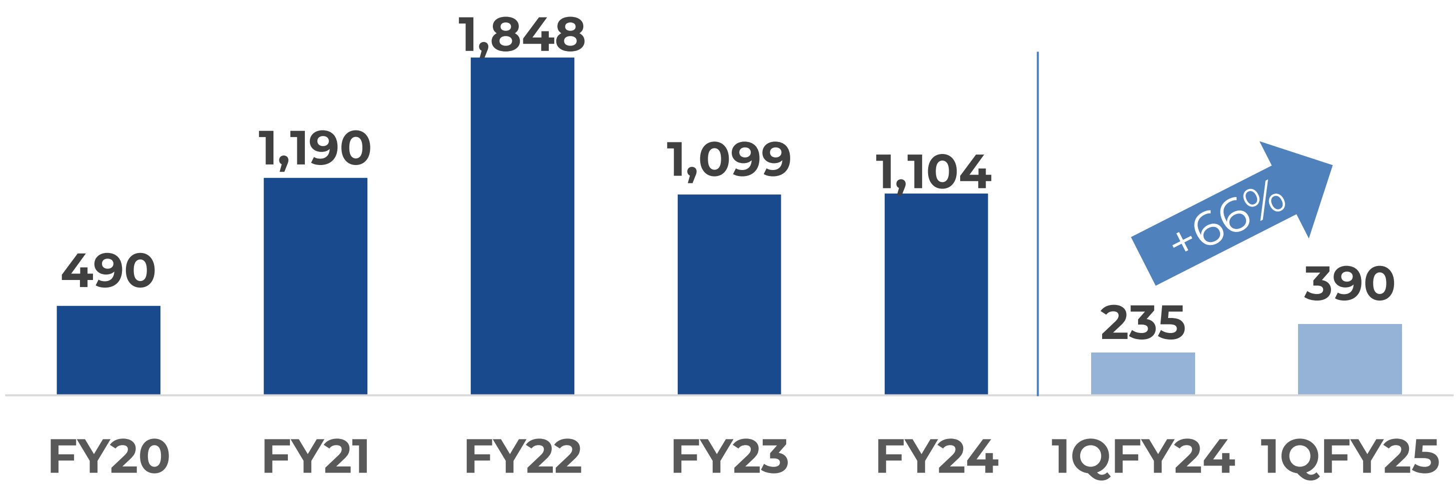
KELINGTON GROUP BERHAD

1Q FY25 RESULTS REVIEW

29 May 2025

Strong start in 2025

New orders secured (RM mil)



SICK

Sensor Intelligence.

Appointed contractor for advanced manufacturing facility

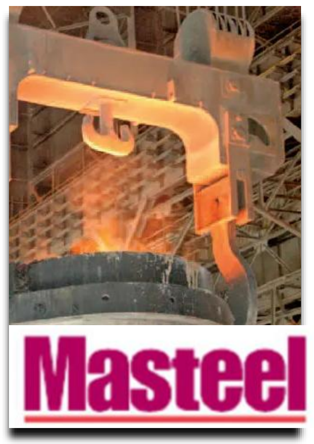
Client :	SICK, German industrial producer of sensors and sensor applications *>10,000 employees worldwide* *Group revenue of €2.1 billion (RM10.2 billion) in 2024*
Contract Value :	RM140 million

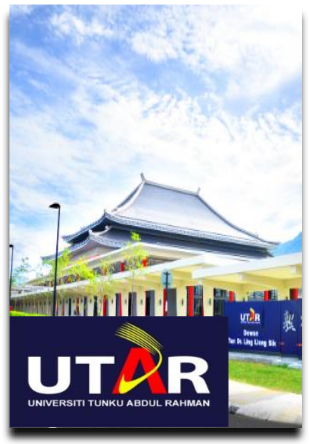
Senai Airport City, Johor is set to become its regional industrial hub in Asia-Pacific.
The new facility, planned to commence operations by 3Q 2026, will replace SICK's current site in Ulu Tiram, Johor.

My CCUS

Contributing to Malaysia's CCUS Potential

Signed MOU with Masteel and UTAR



Assess technical and economic feasibility of Carbon Capture Utilisation Storage at Masteel's Selangor steel plant

1Q FY25 Results : At a Glance

Profit margin continued to grow as we focused on high-margin projects

Business Segments

Engineering Services

Industrial Gas

Dual-engine business model enables stability across economic cycles

4 **Geographical markets**
Malaysia, Singapore, China, Taiwan

>800
Total **employees**

120,000
MT/year
Liquid CO2 production capacity

Group Performance

Revenue	1Q FY25 : RM270.3 million 1Q FY24 : RM339.3 million ↓ 20.3%
Gross profit margin	1Q FY25 : 18.0% 1Q FY24 : 15.6% ↑ 2.4 percentage points
Profit after tax	1Q FY25 : RM26.6 million 1Q FY24 : RM25.6 million ↑ 3.9%
Profit after tax margin	1Q FY25 : 9.9% 1Q FY24 : 7.6% ↑ 2.3 percentage points

