



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3-MONTHS PERIOD ENDED 31 DECEMBER 2020**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	AUDITED
	3-MONTHS ENDED		12-MONTHS ENDED	
	31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	98,811	69,268	251,279	235,501
Cost of sales	(83,307)	(55,795)	(213,355)	(186,763)
Gross profit	15,504	13,473	37,924	48,738
Other operating income	501	1,157	3,331	3,818
Selling and distribution expenses	(3,141)	(4,726)	(11,743)	(13,883)
Administrative expenses	(5,119)	(4,070)	(14,001)	(13,032)
Share of results of an associate	49	(128)	974	309
Profit from operations	7,794	5,706	16,485	25,950
Interest expense	(301)	(563)	(1,433)	(2,032)
Profit before tax expense & extraordinary item	7,493	5,143	15,052	23,918
Extraordinary item (EI) *				
- Impairment on property, plant and equipment	11,636	-	-	-
- Property, plant and equipment written off	(11,742)	-	(11,742)	-
Profit before tax expense	7,387	5,143	3,310	23,918
Tax expense	(1,667)	(2,072)	(2,691)	(5,322)
Profit for the period	5,720	3,071	619	18,596
Other comprehensive income				
- Foreign exchange translation from foreign operations	(2,665)	(1,720)	(874)	(706)
- Remeasurement of retirement benefits obligation	(587)	-	(587)	-
Total comprehensive (loss)/income	2,468	1,351	(842)	17,890
Profit attributable to :				
Equity holders of the Company	5,720	3,071	619	18,596
Minority shareholders	-	-	-	-
	5,720	3,071	619	18,596
Total comprehensive income/(loss) :				
Equity holders of the company	2,468	1,351	(842)	17,890
Minority shareholders	-	-	-	-
	2,468	1,351	(842)	17,890
Weighted average no. of ordinary shares ('000)	515,954	459,782	515,954	459,782
Earnings per share (EPS) attributable to the equity holders of the Company (sen)				
- Basic EPS	1.11	0.67	0.12	4.04
- Diluted EPS	N/A	0.66	N/A	3.97

* Extraordinary item - as per MFRS136

Note:-

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



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE 3-MONTHS PERIOD ENDED 31 DECEMBER 2020**

	UNAUDITED AS AT 31-Dec-2020 RM'000	AUDITED As At 31-Dec-2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	38,304	45,590
Goodwill on consolidation	119,546	119,590
Investment in an associate	13,819	12,928
Development costs	3,823	4,126
Other receivables	6,356	7,836
Deferred tax assets	1,267	503
	<u>183,115</u>	<u>190,573</u>
Current Assets		
Inventories	17,520	20,640
Trade receivables	88,532	59,856
Other receivables	31,039	27,903
Associate	20,030	6,760
Cash and bank balances	55,850	57,050
	<u>212,971</u>	<u>172,209</u>
TOTAL ASSETS	<u>396,086</u>	<u>362,782</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	201,121	181,851
Reserves	40,327	41,169
Total Equity	<u>241,448</u>	<u>223,020</u>
Non Current Liabilities		
Deferred revenue	8,411	11,877
Lease liabilities	4,987	5,582
Other payables	56	43
Retirement benefits obligations	1,982	938
Deferred tax liability	2,597	2,638
	<u>18,033</u>	<u>21,078</u>
Current Liabilities		
Trade payables	65,749	27,776
Other payables	20,898	31,968
Deferred revenue	18,799	22,538
Associate	-	1,307
Borrowings	24,758	30,551
Lease liabilities	4,662	3,713
Current tax liabilities	1,739	831
	<u>136,605</u>	<u>118,684</u>
Total Liabilities	<u>154,638</u>	<u>139,762</u>
TOTAL EQUITY AND LIABILITIES	<u>396,086</u>	<u>362,782</u>
Net assets per share (RM)	<u>0.46</u>	<u>0.46</u>

Note:-

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



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3-MONTHS PERIOD ENDED 31 DECEMBER 2020

