



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 2015**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 30-Jun-2015	PRECEDING CORRESPONDING QUARTER ENDED 30-Jun-2014	CURRENT YEAR TO DATE ENDED 30-Jun-2015	PRECEDING CORRESPONDING YEAR TO DATE ENDED 30-Jun-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	9,374	N/A	20,850	N/A
Cost of sales	(7,492)	N/A	(16,477)	N/A
Gross profit	1,882	N/A	4,373	N/A
Other operating income	167	N/A	490	N/A
Selling and distribution expenses	(1,618)	N/A	(3,461)	N/A
Administrative expenses	(1,292)	N/A	(3,296)	N/A
Loss from operations	(861)	N/A	(1,894)	N/A
Interest expenses	(52)	N/A	(105)	N/A
Loss before tax expense	(913)	N/A	(1,999)	N/A
Tax expense	45	N/A	(17)	N/A
Loss for the period	(868)	N/A	(2,016)	N/A
Other comprehensive income				
- Foreign exchange translation from foreign operations	241	N/A	1,092	N/A
Total comprehensive loss	(627)	N/A	(924)	N/A
Loss attributable to :				
Equity holders of the company	(868)	N/A	(2,016)	N/A
Minority shareholders	-	N/A	-	N/A
	(868)	N/A	(2,016)	N/A
Total comprehensive loss :				
Equity holders of the company	(627)	N/A	(924)	N/A
Minority shareholders	-	N/A	-	N/A
	(627)	N/A	(924)	N/A
Weighted average no. of ordinary shares ('000)	236,988	N/A	236,988	N/A
Earnings per share (EPS) attributable to the equity holders of the Company (sen)	(0.37)	N/A	(0.85)	N/A

Notes:-

N/A = Not applicable

- 1) 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 period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial report.
- 2) This is the first interim financial report for the second (2nd) quarter ended 30 June announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2015**

	As At 30-Jun-2015	As At 31-Dec-2014
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	9,598	9,073
Investment in an associate	-	-
Development costs	2,048	1,369
Other receivables	486	298
Deferred tax assets	1	1
	<u>12,133</u>	<u>10,741</u>
Current Assets		
Inventories	14,135	5,847
Trade receivables	7,096	10,540
Other receivables, deposits and prepayments	2,844	1,622
Amount due from an associate	828	543
Cash and bank balances	12,524	18,347
	<u>37,427</u>	<u>36,899</u>
TOTAL ASSETS	<u>49,560</u>	<u>47,640</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	23,699	23,699
Reserves	3,360	4,284
Total Equity	<u>27,059</u>	<u>27,983</u>
Non Current Liabilities		
Deferred revenue	1,602	974
Borrowings	1,044	1,545
Deferred tax liability	211	180
	<u>2,857</u>	<u>2,699</u>
Current Liabilities		
Trade payables	5,506	5,829
Other payables and accruals	3,486	4,744
Deferred revenue	4,562	4,563
Borrowings	5,948	1,590
Current tax liabilities	142	232
	<u>19,644</u>	<u>16,958</u>
Total Liabilities	<u>22,501</u>	<u>19,657</u>
TOTAL EQUITY AND LIABILITIES	<u>49,560</u>	<u>47,640</u>
 Net assets per share (RM)	 <u>0.11</u>	 <u>0.12</u>

Notes:-

- 1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial report.
- 2) This is the first interim financial report for the second (2nd) quarter ended 30 June announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2015

	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
At 31 December 2014	23,699	9,672	878	(17,406)	11,140	27,983
Foreign exchange translation	-	-	1,092	-	-	1,092
Loss for the financial period	-	-	-	-	(2,016)	(2,016)
Total comprehensive loss for the financial period	-	-	1,092	-	(2,016)	(924)
At 30 June 2015	<u>23,699</u>	<u>9,672</u>	<u>1,970</u>	<u>(17,406)</u>	<u>9,124</u>	<u>27,059</u>

Notes:-

- 1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial report.
- 2) This is the first interim financial report for the second (2nd) quarter ended 30 June announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2015