Income Statement Highlights : Y-o-Y vs Q-o-Q

- Q-o-q revenue declined due to seasonal factors, slowdown in business activities during the Chinese New Year holiday period

RM (MIL)	1QFY25	1QFY24	Y-O-Y % CHANGE	4QFY24	Q-O-Q % CHANGE
Revenue (1)	**270.3**	**339.3**	-20.3%	**304.3**	-11.2%
Gross profit	48.6	52.9		67.7	
Gross profit margin (2)	*18.0%*	*15.6%*		*22.2%*	
Other income	2.0	1.0		4.8	
Administrative expenses	(12.6)	(15.3)		(19.5)	
Selling & distribution expenses	(0.9)	(0.9)		(1.0)	
Other expenses	(2.8)	(2.7)		(3.4)	
Operating profit	**34.3**	**35.1**	-2.4%	**48.6**	-29.4%
Finance costs	(2.2)	(2.4)		(2.3)	
Net reversal of impairment losses on financial assets (3)	2.1	-		1.7	
Profit before tax	**34.2**	**32.7**	+4.5%	**48.0**	-28.7%
Tax	(7.6)	(7.1)		(8.9)	
Profit after tax (4)	**26.6**	**25.6**	+3.9%	**39.1**	-31.9%
Net profit	**26.6**	**24.8**	+7.3%	**38.7**	-31.1%
Effective tax rate	*22.1%*	*21.6%*		*18.5%*	
PBT margin	*12.7%*	*9.6%*		*15.8%*	
PAT margin	*9.9%*	*7.6%*		*12.8%*	

1. Reduced revenue contributions in Malaysia (-47.3% or RM71.8mil)

2. Gross profit margin increased, due to:-
   - Favourable project mix
   - Stable contributions from the Industrial Gases division

3. Due to a reversal of impairment amounting to RM2.1 million, primarily related to a recovered debt in Malaysia

4. Profit after tax grew, supported by:-
   - Margin enhancement initiatives
   - One-off gains from impairment reversals
   - Other income due to increased interest income

Group Revenue Breakdown

- Lower revenue mainly due to lower contribution from Malaysia (-47.3%) due to smaller contribution from the General Contracting projects which are generally larger in contract size
- Advanced Engineering remains Group's largest revenue contributor, accounting for 73.8% of total revenue in 1QFY25

Breakdown by geographical market

	1QFY25 RM mil	1QFY24 RM mil	YoY change
Malaysia	79.8	151.6	-47.3%
China	101.0	104.0	-2.9%
Singapore	75.9	70.5	7.7%
Taiwan	4.2	3.3	27.5%
Others	9.3	9.8	-5.7%
Total	**270.3**	**339.3**	**-20.3%**

Breakdown by business segment

Ultra High Purity (UHP) segment will be renamed as Advanced Engineering to better reflect the expanded scope of our offerings, which now include a wider range of advanced engineering solutions beyond UHP systems

	1Q FY25 RM mil	1Q FY24 RM mil	YoY change
Engineering Segment	**243.2**	**321.4**	**-24.3%**
Advanced Engineering	199.5	205.5	-2.9%
Process Engineering	9.1	21.4	-57.2%
General Contracting	25.6	70.0	-63.5%
Equipment and materials	9.0	16.2	-44.1%
Industrial Gases Segment	**33.6**	**44.3**	**-24.1%**
Consolidated adjustments	-6.5	-18.1	
Total	**270.3**	**339.3**	**-20.3%**

Balance Sheet Highlights

RM MIL		31.3.2025 (Unaudited)	31.12.2024 (Audited)
Total Assets		1,185.0	1,150.2
Total Liabilities		689.6	676.8
Total Borrowings*	1	170.8	185.3
*Short-term**		89.4	104.9
*Long-term**		81.4	80.4
Total Cash#		470.3	413.1
Net Cash	2	299.5	227.8
Total Equity	3	495.4	473.3
Net Asset/Share		0.69	0.66
Gearing (times)		0.34	0.39
Net gearing (times)	4	Net cash	Net cash

**Include lease liabilities*
#Include fixed deposits with licensed banks

1. Reduction was primarily due to the settlement of project financing in China, though partially offset by loans drawn down for capital expenditures and working capital in the industrial gases division

