



**KRONOLOGI ASIA BERHAD (Company no. 1067697-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2016**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-Mar-2016	PRECEDING CORRESPONDING QUARTER ENDED 31-Mar-2015	CURRENT YEAR TO DATE ENDED 31-Mar-2016	PRECEDING CORRESPONDING YEAR TO DATE ENDED 31-Mar-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	14,139	11,476	14,139	11,476
Cost of sales	(9,198)	(8,985)	(9,198)	(8,985)
Gross profit	4,941	2,491	4,941	2,491
Other operating income	157	323	157	323
Selling and distribution expenses	(1,561)	(1,843)	(1,561)	(1,843)
Administrative expenses	(2,095)	(2,004)	(2,095)	(2,004)
Share of results of an associated company	231	-	231	-
Profit/(Loss) from operations	1,673	(1,033)	1,673	(1,033)
Interest expenses	(50)	(53)	(50)	(53)
Profit/(Loss) before tax expense	1,623	(1,086)	1,623	(1,086)
Tax expense	(249)	(62)	(249)	(62)
Profit/(Loss) for the period	1,374	(1,148)	1,374	(1,148)
Other comprehensive (loss)/income				
- Foreign exchange translation from foreign operations	(2,142)	851	(2,142)	851
Total comprehensive loss	<u>(768)</u>	<u>(297)</u>	<u>(768)</u>	<u>(297)</u>
Profit/(Loss) attributable to :				
Equity holders of the company	1,374	(1,148)	1,374	(1,148)
Minority shareholders	-	-	-	-
	<u>1,374</u>	<u>(1,148)</u>	<u>1,374</u>	<u>(1,148)</u>
Total comprehensive loss :				
Equity holders of the company	(768)	(297)	(768)	(297)
Minority shareholders	-	-	-	-
	<u>(768)</u>	<u>(297)</u>	<u>(768)</u>	<u>(297)</u>
Weighted average no. of ordinary shares ('000)	236,988	236,988	236,988	236,988
Earnings per share (EPS) attributable to the equity holders of the Company (sen)	<u>0.58</u>	<u>(0.48)</u>	<u>0.58</u>	<u>(0.48)</u>

**Notes:-**

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 2015 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2016**

	As At 31-Mar-2016	As At 31-Dec-2015
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	9,030	10,460
Investment in an associated company	976	855
Development costs	2,706	2,513
Other receivables	601	730
Deferred tax assets	-	215
	<u>13,313</u>	<u>14,773</u>
<b>Current Assets</b>		
Inventories	17,350	23,881
Trade receivables	12,632	17,831
Other receivables, deposits and prepayments	2,079	1,844
Amount due from an associate	1,459	1,833
Current tax assets	47	-
Cash and bank balances	13,905	10,468
	<u>47,472</u>	<u>55,857</u>
<b>TOTAL ASSETS</b>	<u>60,785</u>	<u>70,630</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	23,699	23,699
Reserves	10,190	10,958
<b>Total Equity</b>	<u>33,889</u>	<u>34,657</u>
<b>Non Current Liabilities</b>		
Deferred revenue	1,090	1,074
Borrowings	255	530
Deferred tax liability	139	103
	<u>1,484</u>	<u>1,707</u>
<b>Current Liabilities</b>		
Trade payables	15,578	19,989
Other payables and accruals	2,742	4,355
Deferred revenue	4,369	4,804
Amount due to an associate	407	-
Borrowings	2,316	5,022
Current tax liabilities	-	96
	<u>25,412</u>	<u>34,266</u>
<b>Total Liabilities</b>	<u>26,896</u>	<u>35,973</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>60,785</u>	<u>70,630</u>
Net assets per share (RM)	<u>0.14</u>	<u>0.15</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 2015 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2016**

	← Non-Distributable →				Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Merger Reserve RM'000	Retained earnings RM'000	
<b>2016</b>						
At 1 January 2016	23,699	9,672	4,502	(17,406)	14,190	34,657
Foreign exchange translation	-	-	(2,142)	-	-	(2,142)
Profit for the financial period	-	-	-	-	1,374	1,374
Total comprehensive income for the financial period	-	-	(2,142)	-	1,374	(768)
<b>At 31 March 2016</b>	<u>23,699</u>	<u>9,672</u>	<u>2,360</u>	<u>(17,406)</u>	<u>15,564</u>	<u>33,889</u>
<b>2015</b>						
At 1 January 2015	23,699	9,672	878	(17,406)	11,140	27,983
Foreign exchange translation	-	-	851	-	-	851
Loss for the financial period	-	-	-	-	(1,148)	(1,148)
Total comprehensive income for the financial period	-	-	851	-	(1,148)	(297)
<b>At 31 March 2015</b>	<u>23,699</u>	<u>9,672</u>	<u>1,729</u>	<u>(17,406)</u>	<u>9,992</u>	<u>27,686</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 2015 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2016**

