

### 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 2017

		DITED L QUARTER	UNAUDITED CUMULATI	AUDITED TVE QUARTER	
	CURRENT QUARTER ENDED 30-Jun-2017	PRECEDING CORRESPONDING QUARTER ENDED 30-Jun-2016	CURRENT YEAR TO DATE ENDED 30-Jun-2017	PRECEDING CORRESPONDING YEAR TO DATE ENDED 30-Jun-2016	
	RM'000	RM'000	RM'000	RM'000	
Revenue	48,343	14,778	73,528	28,917	
Cost of sales	(38,331)	(9,541)	(56,944)	(18,739)	
Gross profit	10,012	5,237	16,584	10,178	
Other operating income	797	156	1,033	313	
Selling and distribution expenses	(3,144)	(2,333)	(5,579)	(3,894)	
Administrative expenses	(2,623)	(1,588)	(5,307)	(3,683)	
Share of results of an associated company	-	151	-	382	
Profit from operations	5,042	1,623	6,731	3,296	
Interest expenses	(124)	(33)	(178)	(83)	
Profit before tax expense	4,918	1,590	6,553	3,213	
Tax (expense)/income	(842)	106	(433)	(143)	
Profit for the period	4,076	1,696	6,120	3,070	
Other comprehensive income - Foreign exchange translation from foreign operations	(1,128)	708	(1,505)	(1,434)	
Total comprehensive income	2,948	2,404	4,615	1,636	
Profit attributable to : Equity holders of the Company	4,076	1,696	6,120	3,070	
Minority shareholders	4,076	1,696	6,120	3,070	
Total comprehensive income : Equity holders of the company Minority shareholders	2,948	2,404	4,615	1,636	
	2,948	2,404	4,615	1,636	
Weighted average no. of ordinary shares ('000)	264,885	236,988	264,885	236,988	
Earnings per share (EPS) attributable to the equity holders of the Company (sen)					
- Basis EPS - Diluted EPS	1.54 1.48	0.72 0.72	2.31 2.22	1.30 1.30	

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 2016 and the accompanying explanatory notes attached to this interim financial report.

