, apart from their respective entitlements to the Bonus Shares and Warrants as shareholders of Kronologi, to which all other shareholders of Kronologi are similarly entitled to on a pro-rata basis.

11. RECOMMENDATION AND BASIS OF RECOMMENDATION

After having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, the Board is of the opinion that the Proposals are in the best interests of the Company.

Accordingly, the Board recommends that the shareholders vote **in favour** of the resolutions in respect of the Proposals to be tabled at the forthcoming 9th AGM.

12. TIMEFRAME FOR COMPLETION / IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed in the 3rd quarter of 2023.

The tentative timetable in relation to the implementation of the Proposals is set out below:

Date	Events
10 July 2023	• 9 th AGM
Mid July 2023	• Announcement of the exercise price of the Warrants and the Entitlement Date for the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants
End July 2023	• Entitlement Date for Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants
	• Listing of and quotation for the Bonus Shares on the ACE Market of Bursa Securities and the completion of the Proposed Bonus Issue of Shares
Early Aug 2023	• Listing of and quotation for the Warrants on the ACE Market of Bursa Securities and the completion of the Proposed Bonus Issue of Warrants

13. AGM

The resolutions to vote on the Proposals are set out in the notice of 9th AGM contained in the Annual Report 2023 of the Company, the extract of which is also set out in this Circular. The 9th AGM of the Company will be held at Ballroom B, Level 2, Aloft Kuala Lumpur Sentral, No. 5, Jalan Stesen Sentral, 50470 Kuala Lumpur on Monday, 10 July 2023 at 3:30 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing among others, the resolutions to give effect to the Proposals.

If you are not able to attend and vote in person at the 9th AGM, you may complete the Proxy Form in accordance with the instructions provided in the Annual Report 2023 of the Company as soon as possible and deposit it at the Share Registrar Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or submit electronically via TIIH Online at <https://tiih.online>, not less than forty-eight (48) hours before the time fixed for the 9th AGM or at any adjournment thereof.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 9th AGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
KRONOLOGI ASIA BERHAD

TAN JECK MIN
Executive Director cum Chief Operating Officer

INDICATIVE SALIENT TERMS OF THE WARRANTS

Issue size	:	Up to 148,068,883 Warrants.
Issue price	:	The Warrants will be issued at no cost to shareholders of Kronologi whose names appear in the record of depositors of the Company.
Form and denomination	:	<p>The Warrants will be listed and quoted on the ACE Market of Bursa Securities.</p> <p>The Warrants will be issued in registered form and constituted by the Deed Poll.</p>
Exercise Rights	:	Each Warrant entitles the holder to subscribe for 1 new Share at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	:	<p>The Warrants may be exercised at any time within a period of 5 years commencing on and including the date of issuance of the Warrants and ending at 5.00 p.m. on the last market day* immediately preceding the date which is the 5th anniversary of the date of issuance of the Warrants. Any Warrants which are not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.</p> <p>* “market day” is defined as a day on which the stock market of Bursa Securities is open for trading in securities.</p>
Exercise Price	:	<p>RM0.52 per Warrant only payable in respect of each new Share, subject to adjustments in accordance with the provisions of the Deed Poll.</p> <p>* Being the illustrative Exercise Price for the purposes of this Circular.</p>
Mode of exercise	:	<p>The holders of the Warrants are required to lodge a duly completed, signed and stamped exercise notice (which shall be irrevocable), as set out in the Deed Poll, with the Company’s registrar office during normal business hours or electronically at the website of the Registrar. The Warrant holders shall pay the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new shares in the Company via:</p> <ol style="list-style-type: none"> (i) Online payment into a bank account of the Company maintained with a bank operating in Malaysia and provide the payment advice; or (ii) Banker’s draft or cashier’s order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia. <p>The payment of such fee must be made in Ringgit Malaysia (RM).</p>
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of the Warrants shall comprise of 100 units of Warrants carrying the rights to subscribe for 100 new Shares at the Exercise Price at any time during the Exercise Period, unless otherwise revised by the relevant authorities.
Rights of the holder of the Warrants	:	<p>The Warrants do not entitle the holders to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new Shares to be issued arising from the exercise of the Exercise Rights by the holders of the Warrants.</p> <p>The Warrants do not entitle the holders of the Warrants to any voting rights in any general meeting of the Company until and unless the holders of the Warrants exercise their Exercise Rights represented by the Warrants and the new Shares have been allotted and issued to such holders.</p>