2. Increase in net cash was mainly driven by project proceeds, and funds from the exercise of warrants

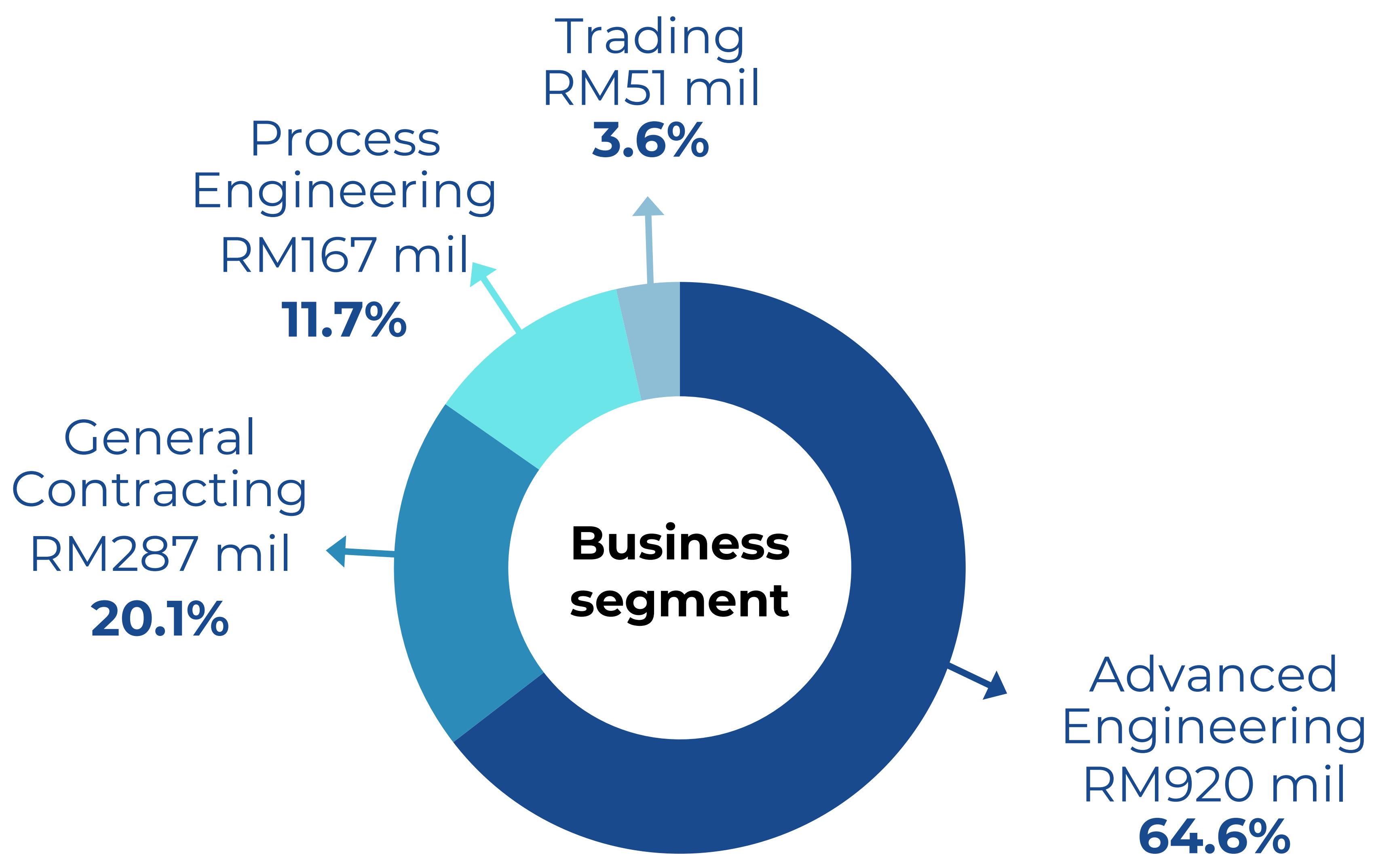
3. Growth in equity due to exercise of warrants and quarterly profits