	<b>UNAUDITED CURRENT YEAR TO DATE ENDED 31-Mar-2016</b>	<b>UNAUDITED AS AT PRECEDING FINANCIAL PERIOD ENDED 31-Mar-2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax expense	1,623	(1,086)
Adjustments for:		
Depreciation of property, plant and equipment	910	702
Unrealised loss on foreign exchange differences	369	249
Allowance of obsolete inventories write back	(1,964)	(603)
Share of results of an associated company	(231)	-
Interest income	(2)	-
Interest expenses	50	53
Operating profit/(loss) before working capital changes	755	(685)
Inventories	6,418	1,376
Receivables	3,449	299
Payables	(3,927)	(295)
Associates	570	(2,497)
Deferred revenue	150	2,072
Cash generated from operations	7,415	270
Interest income received	2	-
Tax paid	(136)	-
<b>Net cash generated from operating activities</b>	<b>7,281</b>	<b>270</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(192)	(85)
Development cost incurred	(193)	(368)
<b>Net cash used in investing activities</b>	<b>(385)</b>	<b>(453)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest expenses paid	(50)	(53)
Repayment of borrowings	(2,651)	(428)
<b>Net cash used in financing activities</b>	<b>(2,701)</b>	<b>(481)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,195</b>	<b>(664)</b>
Foreign exchange fluctuation reserve	(758)	237
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>10,468</b>	<b>18,347</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>13,905</b>	<b>17,920</b>
<b><u>Cash and cash equivalents at the end of the financial period comprises of:-</u></b>		
Short Term Deposit	-	10,000
Cash and bank balances	13,905	7,920
	<b>13,905</b>	<b>17,920</b>

**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 2015 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 First (1st) Quarter Ended 31 March 2016**

**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 Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015. 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 2015.

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 period ended 31 December 2015 except for the adoption of 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 in 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.



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**A8. Segmental information**

(a) Analysis of revenue by geographical area

	<b>Current Quarter Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/3/2015 RM'000</b>	<b>Current Year To Date Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/3/2015 RM'000</b>
Singapore	10,160	7,589	10,160	7,589
Malaysia	631	1,150	631	1,150
Philippines	575	1,974	575	1,974
Thailand	1,095	185	1,095	185
Others	2,477	1,437	2,477	1,437
	14,938	12,335	14,938	12,335
Less: Inter-company transactions	(799)	(859)	(799)	(859)
	14,139	11,476	14,139	11,476
<b>Total revenue</b>	<b>14,139</b>	<b>11,476</b>	<b>14,139</b>	<b>11,476</b>

(b) Analysis of revenue by product categories

	<b>Current Quarter Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/3/2015 RM'000</b>	<b>Current Year To Date Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/3/2015 RM'000</b>
EDM infrastructure technology	13,876	11,015	13,876	11,015
EDM managed services	730	890	730	890
Others	332	430	332	430
	14,938	12,335	14,938	12,335
Less: Inter-company Transactions	(799)	(859)	(799)	(859)
	14,139	11,476	14,139	11,476
<b>Total revenue</b>	<b>14,139</b>	<b>11,476</b>	<b>14,139</b>	<b>11,476</b>



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**A8. Segmental information (Cont'd)**

(c) Analysis of segment results, assets and liabilities

	<b>EDM infrastructure technology RM'000</b>	<b>EDM managed services RM'000</b>	<b>Investment holdings RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>2016 Results</b>						
Segment results	2,267	(157)	(678)	10	-	1,442
Shares of results of associated company	231	-	-	-	-	231
Interest expenses	(26)	(24)	-	-	-	(50)
Profit/(Loss) before tax expense	2,472	(181)	(678)	10	-	1,623
Tax income/(expense)	(296)	47	-	-	-	(249)
Profit/(Loss) after tax expense	2,176	(134)	(678)	10	-	1,374
Investment in associated company	976	-	-	-	-	976
Other segment assets	48,027	7,510	28,168	4,528	(28,424)	59,809
<b>Segment assets</b>	<b>49,003</b>	<b>7,510</b>	<b>28,168</b>	<b>4,528</b>	<b>(28,424)</b>	<b>60,785</b>
<b>Segment liabilities</b>	<b>28,284</b>	<b>6,721</b>	<b>-</b>	<b>2,550</b>	<b>(10,659)</b>	<b>26,896</b>
<b>2015 Results</b>						
Segment results	(685)	(122)	(247)	21	-	(1,033)
Interest expenses	(8)	-	(45)	-	-	(53)
Profit/(Loss) before tax expense	(693)	(122)	(292)	21	-	(1,086)
Tax expense	(62)	-	-	-	-	(62)
Profit/(Loss) after tax expense	(755)	(122)	(292)	21	-	(1,148)
<b>Segment assets</b>	<b>35,278</b>	<b>9,038</b>	<b>37,377</b>	<b>4,035</b>	<b>(35,862)</b>	<b>49,866</b>
<b>Segment liabilities</b>	<b>20,582</b>	<b>8,950</b>	<b>6,064</b>	<b>4,682</b>	<b>(18,098)</b>	<b>22,180</b>

**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 composition of the Group in the current financial quarter under review.