## KRONOLOGI ASIA BERHAD (Company no. 1067697-K) UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2017

ENTOD     ENTOD       ASSETS     10,007     9,349       Development and equipment     0,007     9,349       Development costs     2,3,116     26,354       Development costs     3,038     3,007       Outr receivables     0,038     3,007       Outr receivables     0,038     3,007       Microsofta     1,2,50     1,545       Tada receivables     9,038     2,543       Other receivables     4,032     4,255       Other receivables     4,032     4,255       Other receivables     9,030     3,373       TOTAL ASSETS     117,038     9,372       FQUITATIONAL DARLIFIES     2,132     2,4812       Recreasi     2,131     2,036       Tota LASSETS     117,038     9,373       FOUTION LARLIFIES     2,132     2,4812       Recreasi     2,131     2,036       Tota Lassets     2,031     3,871       Outer receivables     2,031     3,871       Outer receivables     2,031     3,871		UNAUDITED AS AT 30-Jun-2017	AUDITED As At 31-Dec-2016
Non-Current Labilities     10,707     9,349       Property, plant and equipment     10,707     9,349       Constvill on consolidation     25,116     26,381       Development crasts     3,668     3,337       Other receivables     830     919       Deternet tax assets     67     58       40,388     39,997     4388       Current Assets     1     1       Investories     10,2750     15,436       Trade receivables     50,568     25,424       Other receivables     40,323     4,236       Fixed deposit and prepayments     40,323     4,236       Fixed deposit and prepayments     50,568     25,3373       TOTAL ASSETS     117,038     93,370       EQUITY AND LIABILITTES     20,132     24,812       Recurves     20,711     3,877       State Capital     21,323     24,912       Recurves     20,971     3,877       Deferred raveaue     2,971     3,877       Borrowings     66     6,990       Deferred raveaue </th <th></th> <th>RM'000</th> <th>RM'000</th>		RM'000	RM'000
Property. plant and equipment     10,707     9,349       Goodwill on consolidation     25,116     26,384       Development costs     3,668     3,287       Other receivables     67     58       40,388     39,997     40,388     39,997       Current Asets     12,750     15,436       Inventories     12,750     15,436       Tade receivables     90,508     22,444       Other receivables     50,568     22,444       Other receivables     3,504     4,237       Fixed deposit with a lorene bank     3,504     4,237       Cast and bank balances     3,504     4,237       Total ASSETS     117,038     93,370       EQUITY AND LIABILITIES     Egenity artitibuation to active biolers of the Company     Share Capital       Share Capital     2,578     20,766       Total Equity     2,5132     24,812       Deferred rave at abilities     2,071     3,877       Deferred rave at abilities     2,071     3,877       Deferred tax labilities     2,071     3,877			
Codesili on consolidation     25,116     26,384       Development cons     3,668     3,387       Other recrivables     60     380       Deferred tax assets     40,388     39,997       Current Assets     40,388     39,997       Inventories     12,750     15,436       Trade receivables     50,568     22,324       Other receivables     50,568     22,324       Other receivables     50,568     22,324       Other receivables     50,568     23,232       Other receivables     50,568     23,232       Other receivables     50,568     23,232       Other receivables     50,568     23,2370       FOUTY AND LLABULTIES     117,038     93,370       Foury attributable to equity holders of the Company     344     25,381     20,766       Total Equity     25,151     11,038     29,378       Other payables     2,971     3,877       Starce Gatal     2,971     3,877       Deferred tax liabilities     2,971     3,877       Other payables		10 505	0.240
Development costs     3,668     3,237       Other revisables     67     58       40,388     39,997       Current Asets			,
Other receivables     330     919       Deferred tax assets     67     68       40.388     39.997       Current Assets     12,750     15,436       Inventories     12,750     15,436       Trade receivables     50,568     25,424       Other receivables     50,568     25,424       Other receivables     40,322     4,236       Fixed deposits with a foreparyments     4,032     4,236       Fixed deposits with a foreparyments     3,504     8,2377       Cash and bank balances     76,650     53,370       COTAL ASSETS     117,038     93,370       EQUITY AND LLABILITIES     29,132     24,812       Reserves     25,381     20,766       Total Equity     34,513     45,578       Non Current Liabilities     2,971     3,877       Deferred tax labilities     2,971     3,877       Other payables     68     6,920       Deferred tax labilities     3,236     11,035       Current Liabilities     3,2563     14,368       Other pa			
Deferred tax assets     67     58       40.388     39.997       Current Assets     12,750       Inventories     50,568       Trade receivables     40,323       Other receivables     40,323       Cash and bank balances     40,323       Cash and bank balances     3,504       TotAL ASSETS     117,038       Equity attributable to equity holders of the Company     53,370       Share Capital     29,132       Reserves     25,381       Total Equity     24,513       Deferred revenue     2,971       Deferred revenue     2,971       Borrowings     2,093       Other payables     68       Other payables     69       Other payables     11,036       Current Labilities     22,563       Tade payables     3,815       Other payables     3,815       Other payables     5,801       Deferred revenue     5,913       Spital     3,815       Tade payables     5,801       Other payables and accruals			
40.388     39.977       Current Assets     12,750     15,436       Inventories     12,750     15,436       Other receivables     60,508     25,424       Other receivables     40,322     4,225       Cash and bank balances     5,796     -       Cash and bank balances     35,044     8,277       TOTAL ASSETS     117,038     93,370       EQUITY AND LIABILITIES     29,132     24,812       Reserves     25,381     20,766       Total Equity     54,513     45,578       Non Current Liabilities     2,091     3,877       Borrowings     68     6,590       Deferred revenue     2,971     3,877       Borrowings     68     6,590       Deferred tax labilities     22,076     11,036       Trade payables     32,563     14,368       Other payables     32,563     14,368       Other payables     32,563     14,368       Other payables     5,910     3,815       Current Liabilitites     5,913     6,186 <td></td> <td></td> <td></td>			