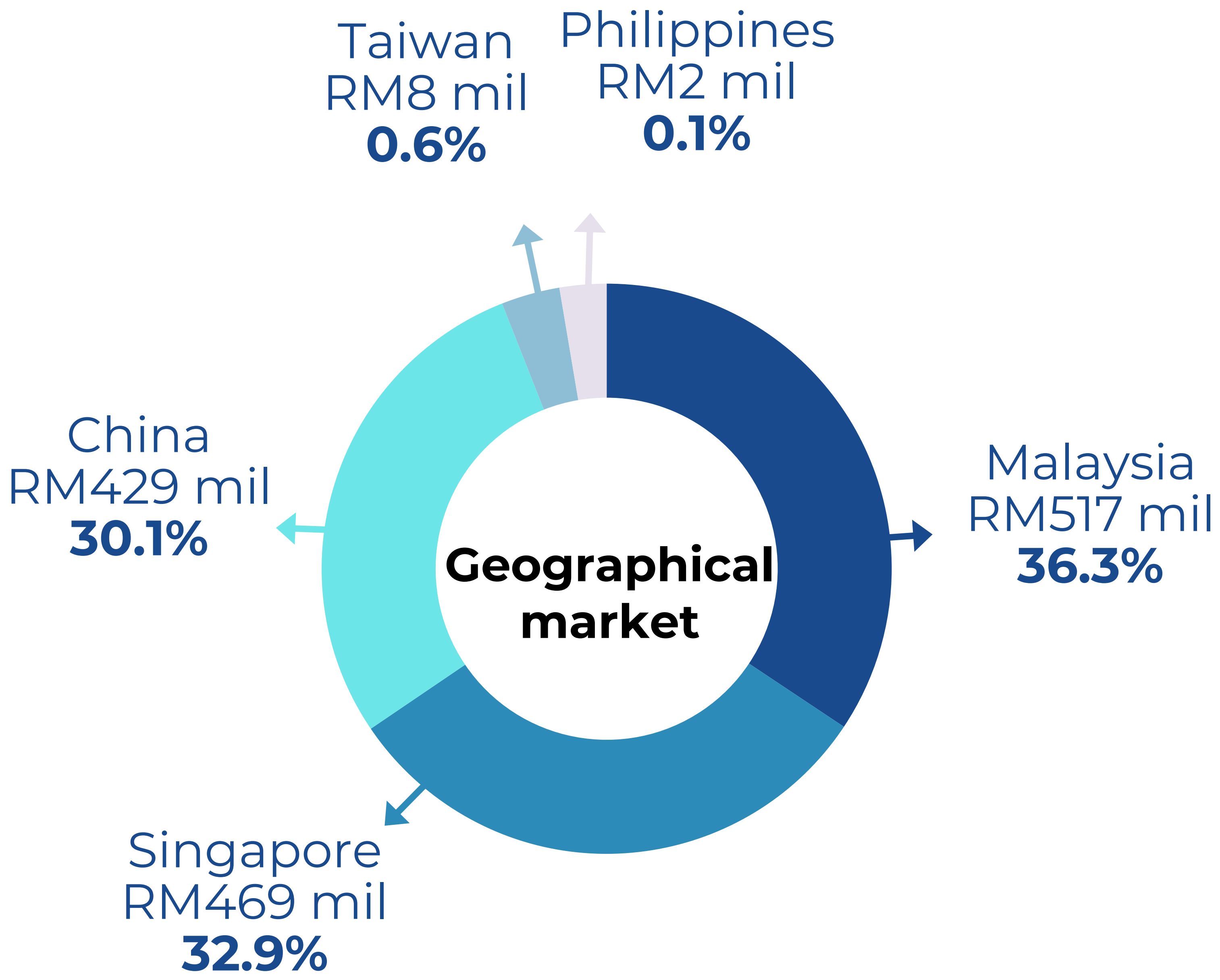
4. The Group remains in a net cash position, with total cash holdings exceeding total borrowings

Engineering Services Division

Outstanding Orderbook of RM1.43 billion as at 31 March 2025

New Contract Wins in 1QFY25 : RM390 million, more orders expected especially in Q3 & Q4