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Rights in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the amalgamation of the Company with one or more companies, then:

- (i) for the purpose of such winding up, compromise or scheme of arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants (or some other person designated by them for such purpose by special resolution) shall be a party, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the holders of the Warrants; and
- (ii) in any other case, every holder of the Warrants shall be entitled to exercise the Exercise Rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks from the granting of the court order approving the winding up, compromise or arrangement, as the case may be, by the irrevocable surrender of his Warrants to the Company by submitting the duly completed exercise notices authorising the debit of his Warrants, together with payment of the relevant payments and fees for the Exercise Price, to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the Exercise Rights to the extent specified in the exercise notices and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company must give effect to such election accordingly. All Exercise Rights which have not been exercised within the above 6 weeks of either the passing of such resolution for the members' voluntary winding up or the granting of the court order for the approval of such winding up, compromise or arrangement, as the case may be, will lapse and all the unexercised Warrants will cease to be valid for any purpose.

If the Company is wound up (other than by way of a members' voluntary winding up), all the Exercise Rights which have not been exercised prior to the date of the commencement of the winding up shall lapse and cease to be valid for any purpose.

Adjustments in the Exercise Price and/or number of Warrants : The Exercise Price and/ or the number of unexercised Warrants in issue shall from time to time be adjusted, calculated or determined by the Board in consultation with an approved principal adviser and/or certified by the auditors in accordance with the provisions of the Deed Poll.

No adjustment to the Exercise Price and the number of Warrants will be required in respect of:

- (i) an issue of Shares upon the exercise of any other conversion rights attached to securities convertible into new Shares, or upon exercise of any other rights including the Exercise Rights of Warrant issued by the Company hereunder; or
- (ii) an issue of Shares or other securities by the Company or rights to acquire or subscribe for Shares to officers, including Directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option schemes approved by the shareholders in a general meeting; or

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

- : (iii) an issue by the Company of Shares or other securities convertible into Shares or securities with rights to acquire or subscribe for Shares or other securities, in any such case in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
 - (iv) special issue of Shares or other securities convertible into Shares or with rights to acquire or subscribe for Shares by the Company required by any relevant authority to Bumiputera investors which is effected to comply with government policy on capital participation in industry; or
 - (v) an issue by the Company of Shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares in compliance with any regulation or guidelines (whether having the force of law or not) made by any relevant authority to comply with any government policy on equity participation in any industry; or
 - (vi) any issue of Shares by the Company (other than bonus or rights issues) or other securities convertible into rights to subscribe for Shares pursuant to an issue approved by the relevant authorities and the members of the Company at a general meeting of such members; or
 - (vii) any purchase by the Company of its own Shares or other securities in accordance with the Act and all other applicable laws and regulations or guidelines (whether having the force of law or not) made by any relevant authority.
- Listing : The Warrants shall be listed and quoted on the ACE Market of Bursa Securities.
- Modifications : All or any of the rights attached to the Warrants (other than the Exercise Period, Exercise Price, Exercise Rights or the formulae for the adjustment of the Exercise Price, Exercise Rights as specifically provided in the Conditions) or term of the Deed Poll may be altered or abrogated by the Company from time to time (whether or not the Company is being wound up) and the sanction of a special resolution passed at a meeting of the Warrant Holders shall be sufficient to effect such alteration or abrogation. Any of such modification shall however be subject to the approval of Bursa Securities (if required).
- The Company may however from time to time without the consent or sanction of the Warrant Holders make modifications to the Deed Poll which modifications in the opinion of the Company are not materially prejudicial to the interest of the Warrant Holders or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the Relevant Regulations.
- Any modification to the Deed Poll (including the form and content of the Warrant Certificate) may be effected only by deed poll, executed by the Company and expressed to be supplemental to this Deed Poll.
- Governing law and jurisdiction : The Deed Poll and the Warrants shall be governed by the laws of Malaysia and the Courts of Malaysia shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Deed Poll.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given 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 in this Circular misleading.

2. CONSENT

TA Securities, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular. TA Securities has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposals.