Inventories     12,790     15,436       Trade receivables. deposits and prepayments     50,568     25,424       Other receivables. deposits and prepayments     4,032     4,236       Fixed deposit with a license bank     5,796     -       Cash and bank blances     3,504     8,277       TOTAL ASSETS     117,038     93,370       EQUITY AND LLABILITIES     117,038     93,370       EQUITY AND LLABILITIES     29,132     24,812       Reserves     25,381     20,766       Total Equity     54,513     45,578       Non Current Liabilities     2,971     3,877       Befored revenue     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deterred tabilities     2,971     3,877       Tade payables and acruals     2,9132     11,1036       Other payables and acruals     2,993     48       Other payables and acruals     3,2163     14,368       Other payables and acruals     5,913     6,168       Defered revenue			
Trade receivables     50,568     25,424       Other receivables     4,032     4,236       Other receivables     5,796     -       Cash and bank balances     3,504     8,277       TOTAL ASSETS     117,038     93,370       EQUITY AND LLABILITIES     117,038     93,370       EQUITY AND LLABILITIES     29,132     24,812       Paried report table to equity holders of the Company     Stare Capital     29,132     24,812       Non Current Liabilities     2,971     3,877     3,877       Borrend revenue     2,971     3,877     3,877       Borrend rus labilities     3,2,663     14,368     121       Defered revenue     3,2,563     14,368     11,036     121       Other pay	Current Assets		
Other receivables, deposits and prepayments     4.032     4.236       Fixed deposit with a license bank     5.796     -       Cash and bank balances     3.504     8.277       Action and bank balances     3.504     8.277       TOTAL ASSETS     117.038     93.370       EQUITY AND LIABILITIES     29.132     24.812       Reserves     25.381     20.766       Total Equity     54.513     45.578       Non Current Liabilities     2.971     3.877       Deferred revenue     2.971     3.877       Borrowings     0.68     6.990       Deferred revenue     2.971     3.871       Borrowings     2.093     4.83       Other payables     68     6.990       Deferred revenue     2.971     3.871       Deferred revenue     5.615     11.036       Current Liabilities     32.2663     14.368       Deferred revenue     5.913     6.186       Borrowings     5.801     3.815       Current Liabilities     5.901     5.801 <t< td=""><td></td><td>12,750</td><td>15,436</td></t<>		12,750	15,436
Fixed deposit with a license bank   5,796   -     Cash and bank balances   3,504   8,277     Cash and bank balances   3,504   8,277     TOTAL ASSETS   117,038   93,370     EQUITY AND LIABILITIES   29,132   24,812     Equity attributable to equity holders of the Company   53,873   20,132   24,812     Share Capital   29,132   24,813   45,578     Total Equity   54,513   45,578     Non Current Liabilities   2,093   48     Oher payables   68   6,900     Defered revenue   2,093   48     Other payables and accruals   22,363   14,368     Other payables and accruals   2,306   11,036     Defered revenue   5,913   6,186     Borrowings   3,207   439     Other payables and accruals   2,306   11,948     Defered revenue   5,913   6,186     Borrowings   5,801   3,815     Current Liabilities   3,22,65   14,368     Other payables and accruals   2,2306   11,948     Defered re	Trade receivables	50,568	25,424
Cash and bank balances     3.504 76.650     8.277 53.373       TOTAL ASSETS     117.038     93.370       EQUITY AND LIABILITIES     29.132     24.812       Reserves     25.381     20.766       Total Equity     54.513     45.578       Non Current Liabilities     2.971     3.877       Borrowings     2.903     48       Other payables     68     6.990       Deferred revenue     2.971     3.877       Borrowings     63     6.990       Deferred revenue     2.971     3.877       Borrowings     63     6.990       Deferred revenue     3.2563     11.036       Current Liabilities     32.563     14.368       Other payables     3.913     6.186       Other payables     3.2563     14.368       Deferred revenue     5.913     6.186       Borrowings     5.801     3.815       Current Liabilities     3.27     439       Deferred revenue     5.910     3.6.756       Total Liabilities     62.525			4,236
TOTAL ASSETS     76,650     53,373       EQUITY AND LIABILITIES Equity attributable to equity holders of the Company Share Capital Reserves     29,132     24,812       Reserves     25,381     20,766       Total Equity     54,513     45,578       Non Current Liabilities     2,971     3,877       Deferred revenue     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deferred tux labilities     111,036     121       Trade payables     32,563     14,368       Other payables and accuals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     3,801     3,815       Current Liabilities     32,763     14,368       Other payables and accuals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     3,201     3,815       Current tus liabilities     32,2563     14,368       Trade payables and accuals     5,913     6,186       Borrowings     5,8			
TOTAL ASSETS117.03893.370EQUITY AND LIABILITIESEquity attributable to equity holders of the Company Share Capital Reserves29.132 (25.381) (25.381) (25.381) (25.381)24.812 (25.381) (25.381) (25.381) (25.381)Non Current Liabilities Deferred revenue Borrowings Other payables Deferred tax laibility29.132 (2.971) (3.877) (3.877)Current Liabilities Trade payables Other payables Deferred revenue Borrowings2.971 (3.877) (3.877)Current Liabilities Trade payables Other payables Other payables Other payables 	Cash and bank balances		
EQUITY AND LIABILITIESEquity attributable to equity holders of the Company Share Capital29,13224,812Reserves25,38120,766Total Equity54,51345,578Non Current Liabilities2,9713,877Borrowings2,09348Other payables686,590Deferred revenue2,97111,036Current Liabilities2,09348Other payables686,590Deferred tax laibilities32,56314,368Other payables12,30611,948Other payables and accruals12,30611,948Deferred revenue5,9136,186Borrowings3,277439Current tax liabilities62,52547,792Total Liabilities62,52547,792TOTAL EQUITY AND LIABILITIES117,03893,370		76,650	53,373
