MSWG
MINORITY SHAREHOLDERS WATCH GROUP

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Kronologi is at a critical juncture as it seeks to transform itself from a traditional storage solutions provider into an AI-driven technology company.

FROM STORAGE TO AI: CAN KRONOLOGI DELIVER ON ITS NEW STRATEGY?

A weak financial year often leaves shareholders asking one question: what comes next? For Kronologi Asia Berhad (Kronologi), that question became especially critical following an underperforming FY2025 with the first pre-tax loss in a decade and the conclusion of its long-standing partnership with Quantum Corporation (Quantum).

Rather than simply reviewing the past, the FY2026 AGM became an opportunity for management to explain why its future lies beyond traditional enterprise storage and how a new AI strategy is intended to restore long-term growth.

A Business at a Crossroads

The rationale for transformation is clear. FY2025 was a turbulent year for Kronologi, with revenue declining 30.6% to RM193.8 million and the Group recording its first pre-tax loss in a decade, largely due to RM206.3 million in goodwill impairment and RM17.7 million in Cloud Solution Centre impairment.

The conclusion of its long-standing partnership with Quantum marked more than the loss of a technology partner. Although Quantum-branded products contributed approximately 26% of FY2025 revenue, the partnership's conclusion triggered substantial impairment charges and reinforced management's decision to reposition the Group towards new growth areas.

Management believes this transformation is necessary because of the rapidly evolving enterprise data management landscape. Traditional storage solutions are increasingly commoditised, while AI is fundamentally altering how organisations manage and utilise data.

Instead of asking where data should be stored or how storage costs can be reduced, enterprises are increasingly focused on how AI can securely access data, how sensitive information can remain within national borders, and how governance and regulatory requirements can be maintained while accelerating AI adoption. This reflects a broader shift in the industry, where value is moving beyond storage capacity towards intelligent data management.

Recognising these structural shifts, Kronologi is repositioning itself from a traditional enterprise storage provider to an AI data infrastructure provider. Through its exclusive Asia-Pacific (APAC) partnerships, the Group aims to complement rather than compete with hyperscale cloud providers such as Amazon Web Services and Microsoft Azure by enabling enterprises to orchestrate data across hybrid IT environments while addressing growing data governance and sovereignty requirements.

To execute this strategy, Kronologi has assembled an ecosystem of strategic technology partners, with each addressing a different layer of the AI data infrastructure value chain.

At the foundation is LT ZERO Pte. Ltd. (LT ZERO), which, through its collaboration with Germany's BDT Media Automation GmbH, provides secure and scalable archival storage capable of preserving petabytes of data for up to 100 years to support the exponential growth of AI-generated data.

Building on this foundation, Hammerspace Asia Pte. Ltd. (Hammerspace)[1] addresses one of AI's biggest infrastructure challenges—ensuring data reaches graphics processing units (GPUs) quickly and efficiently. Its Tier 0[2] architecture minimises data access delays while orchestrating data seamlessly across multiple cloud and on-premises environments, enabling organisations to maximise the performance of expensive AI computing resources.

Completing the ecosystem is Secuvy, Inc. (Secuvy), which enables enterprises to continue discover, classify and protect sensitive data. This helps organisations meet increasingly stringent data sovereignty, privacy and regulatory requirements before information is utilised by AI.

Collectively, these partnerships represent more than three standalone collaborations. They broaden Kronologi's technology ecosystem beyond traditional enterprise storage into AI data infrastructure. From a shareholders' perspective, this diversification strengthens the Group's value proposition and reduces its reliance on a single technology ecosystem.

Early Signs of Progress

Management reported early commercial traction, with most of the Group's Q1FY2027 revenue of RM61.9 million, which grew 4.5% year-on-year, generated from its new strategic partnerships.

To guide shareholders on the progress of its transformation, management outlined a three-year revenue roadmap of RM230 million, RM270 million and RM330 million, with the latest quarterly revenue representing approximately 18.8% of its final-year target. While these are positive early indicators, the transformation remains in its infancy, and its long-term success will only become clearer over the coming years.

1 The company's credibility is reinforced by its recent US$100 million funding round led by investors including Altimeter Capital and ARK Invest, while its technology is already deployed in solutions supporting organisations such as Meta and the U.S. Department of Defense.