Strong Tenderbook to Drive Future Growth

Singapore
RM950 million
24%

Malaysia
RM291 million
7%

Taiwan
RM103 million
3%

China & Hong Kong
RM788 million
20%

India
RM292 million
7%

Europe
RM1,518 million
38%

Total tenderbook of
RM4.0 billion
as at 30 April 2025

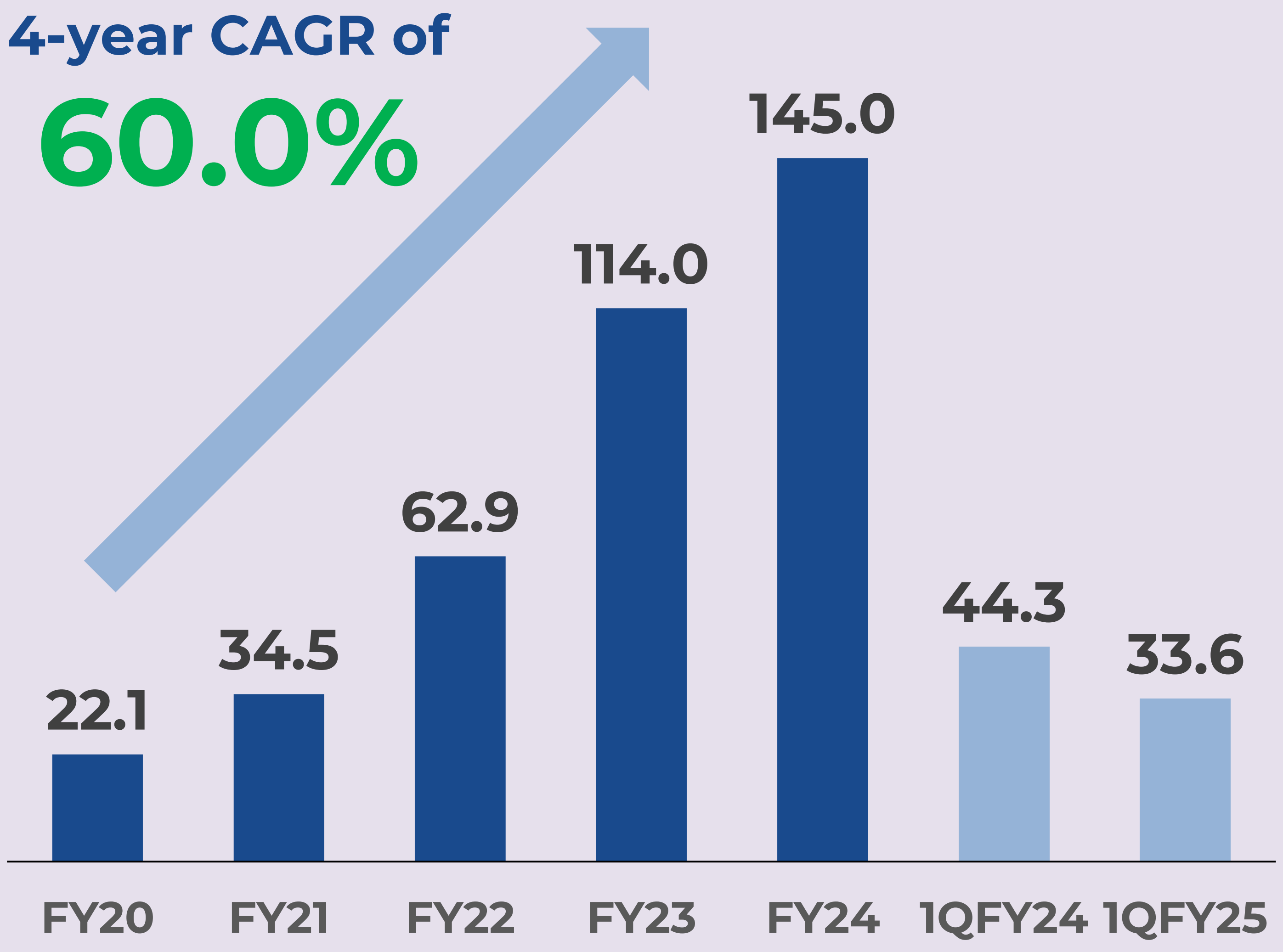
The remaining RM16 million in tenders is from the US

Industrial Gas Division

Industrial Gas Division

- Fast growing segment
- Provides recurring income due to long-term supply contracts entered into with customers

Industrial Gas Revenue (RM mil)



Manufacturing of LCO2

Total production capacity of 120,000 tonnes of LCO2 per year

First LCO2 Plant
Commenced operations in October 2019

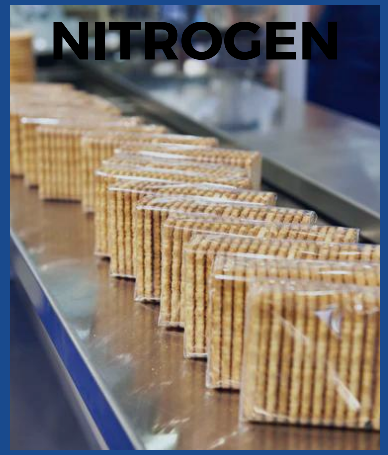
Second LCO2 Plant
Commenced operations in March 2024

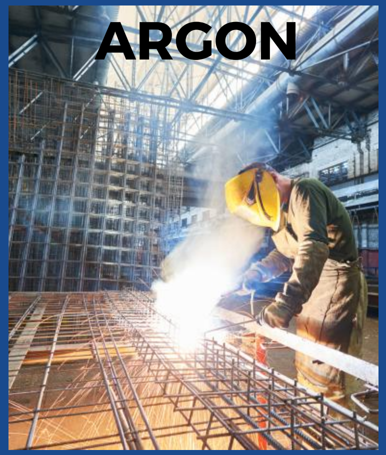
On site Gas Supply

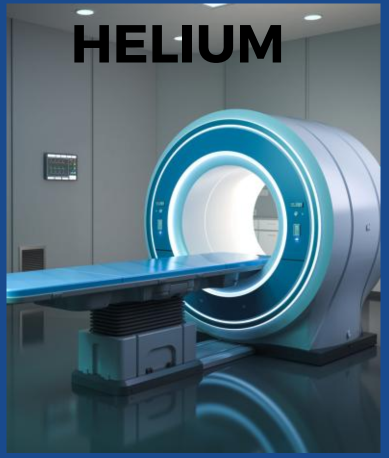
On-site supply of nitrogen gas for a photovoltaic manufacturer

