



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 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").

The interim financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2014. 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 period ended 31 December 2014.

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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 2015

A8. Segmental information

(a) Analysis of revenue by geographical area

	Current Quarter Ended 31/12/2015 RM'000	Preceding Corresponding Quarter Ended 31/12/2014 RM'000	Current Year To Date Ended 31/12/2015 RM'000	Preceding Corresponding Year To Date Ended 31/12/2014 RM'000
Singapore	15,588	11,787	41,446	40,645
Malaysia	2,784	1,196	5,950	6,347
Philippines	2,052	1,519	5,270	4,471
Thailand	1,225	409	2,297	2,412
Others	4,307	1,532	9,854	4,502
	25,956	16,443	64,817	58,377
Less: Inter-company transactions	(850)	(909)	(3,463)	(3,716)
	25,106	15,534	61,354	54,661

(b) Analysis of revenue by product categories

	Current Quarter Ended 31/12/2015 RM'000	Preceding Corresponding Quarter Ended 31/12/2014 RM'000	Current Year To Date Ended 31/12/2015 RM'000	Preceding Corresponding Year To Date Ended 31/12/2014 RM'000
EDM infrastructure technology	23,469	14,810	58,662	49,025
EDM managed services	2,176	1,153	4,573	7,860
Investment holding	-	-	-	-
Others	311	480	1,582	1,492
	25,956	16,443	64,817	58,377
Less: Inter-company Transactions	(850)	(909)	(3,463)	(3,716)
	25,106	15,534	61,354	54,661



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 2015

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
2015 Results						
Segment results	2,770	885	(625)	70	-	3,100
Interest expenses	(71)	(154)	-	-	-	(225)
Profit/(Loss) before tax expense	2,699	731	(625)	70	-	2,875
Tax income/(expense)	284	(97)	-	(12)	-	175
Profit/(Loss) after tax expense	2,983	634	(625)	58	-	3,050
Segment assets	56,893	8,363	28,645	4,069	(27,413)	70,557
Segment liabilities	36,255	7,393	-	1,902	(9,650)	35,900
2014 Results						
Segment results	7,514	1,111	(1,811)	49	-	6,863
Interest expenses	(29)	(322)	-	-	-	(351)
Profit/(Loss) before tax expense	7,485	789	(1,811)	49	-	6,512
Tax income	(421)	-	-	(40)	-	(461)
Profit/(Loss) after tax expense	7,064	789	(1,811)	9	-	6,051
Segment assets	30,918	9,072	19,678	3,665	(15,693)	47,640
Segment liabilities	16,802	8,822	5,883	3,843	(15,693)	19,657

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.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 2015**

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 twelve (12)-month financial year ended 31 December 2015, the Group recorded revenue of RM61.354 million as compared with RM54.661 million achieved during the preceding equivalent financial year. Despite the overall fall in sales value in their functional currency during the financial year, a favourable foreign exchange rate resulted in an increase of revenue of 12.24% or RM6.693 million. A majority of the Group’s revenue was derived from Singapore amounting to RM41.446 million (63.94% of total revenue), followed by Malaysia and The Philippines, which recorded RM5.950 million (9.18%) and RM5.270 million (8.13%) respectively. Revenue contribution from the EDM infrastructure technology segment continued to dominate the Group’s revenue amounting to RM58.662 million or 90.50% of the total revenue.

The Group recorded a profit before tax expense of RM2.875 million for the current twelve (12)-month financial year ended 31 December 2015 as compared to a profit before tax expense of RM6.512 million in the preceding equivalent financial year. The lower profit was attributable to implementation of mainly low margin projects during the year.

In tandem with the increase in revenue during the 4th quarter period, the Group’s trade receivables had increased accordingly.

In anticipation of further business, the Group has actively secured additional inventories to be deployed in near term projects resulting in corresponding increase in trade payables.

B2. Comparison with preceding quarter’s results

	3 month ended	
	31/12/2015	30/9/2015
	RM’000	RM’000
Revenue	25,106	15,398
Profit from operations	4,826	168
Profit before tax expense	4,749	125
Profit for the period	3,739	1,327

Revenue in the current quarter ended 31 December 2015 was 63.05% or RM9.708 million higher at RM25.106 million as compared with the previous quarter. The increase was attributable to higher sales recorded in the EDM infrastructure technology segment in Singapore and Malaysia.

As a result of the increase in sales, the Group in the current reporting quarter registered higher profit before tax expense of RM4.749 million as compared to a profit before tax of RM0.125 million in the previous quarter. The Group also implemented higher margin projects during the current quarter as compared to previous quarter.



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 2015

B3. Prospects

Regional and global economic environment for EDM infrastructure technology and EDM managed services continue 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.

B4. Tax (expense)/income

	Current Quarter Ended 31/12/2015 RM'000	Preceding Corresponding Quarter Ended 31/12/2014 RM'000	Current Year To Date Ended 31/12/2015 RM'000	Preceding Corresponding Year To Date Ended 31/12/2014 RM'000
Current tax				
- current year	(115)	(219)	(115)	(219)
- in prior years	-	-	(11)	-
Deferred tax				
- current provision	(895)	(416)	301	(242)
	<u>(1,010)</u>	<u>(635)</u>	<u>175</u>	<u>(461)</u>

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 December 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	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	<u>17,182</u>	<u>7,877</u>	<u>-</u>	<u>9,305</u>	

*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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 2015

B7. Borrowings and debt securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
2015			
Finance lease liabilities	1,247	530	1,777
Bill payable	3,775	-	3,775
	5,022	530	5,552
2014			
Finance lease liabilities	1,590	1,545	3,135

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 31/12/2015	Preceding Corresponding Quarter Ended 31/12/2014	Current Year To Date Ended 31/12/2015	Preceding Year To Date Ended 31/12/2014
Net profit attributable to ordinary equity holders of the Company (RM'000)	3,739	1,183	3,050	6,051
Weighted average number of ordinary shares in issue ('000)	236,988	91,565	236,988	91,565
Basic earnings/(loss) per share (sen)	1.58	1.29	1.29	6.61

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



KRONOLOGI ASIA BERHAD (Company no. 1067697-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth (4th) Quarter Ended 31 December 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 31/12/2015 RM'000	Preceding Corresponding Quarter Ended 31/12/2014 RM'000	Current Year To Date Ended 31/12/2015 RM'000	Preceding Corresponding Year To Date Ended 31/12/2014 RM'000
Allowance for obsolete inventories	1,629	-	1,953	-
Allowance for obsolete inventories write back	(240)	-	(871)	-
Depreciation on property, plant and equipment	927	644	3,188	2,230
Gain on disposal of property, plant and equipment	(31)	-	(31)	-
Inventories written off	4	-	4	-
Realised foreign currency exchange (gain)/loss	(78)	181	795	123
Unrealised foreign exchange currency loss/(gain)	226	278	(1,131)	397
Property, plant and equipment written off	83	-	83	-
Rental of premises	479	548	1,707	1,492
Rental of office equipment	5	-	18	-
Interest income	(3)	(36)	(46)	(36)
Finance costs	77	51	225	351

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

	As at 31/12/2015 RM'000
Realised	12,947
Unrealised	1,243
	<hr/> 14,190
Less: Consolidation adjustment	<hr/> -
Retained Earnings	<hr/> <hr/> 14,190

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 26 February 2016

Kronologi Asia Berhad
 26 February 2016