Equity attributable to equity holders of the Company     29,132     24,812       Share Capital     25,381     20,766       Total Equity     54,513     45,578       Non Current Liabilities     2,971     3,877       Deferred revenue     2,973     48       Other payables     68     6,990       Deferred tax laibility     483     121       Trade payables     68     6,990       Deferred tax laibilities     32,563     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current Liabilities     327     439       Deferred revenue     5,910     36,756       Total Liabilities     62,525     47,792       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	TOTAL ASSETS	117,038	93,370
Equity attributable to equity holders of the Company     29,132     24,812       Share Capital     25,381     20,766       Total Equity     54,513     45,578       Non Current Liabilities     2,971     3,877       Deferred revenue     2,973     48       Other payables     68     6,990       Deferred tax laibility     483     121       Trade payables     68     6,990       Deferred tax laibilities     32,563     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current Liabilities     327     439       Deferred revenue     5,910     36,756       Total Liabilities     62,525     47,792       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	EQUITY AND LIABILITIES		
Reserves     25,381     20,766       Total Equity     54,513     45,578       Non Current Liabilities     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deferred tax labilities     32,563     11,036       Current Liabilities     32,563     14,368       Trade payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     32,263     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     3,815     3,815       Current tax liabilities     327     439       Total Liabilities     327     439       Steppid     56,910     36,756       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370			
Total Equity     54,513     45,578       Non Current Liabilities     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deferred tax laibility     483     121       Statistics     11,036     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     3227     439       Total Liabilities     327     439       Total Liabilities     327     439       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Share Capital	29,132	24,812
Non Current Liabilities     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deferred tax laibility     483     121       Current Liabilities     5,615     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     3277     439       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Reserves	25,381	20,766
Deferred revenue     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deferred tax laibility     483     121       Science     5,615     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     327     439       Science     56,910     36,756       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Total Equity	54,513	45,578
Deferred revenue     2,971     3,877       Borrowings     2,093     48       Other payables     68     6,990       Deferred tax laibility     483     121       Science     5,615     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     327     439       Science     56,910     36,756       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Non-Comment Lightities		
Borrowings     2,093     48       Other payables     68     6,990       Deferred tax laibility     483     121        5,615     11,036       Current Liabilities     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     327     439       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370		2 071	3 877
Other payables   68   6,990     Deferred tax laibility   483   121     5,615   11,036     Current Liabilities     Trade payables   32,563   14,368     Other payables and accruals   12,306   11,948     Deferred revenue   5,913   6,186     Borrowings   5,801   3,815     Current tax liabilities   327   439     56,910   36,756   117,038     Total Liabilities   62,525   47,792     TOTAL EQUITY AND LIABILITIES   117,038   93,370			,
Deferred tax laibility   483   121     5,615   11,036     Current Liabilities   32,563   14,368     Other payables and accruals   12,306   11,948     Deferred revenue   5,913   6,186     Borrowings   5,801   3,815     Current tax liabilities   327   439     56,910   36,756   56,910     Total Liabilities   62,525   47,792     TOTAL EQUITY AND LIABILITIES   117,038   93,370			
Current Liabilities     11,036       Trade payables     32,563     14,368       Other payables and accruals     12,306     11,948       Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     327     439       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370			
Trade payables   32,563   14,368     Other payables and accruals   12,306   11,948     Deferred revenue   5,913   6,186     Borrowings   5,801   3,815     Current tax liabilities   327   439     Total Liabilities   62,525   47,792     TOTAL EQUITY AND LIABILITIES   117,038   93,370			
Other payables and accruals   12,306   11,948     Deferred revenue   5,913   6,186     Borrowings   5,801   3,815     Current tax liabilities   327   439     56,910   36,756   36,756     Total Liabilities   62,525   47,792     TOTAL EQUITY AND LIABILITIES   117,038   93,370	Current Liabilities		
Deferred revenue     5,913     6,186       Borrowings     5,801     3,815       Current tax liabilities     327     439       56,910     36,756       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Trade payables	32,563	14,368
Borrowings     5,801     3,815       Current tax liabilities     327     439       56,910     36,756       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Other payables and accruals	12,306	11,948
Current tax liabilities 327 439   56,910 36,756   Total Liabilities 62,525 47,792   TOTAL EQUITY AND LIABILITIES 117,038 93,370			,
56,910     36,756       Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370			
Total Liabilities     62,525     47,792       TOTAL EQUITY AND LIABILITIES     117,038     93,370	Current tax liabilities		
TOTAL EQUITY AND LIABILITIES   117,038   93,370		56,910	36,756
	Total Liabilities	62,525	47,792
Net assets per share (RM)     0.21     0.19	TOTAL EQUITY AND LIABILITIES	117,038	93,370
Net assets per share (RM)     0.21     0.19			
	Net assets per share (RM)	0.21	0.19