	Non-Distributable				Distributable	Total Equity
	Share Capital RM'000	Retirement Benefit Obligations RM'000	Foreign Exchange Fluctuation Reserve RM'000	Merger Reserve RM'000	Retained earnings RM'000	RM'000
2020						
At 1 January 2020	181,851	211	2,455	(17,406)	55,909	223,020
Foreign exchange translation	-	-	(874)	-	-	(874)
Remeasurement of retirement benefits obligation	-	(587)	-	-	-	(587)
Profit for the financial period	-	-	-	-	619	619
Total comprehensive income for the financial period	-	(587)	(874)	-	619	(842)
Transaction with owners						
Issuance of share capital	19,270	-	-	-	-	19,270
At 31 December 2020	<u>201,121</u>	<u>(376)</u>	<u>1,581</u>	<u>(17,406)</u>	<u>56,528</u>	<u>241,448</u>
2019						
At 1 January 2019						
- As previously stated	130,601	-	3,161	(17,406)	47,164	163,520
- Effect of adoption of MFRS 16	-	-	-	-	(66)	(66)
As restated	130,601	-	3,161	(17,406)	47,098	163,454
Foreign exchange translation	-	-	(706)	-	-	(706)
Profit for the financial period	-	-	-	-	18,596	18,596
Total comprehensive income for the financial period	-	-	(706)	-	18,596	17,890
Acquisition of subsidiary	-	211	-	-	-	211
Transaction with owners						
Issuance of share capital	51,250	-	-	-	-	51,250
Dividends	-	-	-	-	(9,785)	(9,785)
Total transaction with owners	51,250	-	-	-	(9,785)	41,465
At 31 December 2019	<u>181,851</u>	<u>211</u>	<u>2,455</u>	<u>(17,406)</u>	<u>55,909</u>	<u>223,020</u>

Note:-

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



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3-MONTHS PERIOD ENDED 31 DECEMBER 2020

	UNAUDITED CURRENT YEAR TO DATE ENDED 31-Dec-2020 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31-Dec-2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax expense	3,310	23,918
Adjustments for:		
Amortisation of development cost	423	404
Depreciation of property, plant and equipment	12,563	9,820
Gain on disposal of preoperty, plant and equipment	(62)	-
Impairment on inventories	817	103
Impairment on receivables	715	23
El - Impairment on property, plant and equipment	-	-
Property, plant and equipment written off	11,742	45
Reversal of inventories write-down	-	(1,440)
Share of results of an associate	(974)	(309)
Unrealised loss/(gain) on foreign exchange differences	(141)	(640)
Interest income	(87)	(369)
Interest expense	1,433	2,032
Operating profit before working capital changes	29,739	33,587
Inventories	2,303	25,742
Receivables	(30,915)	7,307
Payables	44,743	(28,671)
Associate	(13,270)	(2,765)
Deferred revenue	(7,205)	5,296
Cash generated from operations	25,395	40,496
Interest received	87	369
Tax paid	(2,172)	(7,293)
Net cash generated from operating activities	23,310	33,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,281)	(31,081)
Proceeds from disposal of property, plant and equipment	660	2
Acquisition of subsidiary	-	268
Development cost incurred	(120)	-
Net cash used in investing activities	(11,741)	(30,811)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of share capital	520	-
Repayment of lease liabilities	(3,346)	(5,300)
Dividend paid	-	(9,785)
Interest expenses paid	(1,433)	(2,032)
Net drawdown/(Repayment) of borrowings	(5,509)	(1,265)
Net cash used in financing activities	(9,768)	(18,382)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,801	(15,621)
Foreign exchange fluctuation reserve	(3,001)	3,230
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	57,050	69,441
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	55,850	57,050
<u>Cash and cash equivalents at the end of the financial year comprises of:-</u>		
Cash and bank balances	46,961	34,113
Short term investment	8,889	10,655
Fixed deposit with a license bank	-	12,282
Cash and bank balances	55,850	57,050

Note:-

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



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 31 December 2020

A NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

The Group has adopted merger method for the preparation of this interim financial statement.

A2. Changes of Financial Year End

The Group has changed the financial year end from 31 December to 31 January. The next audited financial statements shall be for a period of thirteen (13) months, made up from 1 January 2020 to 31 January 2021.

A3. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2019 except for the newly-issued Malaysian Financial Reporting Standards ("MFRS") and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2020:

MFRS 101 and MFRS 108 :	Definition of Material (Amendments to MFRS 101 and MFRS 108)
MFRS 3 :	Definition of a Business (Amendments to MFRS 3)
MFRS 9, MFRS 139 and MFRS 7 :	Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)
Conceptual Framework :	Amendments to References to the Conceptual Framework MFRS Standards

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

A4. Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. Material changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review.



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For the 3-Months Period Ended 31 December 2020

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A8. Dividends paid

No dividends were paid by the Company in the current financial quarter and period under review.