	UNAUDITED CURRENT YEAR TO DATE ENDED 30-Jun-2015 RM'000	UNAUDITED AS AT PRECEDING FINANCIAL PERIOD ENDED 30-Jun-2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax expense	(1,999)	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,433	N/A
Unrealised loss on foreign exchange differences	(788)	N/A
Allowance of obsolete inventories	310	N/A
Allowance of obsolete inventories write back	(605)	N/A
Interest income	(38)	N/A
Interest expenses	105	N/A
Operating loss before working capital changes	(1,582)	N/A
Inventories	(7,282)	N/A
Receivables	2,867	N/A
Payables	(2,291)	N/A
Associates	(234)	N/A
Deferred revenue	199	N/A
Cash from operations	(8,323)	N/A
Interest received	38	N/A
Tax paid	(102)	N/A
Net cash used in operating activities	(8,387)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,369)	N/A
Development cost incurred	(679)	N/A
Net cash used in investing activities	(2,048)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest expenses paid	(105)	N/A
Drawdown of borrowings	4,390	N/A
Repayment of borrowings	(819)	N/A
Net cash used in financing activities	3,466	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,969)	N/A
Foreign exchange fluctuation reserve	1,146	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	18,347	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	12,524	N/A
<u>Cash and cash equivalents at the end of the financial period comprises of:-</u>		
Cash and bank balances	12,524	N/A
	12,524	N/A

Notes:-

N/A = Not applicable

- 1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial report.
- 2) This is the first interim financial report for the second (2nd) quarter ended 30 June announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the preceding year's corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second (2nd) Quarter Ended 30 June 2015

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").

This is the first interim financial statements on the consolidated results for the second (2nd) quarter ended 30 June announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

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 2014 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. 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.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
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For The Second (2nd) Quarter Ended 30 June 2015

A8. Segmental information

(a) Analysis of revenue by geographical area

	Current Quarter Ended 30/6/2015 RM'000	Preceding Corresponding Quarter Ended 30/6/2014 RM'000	Current Year To Date Ended 30/6/2015 RM'000	Preceding Corresponding Year To Date Ended 30/6/2014 RM'000
Singapore	7,459	N/A	15,048	N/A
Malaysia	457	N/A	1,607	N/A
Philippines	390	N/A	2,364	N/A
Thailand	519	N/A	704	N/A
Others	1,262	N/A	2,699	N/A
	10,087		22,422	
Less: Inter-company transactions	(713)	N/A	(1,572)	N/A
Total revenue	9,374	N/A	20,850	N/A

(b) Analysis of revenue by product categories

	Current Quarter Ended 30/6/2015 RM'000	Preceding Corresponding Quarter Ended 30/6/2014 RM'000	Current Year To Date Ended 30/6/2015 RM'000	Preceding Corresponding Year To Date Ended 30/6/2014 RM'000
EDM infrastructure technology	8,415	N/A	19,430	N/A
EDM managed services	1,397	N/A	2,287	N/A
Investment holding	-	N/A	-	N/A
Others	275	N/A	705	N/A
	10,087		22,422	
Less: Inter-company Transactions	(713)	N/A	(1,572)	N/A
Total revenue	9,374	N/A	20,850	N/A



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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 RM'000	Total RM'000
Results						
Segment results	(1,120)	(404)	(375)	5	-	(1,894)
Interest expenses	(20)	(85)	-	-	-	(105)
Loss before tax expense	(1,140)	(489)	(375)	5	-	(1,999)
Tax expense	(17)	-	-	-	-	(17)
Loss after tax expense	(1,157)	(489)	(375)	5	-	(2,016)
Segment assets	36,186	8,340	30,742	5,081	(30,795)	49,559
Segment liabilities	22,095	8,578	-	4,857	(13,030)	22,500

Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the second (2nd) quarter ended 30 June being announced by the Company in compliance with the ACE Market Listing Requirements.

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.

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.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
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For The Second (2nd) Quarter Ended 30 June 2015

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 2015, the Group recorded revenue of RM20.850 million. Majority of the Group's revenue were derived from Singapore amounting to RM15.048 million (67.11%), followed by Philippines recording RM2.364 million (10.54%). Revenue contribution from EDM infrastructure technology segment continued to dominate the Group's revenue amounting to RM19.430 million or 86.66% of the total revenue.

