



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

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 third (3rd) quarter ended 30 September 2014 announced by the Company in Compliance with the Listing Requirement and as such, there are no comparative figures for the preceding years' corresponding period.

The interim financial statements should be read in conjunction with the Prospectus of the Company dated 27 November 2014 and the accompanying explanatory notes attached to this interim financial report.

The interim financial statements have been prepared on the basis of merger accounting, where the financial statements of the Company and its subsidiaries ("the Group") have been included in the consolidated financial statements as if they have been in effect since the beginning of the financial year.

The adoption of above basis will not have any material impact on the financial position and performance of the Group.

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 preparation of the Proforma Consolidated Financial Information as included in the prospectus dated 27 November 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, amendment and interpretations are not expected to have any financial impacts to the financial statements, except for:-

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replace the guidance note in MFRS 139 Financial Instruments : Recognition and Measurement. MFRS 9 requires financial assets to be classified into two (2) measurement categories namely fair value and amortised cost, to be determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of the fair value change due to an entity's own risk is recorded on other comprehensive income rather than in profit and loss, unless this creates an accounting mismatched.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact on the adoption of the said standard.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

A3. Auditors' report on preceding annual financial statements

In conjunction with and as an integral part of the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company completed the acquisitions of Quantum Storage (South Asia) Pte Ltd ("QSA"), Quantum Storage South Asia Sdn Bhd ("QSAM") (indirectly acquired via QSA), Kronicles (Singapore) Pte Ltd ("KS") and Kronicles (Malaysia) Sdn Bhd ("KM") on 30 May 2014 and formed its Group structure.

The audited reports on the financial statements of QSA, QSAM, KS and KM for the financial year 31 December 2013 were not subject to any qualification.

A4. Seasonal or cyclical factors

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

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

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

A6. Material changes in estimates

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

A7. Debts and equity securities

Save as disclosed below, in the Company's prospectus dated 27 November 2014 and in Note B6, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period-to-date:-

Date of allotment/issuance	No of shares allotted /issued	Par Value (RM)	Consideration	Cumulative issue and paid up share capital (RM)	
				No of ordinary shares	RM
25 October 2013	2	1.00	Cash	2	2
16 January 2014	9,998	1.00	Cash	10,000	10,000
16 May 2014	100,000	0.10	Share split [^]	100,000	10,000
30 May 2014	177,641,000	0.10	Other than cash for the acquisition of subsidiaries	177,741,000	17,774,100

Note:

[^] On 16 May 2014, the Company undertook a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in the Company into ten (10) ordinary shares of RM0.10 each ("Kronologi Share").

A8. 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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

A9. Segmental information

(a) Analysis of revenue by geographical area

	Current Quarter Ended 30/9/2014 RM'000	Preceding Corresponding Quarter Ended 30/9/2013 RM'000	Current Year To Date Ended 30/9/2014 RM'000	Preceding Corresponding Year To Date Ended 30/9/2013 RM'000
Singapore	7,869	N/A	28,858	N/A
Malaysia	1,916	N/A	5,151	N/A
Philippines	829	N/A	2,952	N/A
Thailand	347	N/A	2,003	N/A
Others	888	N/A	2,970	N/A
	11,849		41,934	
Less: Inter-company transactions	(821)	N/A	(2,807)	N/A
	11,028	N/A	39,127	N/A
Total revenue	11,028	N/A	39,127	N/A

(b) Analysis of revenue by product categories

	Current Quarter Ended 30/9/2014 RM'000	Preceding Corresponding Quarter Ended 30/9/2013 RM'000	Current Year To Date Ended 30/9/2014 RM'000	Preceding Corresponding Year To Date Ended 30/9/2013 RM'000
EDM infrastructure technology	10,483	N/A	34,215	N/A
EDM managed services	949	N/A	6,707	N/A
Investment holding	-	N/A	-	N/A
Others	417	N/A	1,012	N/A
	11,849		41,934	
Less: Inter-company Transactions	(821)	N/A	(2,807)	N/A
	11,028	N/A	39,127	N/A
Total revenue	11,028	N/A	39,127	N/A



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

A9. Segmental information (Cont'd)

(c) Analysis of segment results, assets and liabilities

	EDM infrastructure technology RM'000	EDM managed services RM'000	Investment holdings RM'000	Others RM'000	Elimination RM'000	Total RM'000
Results						
Segment results	4,131	919	(111)	55	-	4,994
Interest expenses	(21)	(279)	-	-	-	(300)
Profit before tax	4,110	640	(111)	55	-	4,694
Tax income	174	-	-	-	-	174
Profit after tax	4,284	640	(111)	55	-	4,868
Segment assets	25,849	7,911	4,465	2,689	(12,165)	28,750
Segment liabilities	15,360	7,814	4,566	2,821	(12,165)	18,396

Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the third (3rd) quarter ended 30 September 2014 being announced by the Company in compliance with the Listing Requirements.

A10. Valuation of property, plant and equipment

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

A11. Material events subsequent to the end of the quarter

Save as disclosed in Note B6, there were no other material events subsequent to the end of the current financial quarter and period to date that have not been reflected in this interim financial report.

