



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED	AUDITED
	CURRENT QUARTER ENDED 30-Jun-2019	PRECEDING CORRESPONDING QUARTER ENDED 30-Jun-2018	CUMULATIVE QUARTER	PRECEDING
			CURRENT YEAR TO DATE ENDED 30-Jun-2019	CORRESPONDING YEAR TO DATE ENDED 30-Jun-2018
	RM'000	RM'000	RM'000	RM'000
Revenue	52,071	40,433	84,571	79,191
Cost of sales	(40,233)	(30,866)	(63,779)	(59,600)
Gross profit	<u>11,838</u>	<u>9,567</u>	<u>20,792</u>	<u>19,591</u>
Other operating income	695	90	1,257	629
Selling and distribution expenses	(3,100)	(2,789)	(5,608)	(5,487)
Administrative expenses	(2,870)	(1,595)	(5,349)	(6,378)
Share of results of an associate	223	-	225	-
Profit from operations	<u>6,786</u>	<u>5,273</u>	<u>11,317</u>	<u>8,355</u>
Interest expense	(491)	(224)	(1,007)	(418)
Profit before tax expense	<u>6,295</u>	<u>5,049</u>	<u>10,310</u>	<u>7,937</u>
Tax expense	(1,235)	(550)	(1,560)	(1,431)
Profit for the period	<u>5,060</u>	<u>4,499</u>	<u>8,750</u>	<u>6,506</u>
Other comprehensive income				
- Foreign exchange translation from foreign operations	909	2,094	311	(230)
Total comprehensive (loss)/income	<u><u>5,969</u></u>	<u><u>6,593</u></u>	<u><u>9,061</u></u>	<u><u>6,276</u></u>
Profit attributable to :				
Equity holders of the Company	5,060	4,499	8,750	6,506
Minority shareholders	-	-	-	-
	<u><u>5,060</u></u>	<u><u>4,499</u></u>	<u><u>8,750</u></u>	<u><u>6,506</u></u>
Total comprehensive (loss)/income :				
Equity holders of the company	5,969	6,593	9,061	6,276
Minority shareholders	-	-	-	-
	<u><u>5,969</u></u>	<u><u>6,593</u></u>	<u><u>9,061</u></u>	<u><u>6,276</u></u>
Weighted average no. of ordinary shares ('000)	459,782	350,505	459,782	350,505
Earnings per share (EPS) attributable to the equity holders of the Company (sen)				
- Basic EPS	1.10	1.28	1.90	1.86
- Diluted EPS	*	N/A	*	N/A

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 2018 and the accompanying explanatory notes attached to this interim financial report.

* Anti-dilutive Earning per share



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019**

	UNAUDITED AS AT 30-Jun-2019 RM'000	AUDITED As At 31-Dec-2018 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	19,161	21,385
Goodwill on consolidation	119,871	62,904
Investment in an associate	12,865	12,640
Right of use assets	2,095	-
Development costs	4,328	4,530
Other receivables	9,318	2,558
Deferred tax assets	6,152	170
	<u>173,790</u>	<u>104,187</u>
Current Assets		
Inventories	49,894	34,339
Trade receivables	77,345	28,702
Other receivables	36,354	7,087
Associate	3,762	2,631
Fixed deposit with a licensed bank	3,168	-
Cash and bank balances	31,696	69,441
	<u>202,219</u>	<u>142,200</u>
TOTAL ASSETS	<u>376,009</u>	<u>246,387</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	181,851	130,601
Reserves	32,128	32,919
Total Equity	<u>213,979</u>	<u>163,520</u>
Non Current Liabilities		
Deferred revenue	13,339	8,104
Borrowings	6,736	8,087
Lease liabilities	118	-
Other payables	266	75
Deferred tax liability	5,763	895
	<u>26,222</u>	<u>17,161</u>
Current Liabilities		
Trade payables	31,062	21,841
Other payables	45,395	7,355
Deferred revenue	16,387	10,844
Associate	8,678	-
Borrowings	29,127	24,779
Lease liabilities	2,107	-
Current tax liabilities	3,052	887
	<u>135,808</u>	<u>65,706</u>
Total Liabilities	<u>162,030</u>	<u>82,867</u>
TOTAL EQUITY AND LIABILITIES	<u>376,009</u>	<u>246,387</u>
 Net assets per share (RM)	 <u>0.44</u>	 <u>0.41</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 2018 and the accompanying explanatory notes attached to this interim financial report.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019

