



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The First (1st) Quarter Ended 31 March 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 first (1st) quarter ended 31 March announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding years' 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 statement 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, amendment and interpretations are not expected to have any financial impacts 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 financial quarter under review except for those disclosed in Note B6.

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

	Current Quarter Ended 31/3/2015 RM'000	Preceding Corresponding Quarter Ended 31/3/2014 RM'000	Current Year To Date Ended 31/3/2015 RM'000	Preceding Corresponding Year To Date Ended 31/3/2014 RM'000
Singapore	7,589	N/A	7,589	N/A
Malaysia	1,150	N/A	1,150	N/A
Philippines	1,974	N/A	1,974	N/A
Thailand	185	N/A	185	N/A
Others	1,437	N/A	1,437	N/A
	12,335		12,335	
Less: Inter-company transactions	(859)	N/A	(859)	N/A
	11,476	N/A	11,476	N/A
Total revenue	11,476	N/A	11,476	N/A

(b) Analysis of revenue by product categories

	Current Quarter Ended 31/3/2015 RM'000	Preceding Corresponding Quarter Ended 31/3/2014 RM'000	Current Year To Date Ended 31/3/2015 RM'000	Preceding Corresponding Year To Date Ended 31/3/2014 RM'000
EDM infrastructure technology	11,015	N/A	11,015	N/A
EDM managed services	890	N/A	890	N/A
Investment holding	-	N/A	-	N/A
Others	430	N/A	430	N/A
	12,335		12,335	
Less: Inter-company Transactions	(859)	N/A	(859)	N/A
	11,476	N/A	11,476	N/A
Total revenue	11,476	N/A	11,476	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	(685)	(122)	(247)	21	-	(1,033)
Interest expenses	(8)	-	(45)	-	-	(53)
Profit before tax	(693)	(122)	(292)	21	-	(1,086)
Tax expense	(62)	-	-	-	-	(62)
Profit after tax	(755)	(122)	(292)	21	-	(1,148)
Segment assets	35,278	9,038	37,377	4,035	(35,862)	49,866
Segment liabilities	20,582	8,950	6,064	4,682	(18,098)	22,180

Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the first (1st) quarter ended 31 March 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

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.

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.



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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 2015, the Group recorded revenue of RM11.476 million. Majority of the Group's revenue were derived from Singapore amounting to RM7.589 million (61.52%), followed by Philippines recording RM1.974 million (15.98%). Revenue contribution from EDM infrastructure technology segment continued to dominate the Group's revenue amounting to RM11.015 million or 89.30% of the total revenue.

The Group recorded a loss before tax of RM1.086 million for the current three (3)-month financial period ended 31 March 2015.

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 31 March being announced by the Company in compliance with ACE Market Listing Requirements.

B2. Comparison with preceding quarter's results

	3 month ended	
	31/3/2015	31/12/2014
	RM'000	RM'000
Revenue	11,476	15,534
(Loss)/Profit from operations	(1,033)	1,869
(Loss)/Profit before tax expense	(1,086)	1,818
(Loss)/Profit for the period	(1,148)	1,183

Revenue in the current quarter ended 31 March 2015 was 26.12% or RM4.058 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 Singapore and Malaysia.

In tandem with the decrease in revenue, the Group recorded a loss before tax expense of RM1.086 million as opposed with a profit before tax of RM1.818 million in the previous quarter.

In addition to the lower sales recorded by the Group, the loss is also due to lower gross profit margin of 21.71% or RM2.491 million as compared with previous quarter of 48.71% or RM7.566 million. The lower gross profit margin was due to the higher sales of consumables products which are traditionally low margin products.

B3. Prospects

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.

The Group will continue to execute its business strategies as set out in the Prospectus dated 27 November 2014 and the Board of Directors is optimistic that the Group's results should improve.



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B4. Tax expense

	Current Quarter Ended 31/3/2015 RM'000	Preceding Corresponding Quarter Ended 31/3/2014 RM'000	Current Year To Date Ended 31/3/2015 RM'000	Preceding Corresponding Year To Date Ended 31/3/2014 RM'000
Deferred taxation - current provision	62	N/A	62	N/A

The group 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

(i) Listing on Bursa Securities

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 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	-	-	3,500	Within 36 months
3) Working capital	4,482	121	-	4,361	Within 36 months
4) Estimated listing expenses	3,200	3,032	-	168	Within 3 months
Total gross proceeds	17,182	3,153	-	14,029	



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B7. Borrowings and debt securities

The total borrowings of the Group as at 31 March 2015 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Finance lease liabilities	1,494	1,294	2,788

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

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 31/3/2015	Preceding Corresponding Quarter Ended 31/3/2014	Current Year To Date Ended 31/3/2015	Preceding Year To Date Ended 31/3/2014
Net loss attributable to ordinary equity holders of the Company (RM'000)	(1,148)	N/A	(1,148)	N/A
Weighted average number of ordinary shares in issue ('000)	236,988	N/A	236,988	N/A
Basic loss per share (sen)	(0.48)	N/A	(0.48)	N/A

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

	Current Quarter Ended 31/3/2015 RM'000	Preceding Corresponding Quarter Ended 31/3/2014 RM'000	Current Year To Date Ended 31/3/2015 RM'000	Preceding Corresponding Year To Date Ended 31/3/2014 RM'000
Allowance for obsolete inventories write back	(603)	N/A	(603)	N/A
Depreciation on property, plant and equipment	702	N/A	702	N/A
Realised foreign currency exchange loss	108	N/A	108	N/A
Unrealised foreign exchange currency loss	249	N/A	249	N/A
Rental of premises	370	N/A	370	N/A
Finance costs	53	N/A	53	N/A

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

	As at 31/3/2015 RM'000
Realised	10,995
Unrealised	(949)
	<u>10,046</u>
Less: Consolidation adjustment	(54)
Retained Earnings	<u><u>9,992</u></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 29 May 2015.

Kronologi Asia Berhad
 29 May 2015