

## Bursa ACE-Listed Kronologi's Q3'17 9-Month Performance Exceeds Full Year FY2016 in Revenue & Net Profit

RM '000	3Q'17	3Q'16	Change (%)	9M'17	9M'16	Change (%)
<b>Revenue</b>	28,104	25,097	12.0	101,632	54,014	88.2
<b>Gross Profit</b>	7,375	5,288	39.5	23,959	15,466	54.9
<b>Net Profit</b>	2,508	1,506	66.5	8,628	4,576	88.5
<b>Earnings Per Share (sen)*</b>	0.86	0.64	34.4	2.95	1.93	52.8

*\*Based on fully diluted issued share capital base of 292,285,000 shares as at 30 September 2017*

**Kuala Lumpur, 2 November 2017** – Bursa Malaysia ACE-listed **Kronologi Asia Berhad** (“Kronologi” or “the Group”) announced today that it recorded revenue and net profit for the nine months ended 30 September 2017 (“9M'17”) of RM101.6 million and RM8.6 million respectively, outpacing the performance for the whole of the financial year ended 31 December 2016 (“FY'16”).

For FY'16, the specialist provider of on-site and off-site enterprise data management (“EDM”) and data storage solutions to Asian businesses recorded RM81.3 million in revenue and RM7.2 million in net profit.

Driven by growth of data storage solutions in the region and contribution by its wholly-owned India subsidiary, Quantum Storage (India) Pte. Ltd. (“QSI”) which was consolidated in October 2016, Kronologi said its 9M'17 revenue rose by 88.2% from RM54.0 million in 9M'16 while net profit rose by 88.5% from RM4.6 million, respectively. Southeast Asia including Singapore remains the major contributor with 9M'17 revenue for the region rising 54% or RM26.4 million to RM75.4 million.

Kronologi's gross profit rose by 54.9% to RM24.0 million in 9M'17 from RM15.5 million in the corresponding period last year. Gross Profit Margin (“GPM”) declined slightly to 23.6% from 28.6% over the comparative periods due mainly to the higher proportion of lower-margin product mix during 9M'17. Net profit margin remained at 8.5% for the comparative periods.

Earnings per share (“EPS”) based on the fully diluted issued share capital base of 292,285,000 shares (after incorporating the listing of 22,256,568 shares (3 Apr 2017) and 27,000,000 shares (18 and 25 Aug 2017) for QSI second tranche purchase consideration and private placement respectively as well as 22,256,568 shares that may be issued pursuant to the QSI third tranche purchase consideration) rose to 2.95 sen for 9M'17 (9M'16: 1.93 sen with share capital base of 236,988,000 shares). Net asset value per share stood at RM0.30 as at 30 September 2017, 57.9% higher compared to RM0.19 as at 31 December 2016.

Cash and bank balances increased to RM36.3 million as at 30 September 2017 from RM8.3 million as at 31 December 2016 following the recent completion of a private placement, with part of the proceeds of RM10.0 million to be used for merger and acquisition activities as well as to expand the Group's transnational data backup infrastructure.

Subsequent to the quarter under review, the Group announced on 9 October 2017 that it has proposed to acquire the entire share capital of Quantum Storage (Hong Kong) Limited (“QHK”) for up to RM45.0 million via a combination of cash and issuance of new Kronologi shares.

The acquisition will expand the Group's market presence in North Asia, namely Hong Kong and Taiwan, which potentially serve as gateways to Greater China. The Group believes that upon regulatory and shareholder approval, this acquisition will contribute positively to the Group's revenue and profit, especially from FY'18.

"Our core business continues to grow in all regions due to demand for data storage solutions in the areas of surveillance, media content and data protection. Our proposed acquisition of QHK will allow Kronologi to achieve economies of scale in the EDM business and share best practices across our territories" said Mr. Philip Teo, Acting Chief Executive Officer, Chief Technology Officer and Executive Director of Kronologi.

"Moving forward we will be looking to further incorporate analytics, including artificial intelligence, in our solution offerings", he added.

Barring unforeseen circumstances, the Group expects its FY'17 performance to be better than that of FY'16, in view of the full consolidation of revenue and profit of QSI and the strong performance in 9M'17.

**\*\*End of Press Release\*\***

*Issued on behalf of the Company by WeR1 Communications Sdn. Bhd.:*

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#### **About Kronologi Asia Berhad**

Listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") since 2014, Kronologi Asia Berhad ("Kronologi" and together with its subsidiaries, the "Group") provides on-site and off-site enterprise data management ("EDM") and data storage solutions to Asian businesses.

Kronologi specialises in data assurance and protection to ensure business continuity for its clients via its EDM infrastructure technology and EDM managed services division.

The Group has a presence in Malaysia, Singapore, Thailand, Philippines, Indonesia, India and other markets.