	← Non-Distributable →					
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Merger Reserve RM'000	Distributable Retained earnings RM'000	Total Equity RM'000
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	<u>130,601</u>	<u>-</u>	<u>3,161</u>	<u>(17,406)</u>	<u>47,098</u>	<u>163,454</u>
Foreign exchange translation	-	-	311	-	-	311
Profit for the financial period	-	-	-	-	8,750	8,750
Total comprehensive income for the financial period	-	-	311	-	8,750	9,061
Transaction with owners						
Issuance of share capital	51,250	-	-	-	-	51,250
Dividends	-	-	-	-	(9,786)	(9,786)
Total transaction with owners	51,250	-	-	-	(9,786)	41,464
At 30 June 2019	<u><u>181,851</u></u>	<u><u>-</u></u>	<u><u>3,472</u></u>	<u><u>(17,406)</u></u>	<u><u>46,062</u></u>	<u><u>213,979</u></u>
2018						
At 1 January 2018						
- As previously stated	81,104	10,494	2,292	(17,406)	33,415	109,899
- Effect of adoption of MFRS 15	-	-	-	-	(2,443)	(2,443)
As restated	<u>81,104</u>	<u>10,494</u>	<u>2,292</u>	<u>(17,406)</u>	<u>30,972</u>	<u>107,456</u>
Foreign exchange translation	-	-	(230)	-	-	(230)
Profit for the financial period	-	-	-	-	6,506	6,506
Total comprehensive income for the financial period	-	-	(230)	-	6,506	6,276
Transaction with owners						
Issuance of share capital	16,017	-	-	-	-	16,017
At 31 June 2018	<u><u>97,121</u></u>	<u><u>10,494</u></u>	<u><u>2,062</u></u>	<u><u>(17,406)</u></u>	<u><u>37,478</u></u>	<u><u>129,749</u></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 2018 and the accompanying explanatory notes attached to this interim financial report.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2018

	UNAUDITED CURRENT YEAR TO DATE ENDED 30-Jun-2019	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 31-Dec-2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax expense	10,310	16,980
Adjustments for:		
Amortisation of development cost	202	196
Depreciation of property, plant and equipment	3,200	6,459
Inventories written off	-	1,202
Gain on disposal of preoperty, plant and equipment	(9)	-
Property, plant and equipment written off	-	386
Share grant expenses	-	1,697
Share of results of an associate	(225)	(66)
Unrealised loss/(gain) on foreign exchange differences	(674)	(1,319)
Interest income	(561)	(502)
Interest expense	1,007	1,098
Operating profit before working capital changes	13,250	26,131
Inventories	(4,524)	1,547
Receivables	(19,173)	10,566
Payables	(13,047)	(15,644)
Right of use	(1,825)	-
Lease liabilities	1,911	-
Associate	7,582	(2,568)
Deferred revenue	249	8,538
Cash generated from operations	(15,577)	28,570
Interest received	561	502
Tax paid	(2,557)	(1,229)
Net cash generated from operating activities	(17,573)	27,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(656)	(6,482)
Proceeds from disposal of property, plant and equipment	-	61
Investment in an associate	-	(12,553)
Investment in a subsidiary	268	-
Development cost incurred	-	(665)
Net cash used in investing activities	(388)	(19,639)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital		22,986
Interest expense paid	(1,007)	(1,098)
Dividends paid	(9,786)	-
Net drawdown/(Repayment) of borrowings	(7,982)	4,879
Net cash generated from/(used in) financing activities	(18,775)	26,767
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(36,736)	34,971
Foreign exchange fluctuation reserve	2,159	(630)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	69,441	35,100
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34,864	69,441
<u>Cash and cash equivalents at the end of the financial year comprises of:-</u>		
Cash and bank balances	20,232	31,783
Short term investment	11,464	21,110
Fixed deposit with a license bank	3,168	16,548
Cash and bank balances	34,864	69,441

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 2018 and the accompanying explanatory notes attached to this interim financial report.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

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 2018. 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 2018.