**KRONOLOGI ASIA BERHAD (Company no. 1067697-K)**  
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**A12. Contingent assets or liabilities**

The Directors are of the opinion that the Group has no 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**

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter under review.

**A14. Significant related party transactions**

During the current financial quarter, the Directors are of the opinion that the Group has no 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 three (3)-month financial period ended 31 March 2016, the Group recorded revenue of RM14.139 million as compared with RM11.476 million achieved during the preceding equivalent financial period. A majority of the Group's revenue was derived from Singapore amounting to RM10.160 million (68.01% of total revenue before inter-company transactions), followed by Thailand and Malaysia, which recorded RM1.095 million (7.33%) and RM0.631 million (4.22%) respectively. Revenue contribution from the EDM infrastructure technology segment continued to dominate the Group's revenue amounting to RM13.876 million or 92.89% of total revenue.

The Group recorded a profit before tax expense of RM1.623 million for the current three (3)-month financial period ended 31 March 2016 as compared to a loss before tax expense of RM1.086 million in the preceding equivalent financial period. The profit achieved was attributable to implementation of mainly higher margin projects and also reduction in selling and distribution costs during the period.

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

	3 month ended	
	31/3/2016	31/12/2015
	RM'000	RM'000
Revenue	14,139	25,106
Profit from operations	1,673	4,826
Profit before tax expense	1,623	4,749
Profit for the period	1,374	3,739

Revenue in the current quarter ended 31 March 2016 of RM14.139 million was 43.68% or RM10.967 million lower as compared with the previous quarter. The higher revenue recorded in the previous quarter ended 31 December 2015 was attributed to several key projects carried over from earlier quarters and completed in that quarter.

As a result of the decrease in sales and no material changes to the operating expenses in the last two (2) quarters, the Group registered lower profit before tax expense of RM1.623 million in the current reporting quarter as compared to a profit before tax of RM4.749 million in the previous quarter.





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**B3. Prospects**

Regional and global economic environment for EDM infrastructure technology and EDM managed services will continue to be challenging especially in Singapore and ASEAN countries where the Group derives a major portion of its revenue.

The management will constantly review its business strategies to adapt to the different environment, and in tackling these challenges.

**B4. Tax expense**

	<b>Current Quarter Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/3/2015 RM'000</b>	<b>Current Year To Date Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/3/2015 RM'000</b>
Deferred tax				
- current provision	249	62	249	62
	<hr/> 249	<hr/> 62	<hr/> 249	<hr/> 62

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**

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.

The gross proceeds from the Public Issue amounted to RM17.182 million and the status of the utilisation of the proceeds raised as at 31 March 2016 is as follows:-

<b>Detail of utilisation</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Deviations RM'000</b>	<b>Balance RM'000</b>	<b>Time frame for utilisation</b>
1) Business expansion	6,000	-	-	6,000	Within 36 months
2) Research and development expenditure	3,500	1,266	-	2,234	Within 36 months
3) Working capital	4,482	3,579	168	1,071	Within 36 months
4) Estimated listing expenses	3,200	3,032	(168)*	-	Within 3 months
Total gross proceeds	<hr/> 17,182	<hr/> 7,877	<hr/> -	<hr/> 9,305	

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



**KRONOLOGI ASIA BERHAD (Company no. 1067697-K)**  
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**B7. Borrowings and debt securities**

The total borrowings of the Group as at 31 March 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<b>Secured</b>			
<b>2016</b>			
Finance lease liabilities	1,131	255	1,386
Bill payable	1,185	-	1,185
	2,316	255	2,571
<b>2015</b>			
Finance lease liabilities	1,494	1,294	2,788

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 does not recommend 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 31/3/2016	Preceding Corresponding Quarter Ended 31/3/2015	Current Year To Date Ended 31/3/2016	Preceding Year To Date Ended 31/3/2015
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	1,374	(1,148)	1,374	(1,148)
Weighted average number of ordinary shares in issue ('000)	236,988	236,988	236,988	236,988
Basic earnings/(loss) per share (sen)	0.58	(0.48)	0.58	(0.48)

Diluted earnings per share are not disclosed herein as it is not applicable to the Group.



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

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

	<b>Current Quarter Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/3/2015 RM'000</b>	<b>Current Year To Date Ended 31/3/2016 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/3/2015 RM'000</b>
Allowance for obsolete inventories write back	(1,964)	(603)	(1,964)	(603)
Depreciation on property, plant and equipment	910	702	910	702
Realised foreign currency exchange (gain)/loss	(29)	108	(29)	108
Unrealised foreign exchange currency loss	369	249	369	249
Rental of premises	463	370	463	370
Rental of office equipment	5	-	5	-
Interest income	(2)	-	(2)	-
Finance costs	50	53	50	53

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

	<b>As at 31/3/2016 RM'000</b>
Realised	14,708
Unrealised	625
	<hr/>
	15,333
Less: Consolidation adjustment	231
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Retained Earnings	<u>15,564</u>

**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 25 May 2016

**Kronologi Asia Berhad**  
 25 May 2016