A9. Segmental information

(a) Analysis of revenue by geographical area

	Current Quarter Ended 31/12/2020 RM'000	Preceding Corresponding Quarter Ended 31/12/2019 RM'000	Current Year To Date Ended 31/12/2020 RM'000	Preceding Corresponding Year To Date Ended 31/12/2019 RM'000
Singapore	49,689	14,649	136,657	71,900
Philippines	38,608	34,431	81,582	75,751
Hong Kong & Taiwan	5,042	4,968	13,297	27,784
India	2,529	4,072	13,466	17,111
SEA (1)	2,747	1,509	5,695	7,468
Others	196	9,639	582	35,487
Total revenue	98,811	69,268	251,279	235,501
Add: Inter-company transactions	4,549	19,329	18,110	32,381
 Total revenue before eliminating inter company transaction	 103,360	 88,597	 269,389	 267,882

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

(b) Analysis of revenue by product categories

	Current Quarter Ended 31/12/2020 RM'000	Preceding Corresponding Quarter Ended 31/12/2019 RM'000	Current Year To Date Ended 31/12/2020 RM'000	Preceding Corresponding Year To Date Ended 31/12/2019 RM'000
EDM Infrastructure Technology	85,721	61,834	215,410	217,485
EDM Managed Services	13,090	7,434	35,869	18,016
Total revenue	98,811	69,268	251,279	235,501
Add: Inter-company Transactions	4,549	19,329	18,110	32,381
 Total revenue before eliminating inter company transaction	 103,360	 88,597	 269,389	 267,882



QUARTERLY REPORT ON CONSOLIDATED RESULTS
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A9. Segmental information (cont'd)

(c) Analysis of segment results, assets and liabilities

	EDM Infrastructure Technology RM'000	EDM Managed Services RM'000	Investment Holdings RM'000	Others RM'000	Elimination/ Adjustment RM'000	Total RM'000
As at 31.12.2020 Results						
Segment results	11,856	4,569	(2,522)	2,196	(588)	15,511
Share of results of associate	-	-	974	-	-	974
Interest expenses	(1,354)	(643)	(11)	-	575	(1,433)
Profit before tax expense and property, plant and equipment ("PPE") written off	10,502	3,926	(2,533)	2,196	961	15,052
PPE written off	(874)	(10,868)	-	-	-	(11,742)
Profit/(Loss) before tax expense	9,628	(6,942)	(2,533)	2,196	961	3,310
Tax expense	(1,884)	(805)	(2)	-	-	(2,691)
Profit/(Loss) after tax expense	7,744	(7,747)	(2,535)	2,196	961	619
Segment assets	258,140	39,737	201,796	3,823	(107,410)	396,086
Segment liabilities	168,876	48,075	1,693	-	(64,006)	154,638
As at 31.12.2019 Results						
Segment results	19,042	5,556	(2,612)	4,009	(354)	25,641
Share of results of associate	-	-	309	-	-	309
Interest expenses	(1,145)	(1,232)	(9)	-	354	(2,032)
Profit before tax expense	17,897	4,324	(2,312)	4,009	-	23,918
Tax expense	(3,969)	(1,349)	(4)	-	-	(5,322)
Profit after tax expense	13,928	2,975	(2,316)	4,009	-	18,596
Segment assets	223,084	46,698	199,911	4,126	(111,037)	362,782
Segment liabilities	151,693	35,349	19,041	-	(66,321)	139,762

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the quarter

Other than the Proposed Private Placement that was announced on 22 March 2021, there were no other material events subsequent to the end of the current financial quarter and period to date that have not been reflected in this interim financial report.

A12. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 31 December 2020

A13. Contingent assets or liabilities

The Directors are not aware of any contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

A14. Capital commitments

There were no capital commitments in the current financial quarter under review.

A15. Significant related party transactions

During the current financial quarter, the Directors are not aware of any related party transactions which would have a significant impact on the financial position and business of the Group.

ADDITIONAL NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1. Review of performance of the Group

	3 months ended		Cumulative Quarters (YTD)	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	98,811	69,268	251,279	235,501
Profit from operations	7,794	5,706	16,485	25,950
Earnings before Interest, Tax, Depreciation and Amortisation "EBITDA" before EI	10,764	9,087	29,471	36,174
EBITDA after EI	10,658	9,087	17,729	36,174

For the current financial quarter under review, the Group's recorded revenue of RM98.811 million, an increase of 42.65% or RM29.543 million as compared to RM69.268 million in the preceding year quarter. The increase was mainly attributed to a growth in revenue from Singapore segment. Encouragingly, Profit from operations and EBITDA before EI for the current financial quarter correspondingly increased by RM2.088 million and RM1.677 million respectively.

For the financial period ended 31 December 2020, the Group's revenue increased by 6.70% or RM15.778 million from RM235.501 million (for the same period last year) to RM251.279 million. The Group reported a profit after tax of RM0.619 million as compared to RM18.596 million for financial period ended 31 December 2019. This was mainly due to a PPE written off of RM11.742 million.

Majority of the Group's revenue was mainly derived from Singapore, amounting to RM136.657 million (54.38% of total revenue), followed by Philippines which recorded RM81.582 million (32.47% of total revenue).