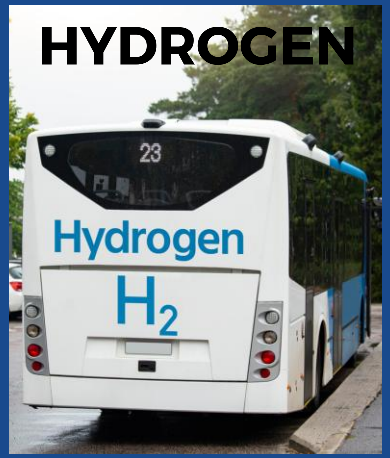
On-site supply of hydrogen, nitrogen and oxygen for an optoelectronics semiconductor plant

Trading of industrial and specialty gases

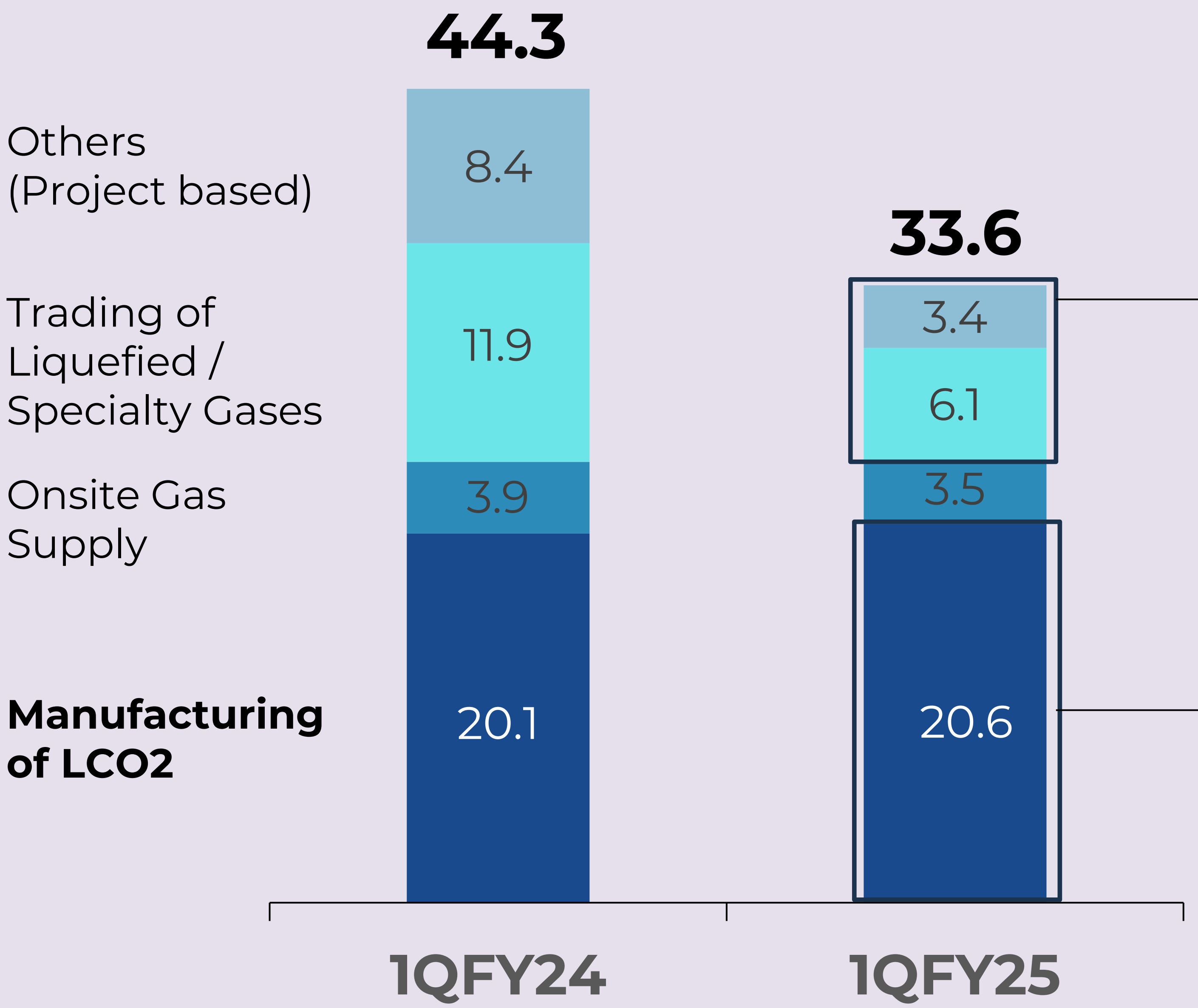








Industrial Gas Segment Revenue Breakdown (RM mil)