### 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 2016 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 2017

	Non-Distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Merger Reserve RM'000	Retained earnings RM'000	Total Equity RM'000
<b>2017</b> At 1 January 2017	24,812	10,494	6,327	(17,406)	21,351	45,578
Foreign exchange translation Profit for the financial period	-	-	(1,505)	-	6,120	(1,505) 6,120
Total comprehensive income for the financial period	-	-	(1,505)	-	6,120	4,615
Transaction with owners						
Issuance of share capital	4,320		-	-	-	4,320
At 30 June 2017	29,132	10,494	4,822	(17,406)	27,471	54,513
<b>2016</b> At 1 January 2016	23,699	9,672	4,502	(17,406)	14,190	34,657
Foreign exchange translation	-	-	(1,434)	-	-	(1,434)
Profit for the financial period	-	-	-	-	3,070	3,070
Total comprehensive income for the financial period	-	-	(1,434)	-	3,070	1,636
At 30 June 2016	23,699	9,672	3,068	(17,406)	17,260	36,293

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 2016 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 2017

	UNAUDITED CURRENT YEAR TO DATE ENDED 30-Jun-2017	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 31-Dec-2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax expense	6,553	7,547
Adjustments for:		
Allowance for obsolete inventories write back Amortisation of development cost	- 25	(1,993) 36
Depreciation of property, plant and equipment	2,458	3,852
Loss/(Gain) on disposal of property, plant and equipment	5	(9)
Share of results of an associated company	-	(561)
Impairment of trade receivables	-	267
Inventories written off Property, plant and equipment written off	- 16	146 40
Unrealised (gain)/loss on foreign exchange differences	1,130	(1,082)
Interest income	(15)	(12)
Interest expenses	178	167
Operating profit before working capital changes	10,350	8,398
Inventories	2,058	16,900
Receivables	(26,538)	4,355
Payables	17,568	(27,479)
Associates	-	1,833
Deferred revenue	(761)	298
Cash generated from operations	2,677	4,305
Interest received	15	12
Tax paid	(169)	(160)
Net cash generated from operating activities	2,523	4,157
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,443)	(1,445)
Proceeds from disposal of property, plant and equipment	-	75
Acquisition of subsidiary	-	(1,543)
Development cost incurred	(406)	(810)
Net cash used in investing activities	(4,849)	(3,723)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transaction aget for insurance of oberg against		(225)
Transaction cost for issuance of share capital Interest expenses paid	(178)	(223)
Net drawdown/(Repayment) of borrowings	4,238	(1,803)
Net cash generated from/(used in) financing activities	4,060	(2,195)
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,734	(1,761)
Foreign exchange fluctuation reserve	(711)	(430)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	8,277	10,468
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	9,300	8,277
Cash and cash equivalents at the end of the financial year comprises of:-		
Fixed deposit with a licensed bank Cash and bank balances	5,796 3 504	- 8,277
Cash and Jalik Dalahtes	3,504	8,277
	9,300	8,277

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 2016 and the accompanying explanary notes attached to this interim financial report.