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

A2. Changes in accounting policies

Except as described below, the same accounting policies and methods of computation are followed in the consolidated financial statements as compared with the consolidated financial statements for 31 December 2018.

As of 1 January 2018, the Group has adopted the following new and revised MFRSs and amendments to MFRS and IC interpretation (collectively referred to as "pronouncements") which are effective for annual years beginning on or after 1 January 2019.

MFRS 16	Leases
Amendments to MFRS 128	Investment in Associates and Joint Ventures : Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

The initial application on the above pronouncements did not have any material impact on the financial statements, except for MFRS 16 as disclosed below:

MFRS 16, Leases

The Group has adopted MFRS 16, Leases from 1 January 2019.

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under MFRS 117 and related interpretations. The details of the changes in accounting policies are disclosed below.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

A2. Changes in accounting policies (Cont'd)

I. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 5 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under MFRS 16, a contract is, or contains, a lease of the contract which conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices. However, for leases of properties in which it is a lease, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

II. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under MFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on balance sheet. However, the Group has elected not to recognise right-of-use assets and liabilities for some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

a) Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the by-country risk free rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use recognised.

b) Transition

Previously, the Group classifies property leases as operating leases under MFRS 117.

At transition, for leases classified as operating leases under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the by-country risk free rate as at 1 January 2019. Right-of-use assets are measured at their carrying amount as if MFRS 16 has been applied since the commencement date, discounted using the lessee's by-country risk free rate at the date of initial application.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For the Second (2nd) Quarter Ended 30 June 2019

A2. Changes in accounting policies (Cont'd)

II. As a lessee (cont'd)

b) Transition (cont'd)

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of MFRS 16 are only applied after that date

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating leases under MFRS 117.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs for measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

c) Impact of transition

On transition to MFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:-

	Impact to adoption of MFRS 16 to opening balance at 1 January 2019
In RM'000	
Increase in right-of-use assets	4,731
Increase in accumulated depreciation – right-of-use assets	(2,251)
Increase in lease liabilities	(2,546)
Decrease in retained earnings	66

A3. Seasonal or cyclical factors

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

A4. 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.

A5. Material changes in estimates

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

A6. Debt and equity securities

During the current financial quarter under review, there were no issuance, cancellation, repurchase, resale and repayment of debt. The Company issued equity securities during the current financial quarter under review for the issuance of the first tranche of 90,467,784 shares at RM0.5665 per share for the acquisition of 100% of the issued and paid up share capital of Sandz Solutions (Singapore) Pte. Ltd. (Sandz Acquisition)



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

A7. Dividends paid

The single tier final dividend of 2 sen per ordinary shares in respect of the financial year ended 31 December 2018 amounting to RM9,785,546.60 was paid on 14 June 2019.

A8. Segmental information

(a) Analysis of revenue by geographical area

	Current Quarter Ended 30/6/2019 RM'000	Preceding Corresponding Quarter Ended 30/6/2018 RM'000	Current Year To Date Ended 30/6/2019 RM'000	Preceding Corresponding Year To Date Ended 30/6/2018 RM'000
Singapore	14,986	32,534	35,299	63,076
Hong Kong & Taiwan	15,107	2,208	18,476	5,653
India	6,635	2,572	8,836	4,132
SEA (1)	10,172	1,496	11,993	3,026
Others	5,171	1,623	9,967	3,304
Total revenue	52,071	40,433	84,571	79,191
Add: Inter-company transactions	3,568	2,252	5,961	4,855
 Total revenue before eliminating inter company transaction	 55,639	 42,685	 90,532	 84,046