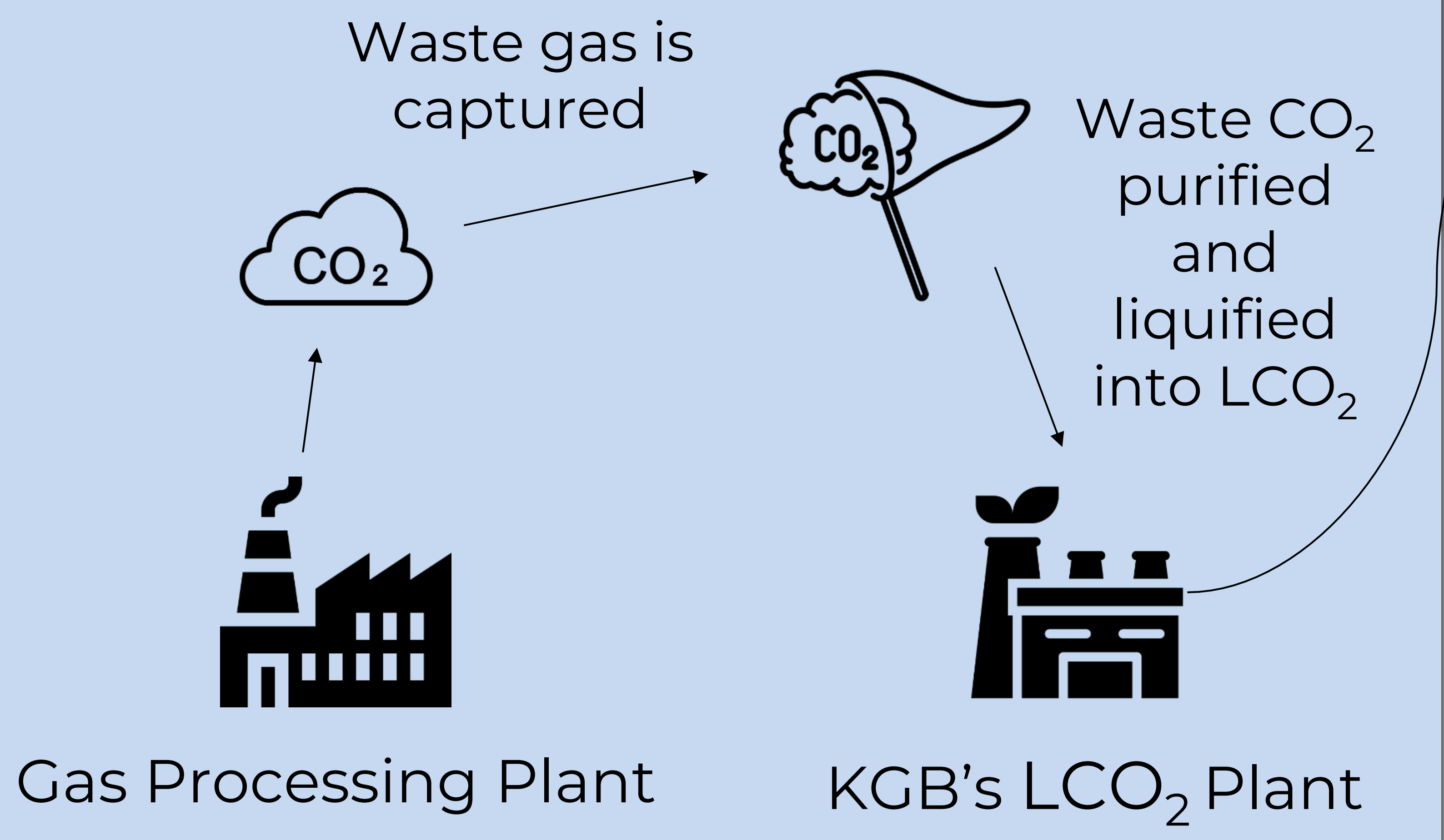
- Segment revenue was lower, due to:-
  - Reduced trading activity of specialty gases (nitrogen and argon)
  - Lower project-based income.