# 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 2016. 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 2016.

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

### A2. Changes in accounting policies

The accounting policies and method of computation adopted by the Group in these unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2016 except for the new and revised Malaysian Financial Reporting Standards ("MFRS"), IC Interpretations ("IC Int") and amendment to MFRS that have been published by MASB but are not effective and have not been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning/or after the effective date of pronouncement. Information on new standards, amendments and interpretations that are expected to have an impact on the Group's financial statements is provided below, if any. Certain other new standards and interpretations have been issued but are not expected to have material impact on the financial statements.

The initial application of the standards, amendments and interpretations are not expected to have any financial impact to the financial statements, except for additional disclosures on the financial statements.

### 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

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



### A7. Dividends paid

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

### A8. Segmental information

### (a) Analysis of revenue by geographical area

	Current Quarter Ended 30/6/2017 RM'000	Preceding Corresponding Quarter Ended 30/6/2016 RM'000	Current Year To Date Ended 30/6/2017 RM'000	Preceding Corresponding Year To Date Ended 30/6/2016 RM'000
Singapore	34,131	9,299	46,774	18,992
SEA (1)	4,319	4,180	10,710	6,309
India	6,161	18	8,146	36
Others	3,732	1,281	7,898	3,580
Total revenue	48,343	14,778	73,528	28,917
Add: Inter-company transactions	3,955	821	6,475	1,620
Total revenue before eliminating inter company transaction	52,298	15,599	80,003	30,537

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

### (b) Analysis of revenue by product categories

	Preceding		Preceding
Current	Corresponding	Current	Corresponding
Quarter	Quarter	Year	Year
Ended	Ended	To Date Ended	To Date Ended
30/6/2017	30/6/2016	30/6/2017	30/6/2016
RM'000	RM'000	RM'000	RM'000
47,087	13,640	70,841	27,516
1,256	1,138	2,687	1,401
48,343	14,778	73,528	28,917
3,955	821	6,475	1,620
52,298	15,599	80,003	30,537
	Quarter Ended 30/6/2017 RM'000 47,087 1,256 48,343 3,955	Current     Corresponding       Quarter     Quarter       Ended     Ended       30/6/2017     30/6/2016       RM'000     RM'000       47,087     13,640       1,256     1,138       48,343     14,778       3,955     821	Current     Corresponding     Current       Quarter     Quarter     Year       Ended     Ended     To Date Ended       30/6/2017     30/6/2016     30/6/2017       RM'000     RM'000     RM'000       47,087     13,640     70,841       1,256     1,138     2,687       48,343     14,778     73,528       3,955     821     6,475



### A8. Segmental information (cont'd)

(c) Analysis of segment results, assets and liabilities

	EDM infrastructure technology	EDM managed services	Investment holdings	Others	Elimination/ Adjustment	Total
30.06.2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results		12.1 000		1111 000		
Segment results	6,688	911	(1,106)	229	9	6,731
Interest expenses	(140)	(38)	-	-	-	(178)
Profit/(Loss) before tax expense	6,548	873	(1,106)	229	9	6,553
Tax (expense)/income	(146)	(287)	-	-	-	(433)
Profit/(Loss) after tax expense	6,402	586	(1,106)	229	9	6,120
Segment assets	85,656	9,265	59,758	4,109	(41,750)	117,038
Segment liabilities	75,290	7,240	328	556	(20,889)	62,525
30.06.2016 Results						
Segment results	3,623	126	(1,078)	243	-	2,914
Shares of results of associated						
company	382	-	-	-	-	382
Interest expenses	(39)	(44)	-	-	-	(83)
Profit/(Loss) before tax expense	3,966	82	(1,078)	243	-	3,213
Tax income/(expense)	(168)	25				(143)
Profit/(Loss) after tax expense	3,798	107	(1,078)	243	-	3,070
Investment in associated						
company	798	-	-	-	367	1,165
Other segment assets	53,453	7,869	27,840	4,997	(29,643)	64,516
Segment assets	54,251	7,869	27,840	4,997	(29,276)	65,681
Segment liabilities	31,597	6,810	-	2,860	(11,879)	29,388

### 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 materials 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.