2 Tier 0 architecture provides ultra-fast access to data, ensuring graphics processing units (GPUs) are continuously supplied with the data needed for AI workloads, thereby improving computing efficiency.

What Should Shareholders Watch?

While Kronologi enters this transformational phase with a well-articulated strategy, credible technology partners, a strong balance sheet comprising RM47.0 million in cash and a conservative gearing ratio of 14.5% as at Q1FY2027, successful execution is far from assured. Shareholders should therefore continue monitoring several key areas.

The first challenge is the sustainability of its strategic partnerships. Although Kronologi has secured exclusive APAC partnerships with LT ZERO, Hammerspace and Secuvy, the long-term economics of these arrangements remain unclear. The duration of the partnerships, scope of the exclusive rights, renewal terms and commercial arrangements have not been disclosed publicly. As Kronologi does not own the underlying technologies, shareholders should monitor whether these partnerships remain stable and continue to support the Group's long-term growth ambitions.

Secondly, it is about competitive differentiation. While Kronologi is not competing directly with hyperscale cloud providers, enterprises have plenty of AI infrastructure and data management solutions to choose from. The Group must therefore demonstrate that its exclusive APAC partnerships, vendor-neutral approach and regional implementation expertise provide sufficient differentiation to win customers.

Finally, the biggest challenge lies in commercial execution. While the Group has assembled a credible ecosystem of technology partners, commercialising these solutions is likely to be significantly more complex than selling traditional enterprise storage. AI infrastructure projects typically involve longer sales cycles due to technical requirements evaluation, proof-of-concept testing and approvals from multiple stakeholders before deployment. Kronologi must build market awareness and work closely with customers to demonstrate the value of these solutions while addressing data governance, sovereignty and regulatory requirements. Ultimately, success will depend on translating these opportunities into recurring revenue and improved margins over time.

Final Thoughts

Kronologi has articulated a compelling vision for its future. The real test, however, lies in execution—whether the Group can successfully commercialise these partnerships and translate its vision into sustainable growth, stronger profitability and long-term shareholder value.

[END]

MSWG
AGM/EGM WEEKLY WATCH

The following are the AGMs/EGMs of companies on the Minority Shareholders Watch Group's (MSWG) watch list for this week.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

QUICK-TAKE

Date & Time	Company	Quick-take	Voting Position
20.07.26 (Mon) 3.00 pm	Maybulk Berhad (EGM)	Maybulk seeks shareholders' approval for the disposal of 23.468 hectares of land in Kapar, Klang for RM278.05 million. Upon the disposal, Maybulk is expected to record a net pro forma gain attributable to the owners of approximately RM31.26 million. It plans to distribute a special dividend amounting RM30.245 million or 3.6 sen per share to shareholders. The Proposed Disposal is an RPT by virtue of common shareholders and directors in Eonmetall and Leader Steel, which are also disposing of land adjacent to each other, to the same purchaser – WG Malaysia VIII Sdn Bhd. The purchaser is not a related party. Independent adviser BDO Capital Consultants Sdn Bhd is of the view that the Proposed Disposal is **fair and reasonable and not detrimental** to the non-interested shareholders. Accordingly, it advises and recommends non-interested shareholders to vote in favour of the Proposed Disposal.	MSWG will vote "FOR" the resolution tabled in the meeting.
22.07.26 (Wed) 10.00 am	Mah Sing Group Berhad (EGM)	The Company proposes to acquire approximately 419.17 acres of freehold land in Kulai, Johor, from Aura Muhibah Sdn Bhd for RM273.87 million in cash. Upon completion of this related party transaction, the subject properties will	MSWG will vote "FOR" the resolutions tabled in the meeting.

Date & Time	Company	Quick-take	Voting Position
		be jointly developed into an integrated industrial park named "MS Industrial Park @ Kulai". The project holds an estimated gross development value of RM2.26 billion. The acquisition is expected to be completed in the 4th quarter of 2026.	

[END]

Special Announcement

DISCLOSURE OF INTERESTS
With regard to the companies mentioned, MSWG holds a minimum number of shares in all the companies covered in this newsletter.

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