By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment continued to dominate the Group's revenue, amounting to RM215.410 million or 85.73% of total revenue, with EDM Managed Services making up the balance.



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For the 3-Months Period Ended 31 December 2020

B2. Comparison with preceding quarter's results

	3 months ended	
	31/12/2020	30/9/2020
	RM'000	RM'000
Revenue	98,811	59,243
Profit from operations	7,794	5,528
Profit before tax expense	7,387	5,240
Profit for the period	5,720	4,896

Revenue in the current quarter ended 31 December 2020 of RM98.811 million is 66.79% or RM39.568 million higher than the previous quarter. The Group recorded a higher profit before tax of RM7.387 million as a result of higher revenue contribution from Singapore and Philippines.

B3. Prospects

During an unprecedented year, Kronologi demonstrated great agility and execution, and thrived, delivering for our customers while keeping true to our core mission. The Group will continue to execute our strategic growth plans, and we expect 2021 full year revenue growth to be high end of healthy range.

B4. Tax expense

	Current Quarter Ended 31/12/2020 RM'000	Preceding Corresponding Quarter Ended 31/12/2019 RM'000	Current Year To Date Ended 31/12/2020 RM'000	Preceding Corresponding Year To Date Ended 31/12/2019 RM'000
Current tax				
- current year	(2,328)	31	(3,091)	(3,124)
- in prior years	27	202	(42)	203
Deferred taxation				
- current provision	634	(2,305)	442	(2,401)
	(1,667)	(2,072)	(2,691)	(5,322)

B5. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee during the current financial quarter under review.

B6. Status of corporate proposals

There were no corporate proposals announced by the Company during the current financial quarter under review.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the 3-Months Period Ended 31 December 2020

B7. Borrowings and debt securities

The total borrowings of the Group as at 31 December are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
2020			
Lease liabilities	4,662	4,987	9,649
Bill payable	24,758	-	24,758
	<u>29,420</u>	<u>4,987</u>	<u>34,407</u>
2019			
Lease liabilities	3,713	5,582	9,295
Bill payable	30,551	-	30,551
	<u>34,264</u>	<u>5,582</u>	<u>39,846</u>

The lease liabilities are secured by lessor's title to the leased assets and the bill payable is secured by Corporate Guarantee by Kronologi Asia Berhad.

The lease liabilities and bill payable are denominated in Singapore Dollars and United States Dollars respectively.

B8. Material litigation

The Group has not been involved in any material litigation for the financial period under review.

B9. Dividends

The Board of Directors has not recommended any dividends for the current financial quarter under review and the financial period-to-date.

B10. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Corresponding	Quarter	Corresponding
	Ended	Quarter	Year	Year
	31/12/2020	Ended	To Date Ended	To Date Ended
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net profit attributable to ordinary equity holders of the Company (RM'000)	5,720	3,071	619	18,596
Weighted average number of ordinary shares in issue ('000)	515,954	459,782	515,954	459,782
Basic earnings per share ("EPS") (sen)	1.11	0.67	0.12	4.04



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For the 3-Months Period Ended 31 December 2020

B10. Earnings per share (Cont'd)

The diluted EPS has been calculated by dividing the Group's profit for the current quarter and financial period ended 31 December 2020 attributable to equity holders of the Company by the weighted average number of shares. The calculation is as follows:

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Corresponding	Year	Corresponding
	Ended	Quarter	To Date	To Date
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net profit attributable to ordinary equity holders of the Company (RM'000)	5,720	3,071	619	18,596
Weighted average number of ordinary shares in issue as per Basic EPS ('000)				
Effect on issuance of share capital for Sandz Acquisition ('000)	-	8,098	-	8,098
Weighted average number of ordinary shares in issue ('000)	515,954	467,880	515,954	467,880
Diluted earnings per share ("EPS") (sen)	1.11	0.66	0.12	3.97

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

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

	Current	Preceding	Current	Preceding
	Quarter	Corresponding	Year	Corresponding
	Ended	Quarter	To Date	To Date
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Amortisation of development cost	106	101	423	404
Depreciation on property, plant and equipment	2,864	3,280	12,563	9,820
Property, plant and equipment written off	11,742	-	11,742	45
Impairment of property, plant and equipment	(11,636)	-	-	-
Realised foreign currency exchange (gain)/loss	47	-	87	236
Unrealised foreign exchange currency (gain)/loss	527	(257)	(373)	(640)
Interest income	-	(112)	(87)	(369)
Finance costs	301	563	1,433	2,032



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For the 3-Months Period Ended 31 December 2020

B12. Authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 Mar 2021.

Kronologi Asia Berhad
22 Mar 2021