### KRONOLOGI ASIA BERHAD (Company no. 1067697-K) QUARTERLY REPORT ON CONSOLIDATED RESULTS

### For The Second (2nd) Quarter Ended 30 June 2017

### 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.

### A13. Capital commitments

RM

Purchase consideration for the QSI Acquisition

6,920,000

### 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 current six (6)-month financial period ended 30 June 2017, the Group's revenue rose 154.27% or RM44.611 million to RM73.528 million compared to RM28.917 million in the preceding equivalent financial period. By geography, South East Asia countries (including Singapore) recorded higher revenue of RM57.484 million compared to RM25.301 million for the preceding equivalent financial period. Majority of the Group's revenue was derived from Singapore, amounting to RM46.774 million (63.61% of total revenue), followed by other SEA countries (excluding Singapore) which recorded RM10.710 million (14.57%) while India generated RM8.146 million (11.08%), in revenue. The Group completed the acquisition of QSI in October 2016.

By product category, the Enterprise Data Management ("EDM") infrastructure technology segment continued to dominate the Group's revenue, amounting to RM70.841 million or 96.35% of total revenue, with Managed Services making up the balance.

The Group recorded a profit after tax expense of RM6.120 million for the current six (6)-month financial period ended 30 June 2017, compared to RM3.070 million in the preceding equivalent financial period. The higher profit achieved was attributable to a 154.27% increase in revenue.

### B2. Comparison with preceding quarter's results

	3 month	3 months ended		
	30/6/2017 RM'000	31/3/2017 RM'000		
Revenue	48,343	25,185		
Profit from operations	5,042	1,689		
Profit before tax expense	4,918	1,635		
Profit for the period	4,076	2,044		

Revenue in the current quarter ended 30 June 2017 of RM48.343 million is 91.95% or RM23.158 million higher than the previous quarter. The Group recorded a higher profit from operations of RM5.042 million as compared with previous quarter of RM1.689 million, in line with the increase in revenue.



### **B3.** Prospects

Demand for data backup is being driven by the proliferation of data such as emails, staff and business records, legal documents and more. Compliance with tighter regulations and business continuity requirements have led to the need for companies to safeguard their data more than ever before. As recent events have demonstrated, a safeguard against ransomware is also critical for business continuity.

Beyond the continuous efforts to build on the EDM business to meet the above demands, the Group is preparing to roll out its Transnational (cross border) backup solutions targeted for Singapore, Malaysia and Hong Kong. As announced in June 2017, Kronologi has entered into a strategic collaboration with Singapore Technologies Electronics Limited ("ST Electronics") to expand in Hong Kong. This will be the second physical point of presence after Singapore for Kronologi, which is catering to the growing demand in Asia for data storage and protection solutions.

The Group has also announced the approved Private Placement of new shares to enable the Group to raise additional funds expeditiously to meet the investment needs for the Transnational data backup solution roll-out, as well as buffer the Group for any potential business expansion opportunities.

In view of the strong 1HFY2017 performance and barring unforeseen circumstances, the Group expects the financial performance of the financial year ending 31 December 2017 ("FY2017") to be better than that of FY2016.

### B4. Tax (expense)/income

	Current Quarter Ended 30/6/2017 RM'000	Preceding Corresponding Quarter Ended 30/6/2016 RM'000	Current Year To Date Ended 30/6/2017 RM'000	Preceding Corresponding Year To Date Ended 30/6/2016 RM'000
Current tax - current year Deferred taxation - current provision	(30) (812)	- 106	(76) (357)	(143)
	(842)	106	(433)	(143)

The Group's effective tax rate is lower than the statutory tax rate due to utilisation of unutilised capital allowance and Productivity and Innovation Credit ("PIC") scheme in our Singapore subsidiaries. Further, these subsidiaries enjoy lower tax rate than Malaysia.

### **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

### Initial Public Offering

The Company's entire enlarged issued and paid-up share capital of RM23,698,800 comprising 236,988,000 Kronologi Shares was listed and quoted on the ACE Market of Bursa Securities on 15 December 2014.