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

(b) Analysis of revenue by product categories

	Current Quarter Ended 30/6/2019 RM'000	Preceding Corresponding Quarter Ended 30/6/2018 RM'000	Current Year To Date Ended 30/6/2019 RM'000	Preceding Corresponding Year To Date Ended 30/6/2018 RM'000
EDM Infrastructure Technology	48,926	36,658	79,537	74,244
EDM Managed Services	3,145	3,775	5,034	4,947
Total revenue	52,071	40,433	84,571	79,191
Add: Inter-company Transactions	3,568	2,252	5,961	4,855
 Total revenue before eliminating inter company transaction	 55,639	 42,685	 90,532	 84,046



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

A8. Segmental information (cont'd)

(c) Analysis of segment results, assets and liabilities

	EDM Infrastructure Technology RM'000	EDM Managed Services RM'000	Investment Holdings RM'000	Others RM'000	Elimination/ Adjustment RM'000	Total RM'000
As at 30.6.2019 Results						
Segment results	10,864	1,954	(1,610)	-	(116)	11,092
Share of results of associate	-	-	225	-	-	225
Interest expense	(623)	(495)	(5)	-	116	(1,007)
Profit before tax expense	10,241	1,459	(1,390)	-	-	10,310
Tax expense	(1,383)	(177)	-	-	-	(1,560)
Profit after tax expense	8,858	1,282	(1,390)	-	-	8,750
Segment assets	228,708	17,215	59,024	4,328	66,734	376,009
Segment liabilities	169,774	25,567	19,122	-	(52,433)	162,030
As at 30.6.2018 Results						
Segment results	7,089	2,057	(792)	177	(176)	8,355
Interest expense	(300)	(294)	-	-	176	(418)
Profit/(Loss) before tax expense	6,789	1,763	(792)	177	-	7,937
Tax (expense)/income	34	(1,465)	-	-	-	(1,431)
Profit/(Loss) after tax expense	6,823	298	(792)	177	-	6,506
Segment assets	148,901	16,248	96,247	4,394	(82,008)	183,782
Segment liabilities	87,460	21,289	234	-	(54,950)	54,033

A9. Valuation of property, plant and equipment

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

A10. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of the current financial quarter and period to date that have not been reflected in this interim financial report.

A11. 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 save for the acquisition of the entire share capital of Sandz Solutions (Singapore) Pte Ltd.

A12. 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.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For the Second (2nd) Quarter Ended 30 June 2019

A13. Capital commitments

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

A14. 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

For the financial period ended 30 June 2019, the Group's revenue grew by 6.79% or RM5.380 million from RM79.191 million to RM84.571 million, while the Group's profit after tax rose by 34.49% or RM2.244 million from RM6.506 million to RM8.750 million. This was achieved through a combination of higher contribution from Hong Kong / Taiwan and India operations, and a maiden contribution from the recent Sandz Acquisition.. The improved results was also contributed from lower administrative cost during financial period under review compared to the previous preceding period.

Majority of the Group's revenue was derived from Singapore, amounting to RM35.299 million (41.74% of total revenue), followed by Hong Kong and Taiwan which recorded RM18.476 million (21.85%).

By product category, the Enterprise Data Management ("EDM") Infrastructure Technology segment continued to dominate the Group's revenue, amounting to RM79.537 million or 94.05% of total revenue, with EDM Managed Services making up the balance.

B2. Comparison with preceding quarter's results

	3 months ended	
	30/6/2019 RM'000	31/3/2019 RM'000
Revenue	52,071	32,500
Profit from operations	6,786	4,531
Profit before tax expense	6,295	4,015
Profit for the period	5,060	3,690

Revenue in the current quarter ended 30 June 2019 of RM52.071 million was 60.22% or RM19.571 million higher than the previous quarter. The Group recorded a higher profit before tax of RM6.295 million as a result of higher contribution from Hong Kong and India, favourable exchange rate and the consolidation of Sandz Solutions (Singapore) Pte Ltd as compared with the previous quarter of RM4.015 million. Profit for the period was 37.1% or RM1.370 million higher at RM5.060 million over the quarter before.

B3. Prospects

The Enterprise Data Management ["EDM"] Infrastructure Technology ["IT"] business will continue to be an important business driver for the Group, especially with new EDM IT solutions and opportunities through recently acquired Sandz Solutions.