A12. Changes in composition of the Group

There were no changes in composition of the Group in the current financial quarter except for those disclosed in Note A7 of this interim financial report.

A13. 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.

A14. Capital commitments

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

A15. 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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

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 nine (9)-month financial period ended 30 September 2014, the Group achieved cumulative revenue of RM39.127 million. Majority of the Group's revenue were derived from Singapore amounting to RM28.858 million (73.75%), followed by Malaysia recording RM5.151 million (13.16%). Revenue contribution from EDM infrastructure technology segment continued to dominate the Group's revenue amounting to RM34.215 million or 87.45% of the total revenue.

The Group recorded a profit before tax of RM4.694 million for the current nine (9)-month financial period ended 30 September 2014.

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

B2. Comparison with preceding quarter's results

There are no comparative figures for the preceding quarter's results as this is the first interim financial report being announced by the Company in compliance with Listing Requirements.

B3. Prospects

As disclosed in the prospectus of the Company dated 27 November 2014, the Group has in place a series of future business plans that are focused in expanding the Group's presence and market share both in the domestic and regional markets.

Barring any unforeseen circumstances, the Board of Directors ("Board") is optimistic about the Group's performance for the financial year ending 31 December 2014.

B4. Tax income

The tax income arises from the recognition of deferred tax assets from unutilised capital allowance and Productivity and Innovation credit ("PIC") scheme.

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 announced but not completed

In conjunction with, and as an integral part of the Company's listing on the ACE Market of Bursa Securities, the following listing scheme was undertaken by the Company.

(i) Initial Public offering

Public issue

The Company undertook a public issue of 59,247,000 new Kronologi Shares, representing 25.0% of the enlarged issued and paid-up share capital of Kronologi, at an issue price of RM0.29 per Kronologi Share to be allocated in the following manner:-



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

B6. Status of corporate proposals announced and completed (Cont'd)

(i) Initial Public offering (Cont'd)

a) Malaysian Public

4,739,500 new Kronologi Shares, representing approximately 2.0% of the enlarged issued and paid-up share capital, made available for application by the Malaysian Public via balloting.

b) Eligible Directors, employees and persons who have contributed to the success of the Kronologi Group

7,109,500 new Kronologi Shares, representing approximately 3.0% of the enlarged issued and paid-up share capital, reserved for the eligible Directors, employees and persons who have contributed to the success of the Kronologi Group.

c) Private placement to identified investors

47,398,000 new Kronologi Shares, representing approximately 20.0% of the enlarged issued and paid-up share capital, placed to identified investors.

(ii) Listing on Bursa Securities

The listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM23,698,800 comprising 236,988,000 Kronologi Shares on the ACE Market of Bursa Securities.

Subsequent to the listing on the ACE Market of Bursa Securities which is schedule on 15 December 2014, the gross proceeds from the Public Issue amounting to RM17.182 million will be utilised in the following manner:-

Detail of utilisation	RM'000	%	Time frame for utilisation
1) Business expansion	6,000	34.92	Within 36 months
2) Research and development expenditure	3,500	20.37	Within 36 months
3) Working capital	4,482	26.09	Within 36 months
4) Estimated listing expenses	3,200	18.62	Within 3 months
Total gross proceeds	17,182	100	

Note: The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 November 2014

Save as disclosed above, there were no pending corporate proposals up to 3 December 2014, being the date not earlier than 7 days from the date of this announcement.

B7. Borrowings and debt securities

The total borrowings of the Group as at 30 September 2014 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Finance lease liabilities	1,427	1,470	2,897

All the borrowings are secured by lessor's title to the leased assets. All of the Group's borrowing is denominated in Singapore Dollars.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

B8. Material litigation

The Group has not been involved in any material litigation as at 3 December 2014, being the date not earlier than 7 days from the date of this announcement.

B9. Dividends

The Board does not recommend any dividends for the current financial quarter under review and the financial year-to-date.

B10. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/9/2014	Preceding Corresponding Quarter Ended 30/9/2013	Current Year To Date Ended 30/9/2014	Preceding Corresponding Year To Date Ended 30/9/2013
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,663	N/A	4,896	N/A
Weighted average number of ordinary shares in issue ('000)	29,654	N/A	29,654	N/A
Basic earnings per share (sen)	5.61	N/A	16.51	N/A

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

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

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

	Current Quarter Ended 30/9/2014	Preceding Corresponding Quarter Ended 30/9/2013	Current Year To Date Ended 30/9/2014	Preceding Corresponding Year To Date Ended 30/9/2013
	RM'000	RM'000	RM'000	RM'000
Depreciation on property, plant and equipment	635	N/A	1,586	N/A
Realised foreign currency exchange Gain	(4)	N/A	(58)	N/A
Unrealised foreign exchange currency loss	(159)	N/A	119	N/A
Rental of premises	240	N/A	944	N/A
Finance costs	52	N/A	300	N/A



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third (3rd) Quarter Ended 30 September 2014

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

	As at 30/9/2014 RM'000
Realised	9,929
Unrealised	28
	<hr/>
	9,957
Less: Consolidation adjustment	<hr/>
	-
Retained Earnings	<hr/> <hr/>
	9,957

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 18 November 2014.

Kronologi Asia Berhad
18 November 2014