### B6. Status of corporate proposals (cont'd)

The gross proceeds from the Public Issue amounted to RM17.182 million and the status of the utilisation of the proceeds raised as at 30 June 2017 is 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)	Business expansion	6,000	-	(6,000)#	-	-
2)	Part-funding for the cash					-
	consideration#	-	6,000	6,000	-	
3)	Research and	3,500	2,479	-	1,021	Within 36 months
	development expenditure					
4)	Working capital	4,482	4,482	168	-	Within 36 months
5)	Estimated listing expenses	3,200	3,032	(168)*	-	
	Total gross proceeds	17,182	15,993	-	1,021	

# As disclosed in the Company's announcements dated 22 July 2016, 29 July 2016 and 2 September 2016, the proceeds allocated for business expansion had been varied to fund part of the cash consideration for the QSI Acquisition. The QSI Acquisition had been completed on 4 October 2016.

\*In view of the actual listing expenses being lower than estimated, the excess will be utilised for working capital purposes.

### Private placement

On behalf of the Company's Board of Directors, TA Securities Holdings Berhad had on 29 May 2017 announced that the Company proposed 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 31 May 2017 approved the listing of and quotation for up to 27,037,000 new ordinary shares in the Company to be issued pursuant to the said private placement.

The Company has not placed out any new ordinary shares as of the date of this announcement.

### **B7.** Borrowings and debt securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
2017			
Finance lease liabilities	1,249	2,093	3,342
Bill payable	4,552		4,552
	5,801	2,093	7,894
2016			
Finance lease liabilities	975	135	1,110
Bill payable	1,628	-	1,628
	2,603	135	2,738

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.



## KRONOLOGI ASIA BERHAD (Company no. 1067697-K) QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second (2nd) Quarter Ended 30 June 2017

### B8. Material litigation

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

### **B9.** Dividends

.

The Board 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
		Preceding		Preceding
	Current	Corresponding	Current	Corresponding
	Quarter Ended 30/6/2017	Quarter Ended 30/6/2016	Year To Date Ended 30/6/2017	Year To Date Ended 30/6/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	4,076	1,696	6,120	3,070
Weighted average number of ordinary shares in issue ('000)	264,885	236,988	264,885	236,988
Basic earnings per share ("EPS") (sen)	1.54	0.72	2.31	1.30

The diluted EPS has been calculated by dividing the Group's profit for the current quarter and financial period ended 30 June 2017 attributable to equity holders of the Company by the weighted average number of shares that would have been in issue upon the fulfillment of the condition precedent by Quantum Storage (India) Limited in regards to the profit guarantee as stated in the circular dated 2 September 2016. The calculation is as follows:

	Individual Quarter		<b>Cumulative Quarter</b>	
		Preceding		Preceding
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Year	Year
	Ended	Ended	To Date Ended	To Date Ended
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	4,076	1,696	6,120	3,070
Weighted average number of ordinary shares in issue as per Basic EPS ('000) Effect on issuance of share capital on QSI	264,885	236,988	264,885	236,988
Acquisition	10,257	-	10,257	-
Weighted average number of ordinary shares in issue ('000)	275,142	236,988	275,142	236,988
Diluted EPS (sen)	1.48	0.72	2.22	1.30



## KRONOLOGI ASIA BERHAD (Company no. 1067697-K) QUARTERLY REPORT ON CONSOLIDATED RESULTS

## For The Second (2nd) Quarter Ended 30 June 2017

### 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 30/6/2017 RM'000	Preceding Corresponding Quarter Ended 30/6/2016 RM'000	Current Year To Date Ended 30/6/2017 RM'000	Preceding Corresponding Year To Date Ended 30/6/2016 RM'000
Allowance for obsolete inventories write back	-	16	-	(1,948)
Amortisation of development cost	13	-	25	-
Depreciation on property, plant and equipment	1,275	913	2,458	1,823
Realised foreign currency exchange (gain)/loss	(195)	(67)	(81)	(96)
Unrealised foreign exchange currency (gain)/loss	716	(169)	1,130	200
Property, plant and equipment written off	16	-	16	-
Loss/(Gain) on disposal of property, plant and equipment	5	(4)	5	(4)
Rental of premises	659	470	1,216	933
Rental of office equipment	4	4	9	9
Interest income	(13)	(2)	(15)	(4)
Finance costs	124	33	178	83

### B12. **Disclosure of Realised and Unrealised Profits**

	As at 30/6/2017 RM'000
Realised	27,931
Unrealised	(1,546)
	26,385
Add: Consolidation adjustment	1,086
Retained Earnings	27,471

### B13. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 July 2017.

# Kronologi Asia Berhad

28 July 2017