The Group is also expanding its EDM Managed Services with innovative breakthrough "as a service" and expertise enterprise solutions for on premise, hybrid and cloud-based solutions to meet our customers' needs.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

B4. Tax expense

	Current Quarter Ended 30/6/2019 RM'000	Preceding Corresponding Quarter Ended 30/6/2018 RM'000	Current Year To Date Ended 30/6/2019 RM'000	Preceding Corresponding Year To Date Ended 30/6/2018 RM'000
Current tax				
- current year	(1,366)	(23)	(1,681)	(77)
- in prior years		-	-	(1)
Deferred taxation				
- current provision	131	(527)	121	(1,353)
	<u>(1,235)</u>	<u>(550)</u>	<u>(1,560)</u>	<u>(1,431)</u>

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

Private placement

On 2 August 2018, the Company announced a proposal to undertake a private placement of new ordinary shares, representing up to 10% of the total number of issued shares in the Company.

Bursa Malaysia Securities Berhad had vide its letter dated 13 August 2018 approved the listing of and quotation for up to 36,255,400 new ordinary shares in the Company to be issued pursuant to the said private placement.

The gross proceeds from the Private Placement amounted to 22.986 million and the status of the utilisation of the proceeds raised as at 30 June 2019 was as follows:-

Detail of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Deviations/ Variation RM'000	Balance RM'000	Time frame for utilisation
1) Future business development and expansion	8,000	(8,000)	-	-	Within 24 months
2) Managed services cum transnational infrastructure equipment	10,000	-	-	10,000	Within 24 months
3) Working capital	4,466	(4,736)	270	-	Within 24 months
4) Estimated expenses	520	(250)	(270)	-	Within 2 weeks
Total gross proceeds	<u>22,986</u>	<u>12,986</u>	<u>-</u>	<u>10,000</u>	



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

B7. Borrowings and debt securities

The total borrowings of the Group as at 30 June were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
2019			
Finance lease liabilities	3,239	6,736	9,975
Bills payable	25,888	-	25,888
	<u>29,127</u>	<u>6,736</u>	<u>35,863</u>
2018			
Finance lease liabilities	1,890	3,593	5,483
Bills payable	17,774	-	17,774
	<u>19,664</u>	<u>3,593</u>	<u>23,257</u>

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

B8. Material litigation

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

B9. Dividends

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

B10. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/6/2019	Preceding Corresponding Quarter Ended 30/6/2018	Current Year To Date Ended 30/6/2019	Preceding Corresponding Year To Date Ended 30/6/2018
Net profit attributable to ordinary equity holders of the Company (RM'000)	5,060	4,499	8,750	6,506
Weighted average number of ordinary shares in issue ('000)	459,782	350,505	459,782	350,505
Basic earnings per share ("EPS") (sen)	<u>1.10</u>	<u>1.28</u>	<u>1.90</u>	<u>1.86</u>



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For the Second (2nd) Quarter Ended 30 June 2019

B10. Earnings per share (Cont'd)

Diluted losses per ordinary share is not applicable for the current financial quarter under review as the unallocated share price for the Sandz Acquisition were anti-dilutive in nature, this is due to the market share price as at 30 June 2019 of the Company being below the unallocated share price of the share.

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

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

	Current Quarter Ended 30/6/2019 RM'000	Preceding Corresponding Quarter Ended 30/6/2018 RM'000	Current Year To Date Ended 30/6/2019 RM'000	Preceding Corresponding Year To Date Ended 30/6/2018 RM'000
Amortisation of development cost	101	50	202	63
Depreciation on property, plant and equipment	1,177	1,442	3,200	2,915
Realised foreign currency exchange (gain)/loss	192	580	298	471
Unrealised foreign exchange currency loss	(966)	(1,227)	(674)	(516)
Interest income	302	(61)	(561)	(167)
Finance costs	491	224	1,007	418

B13. Authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 Aug 2019.

Kronologi Asia Berhad
 19 Aug 2019