3. DECLARATION OF CONFLICT OF INTERESTS

TA Securities has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposals.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company and the Group and the Board confirms that there is no proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group

5. MATERIAL COMMITMENT

As at the LPD, the Board confirms that there is no material commitment incurred or known to be incurred by the Company or the Group, which upon becoming enforceable, may have material impact on the financial position of the Group.

6. CONTINGENT LIABILITIES

As at the LPD, the Board confirms that there is no contingent liability incurred or known to be incurred by the Company or the Group, which upon becoming enforceable, may have a material impact on the financial position of the Company and/or the Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of Kronologi at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming 9th AGM:

- (i) the Constitution of the Company;
- (ii) the Group's audited financial statements for the 13-month financial period ended 31 January 2021 and FYE 31 January 2022 as well as the Group's latest unaudited results for the FYE 31 January 2023;
- (iii) the draft Deed Poll; and
- (iv) the letter of consent and conflict of interest as referred to in **Section 2** and **Section 3** of this Appendix.



KRONOLOGI ASIA BERHAD
(Registration No. 201301037868 (1067697-K))
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE 9TH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 9

PROPOSED BONUS ISSUE OF UP TO 148,068,883 NEW ORDINARY SHARES IN KRONOLOGI (“KRONOLOGI SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 5 EXISTING KRONOLOGI SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE OF SHARES”)

“**THAT** subject to the approvals of all relevant authorities and/or parties (where applicable) including the approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the Bonus Shares on the ACE Market of Bursa Securities, authority be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue up to 148,068,883 Bonus Shares on the basis of 1 Bonus Share for every 5 existing Kronologi Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the date to be determined and announced later by the Board (“**Entitlement Date**”);

THAT the Bonus Shares in respect of the Proposed Bonus Issue of Shares shall be issued as fully paid, at nil consideration and without capitalisation of the Company’s reserves;

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Kronologi Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to the shareholders, the entitlement date of which precedes the date of allotment and issuance of the Bonus Shares;

THAT the Board be and is hereby authorised to deal with fractional entitlements (if any), including disregarding any fractional entitlements, under the Proposed Bonus Issue of Shares, in such manner at its absolute discretion as the Board may deem fit and expedient, and in the best interests of the Company;

AND THAT the Board be and is hereby authorised to sign and execute all documents and to take all such necessary steps to give effect to the Proposed Bonus Issue of Shares with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Shares.”

ORDINARY RESOLUTION 10

PROPOSED BONUS ISSUE OF UP TO 148,068,883 NEW WARRANTS IN KRONOLOGI (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 5 EXISTING KRONOLOGI SHARES HELD BY THE ENTITLED SHAREHOLDERS OF KRONOLOGI ON THE ENTITLEMENT DATE (“PROPOSED BONUS ISSUE OF WARRANTS”)

“**THAT** subject to the approval of all relevant authorities and/or parties (where applicable) including the approval from Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of the Warrants as well as the new Kronologi Shares to be allotted and issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities, the Board is hereby authorised to issue up to 148,068,883 Warrants, on the basis of 1 Warrant for every 5 Kronologi Shares held by the Entitled Shareholders on the Entitlement Date;

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants on the basis and manner set out in the circular to shareholders of the Company dated 31 May 2023 (“**Circular**”);

THAT any one of the Directors be and is hereby authorised to enter into and execute a deed poll constituting the Warrants (“**Deed Poll**”) and to do all acts, deeds and things as he may deem fit or expedient, in order to implement, finalise and give full effect to the Deed Poll;

THAT fractional entitlements of the Warrants that may arise from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient, and in the best interest of the Company;

THAT approval be and is hereby given to the Board to allot and issue such appropriate number of new Kronologi Shares, credited as fully paid-up, to the holder(s) of the Warrants arising from the exercise of the Warrants, if any, by the warrant holders and where required, to adjust the exercise price and/ or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments in accordance with the provisions of the Deed Poll;

THAT the new Kronologi Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Kronologi Shares, save and except that the new Kronologi Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of the new Kronologi Shares;

THAT the proceeds raised from the exercise of Warrants, if any, be utilised for the purposes set out in the Circular and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required);

AND THAT the Board be and is hereby authorised to take all necessary steps to give effect to the Proposed Bonus Issue of Warrants with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to Proposed Bonus Issue of Warrants.”