The Group recorded a loss before tax expense of RM1.999 million for the current six (6)-month financial period ended 30 June 2015. The loss was attributable to the lower sales recorded with higher proportion contributed from sales of consumables products which are traditionally low margin products.

There are no comparative figures for the preceding year corresponding period's results as this is the first interim financial report for the quarter ended 30 June being announced by the Company in compliance with ACE Market Listing Requirements.

B2. Comparison with preceding quarter's results

	3 month ended	
	30/6/2015	31/3/2015
	RM'000	RM'000
Revenue	9,374	11,476
Loss from operations	(861)	(1,033)
Loss before tax expense	(913)	(1,086)
Loss for the period	(868)	(1,148)

Revenue in the current quarter ended 30 June 2015 was 18.32% or RM2.102 million lower as compared with the previous quarter. The decrease was attributable to lower sales in the EDM infrastructure technologies as a result of challenging market conditions especially in Malaysia and other South East Asia countries in which the Group operates in.

Despite the decrease in revenue, the Group recorded a loss before tax expense of RM0.913 million as opposed with a loss before tax of RM1.086 million in the previous quarter. The lower loss was attributable to the cost cutting measures undertaken by the management.

B3. Prospects

The regional and global economic environment continues to be challenging especially in Singapore and Malaysia where the Group derives a significant portion of its revenue. The management will review its operations and business strategies to overcome these challenges.



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B4. Tax expense

	Current Quarter Ended 30/6/2015 RM'000	Preceding Corresponding Quarter Ended 30/6/2014 RM'000	Current Year To Date Ended 30/6/2015 RM'000	Preceding Corresponding Year To Date Ended 30/6/2014 RM'000
Deferred taxation				
- current provision	(45)	N/A	17	N/A

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 30 June 2015 is as follows:-

Detail of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Deviations RM'000	Balance RM'000	Time frame for utilisation
1) Business expansion	6,000	-	-	6,000	Within 36 months
2) Research and development expenditure	3,500	801	-	2,699	Within 36 months
3) Working capital	4,482	2,308	-	2,174	Within 36 months
4) Estimated listing expenses	3,200	3,032	-	168*	Within 3 months
Total gross proceeds	17,182	6,141	-	11,041	

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



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For The Second (2nd) Quarter Ended 30 June 2015

B7. Borrowings and debt securities

The total borrowings of the Group as at 30 June 2015 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Finance lease liabilities	1,416	1,044	2,460
Bill payable	4,532	-	4,532
	<u>5,948</u>	<u>1,044</u>	<u>6,992</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 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	Preceding	Current	Preceding
	Quarter	Corresponding	Year	Corresponding
	Ended	Quarter	To Date Ended	To Date Ended
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Net loss attributable to ordinary equity holders of the Company (RM'000)	(868)	N/A	(2,016)	N/A
Weighted average number of ordinary shares in issue ('000)	236,988	N/A	236,988	N/A
Basic loss per share (sen)	(0.37)	N/A	(0.85)	N/A

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



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
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For The Second (2nd) Quarter Ended 30 June 2015

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 30/6/2015 RM'000	Preceding Corresponding Quarter Ended 30/6/2014 RM'000	Current Year To Date Ended 30/6/2015 RM'000	Preceding Corresponding Year To Date Ended 30/6/2014 RM'000
Allowance for obsolete inventories	310	N/A	310	N/A
Allowance for obsolete inventories write back	(2)	N/A	(605)	N/A
Depreciation on property, plant and equipment	731	N/A	1,433	N/A
Realised foreign currency exchange loss	611	N/A	719	N/A
Unrealised foreign exchange currency gain	(1,037)	N/A	(788)	N/A
Rental of premises	385	N/A	755	N/A
Rental of office equipment	9	N/A	9	N/A
Interest income	(38)	N/A	(38)	N/A
Finance costs	52	N/A	105	N/A

B12. Disclosure of Realised and Unrealised Profits / (Losses)

	As at 30/6/2015 RM'000
Realised	9,756
Unrealised	(578)
	9,178
Less: Consolidation adjustment	(54)
Retained Earnings	9,124

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 24 August 2015.

Kronologi Asia Berhad
24 August 2015