- Despite this, LCO2 demand remained stable in both domestic and export markets.
- Utilisation rate of LCO2 plant is 63%
- Total exports of LCO2 is 74%

Promote ESG through carbon capture

We capture waste gas and purify it for reuse in various industrial applications, reducing emissions

Our proven CCUS facility enables us to fast-track our involvement in CCUS-related collaborations



LCO_2 is used in various applications

Carbonated drinks

Food freezing

Welding

CCUS projects under National Energy Transition Roadmap (NETR) are expected to attract over **RM25 billion** in investments

Kelington Signed MoU with Masteel and UTAR on Pioneering CCUS Study

on 6 May 2025

Assess technical and economic feasibility of CCUS at Masteel's Selangor steel plant, including:-

- ✓ Capture technologies
- ✓ Energy efficiency
- ✓ Costs
- ✓ CO_2 utilisation/storage options

Kelington's Role:

- Provide expertise in CO_2 capture and storage
- Leveraging proven carbon utilisation models from its LCO_2 Plant in Terengganu

Masteel's Role:

- Offer operational access and industry insights for practical application

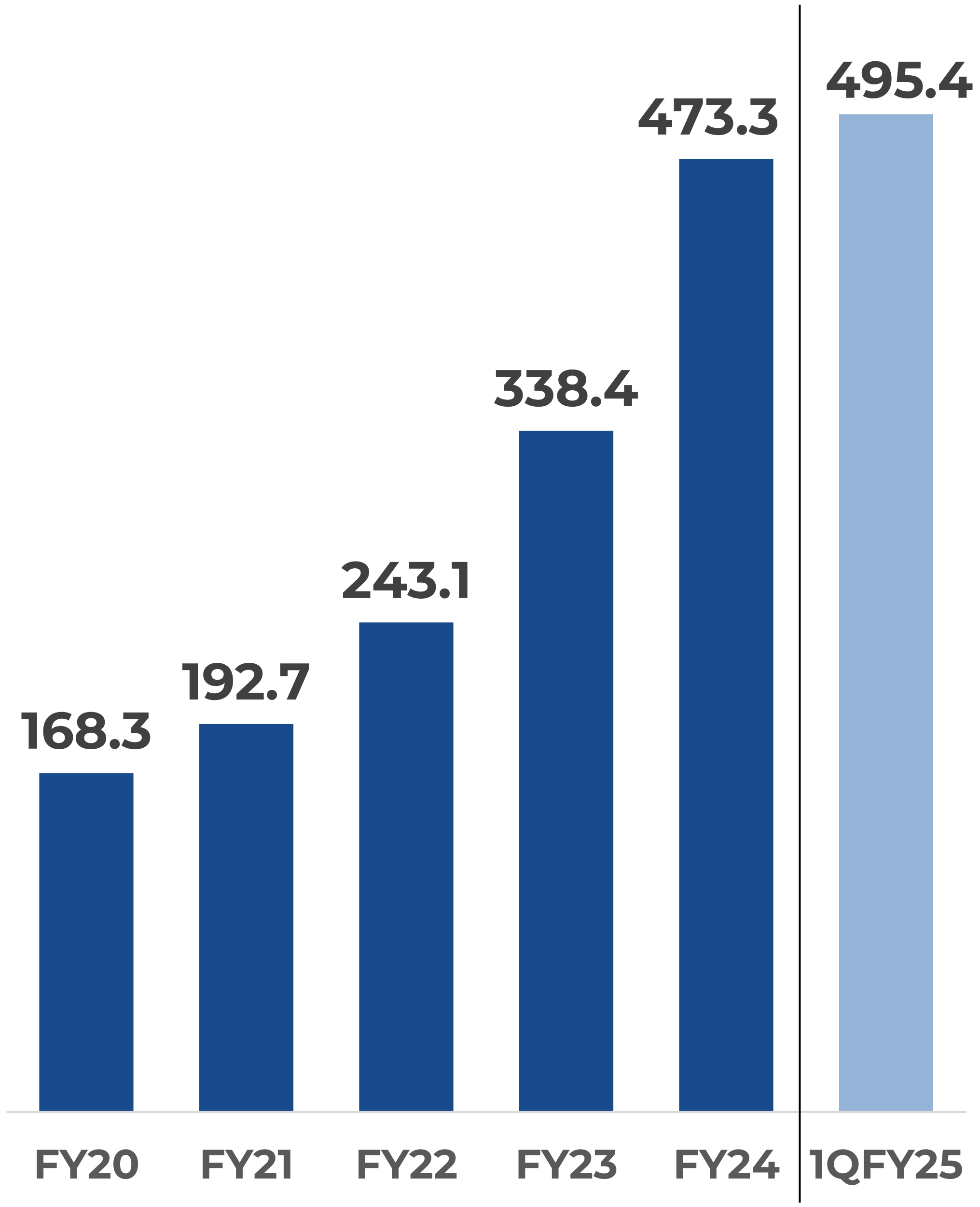
UTAR's Role:

- Lead academic research
- Environmental impact analysis
- Long-term viability study

Value Creation

Emphasis on the growth of shareholders' value

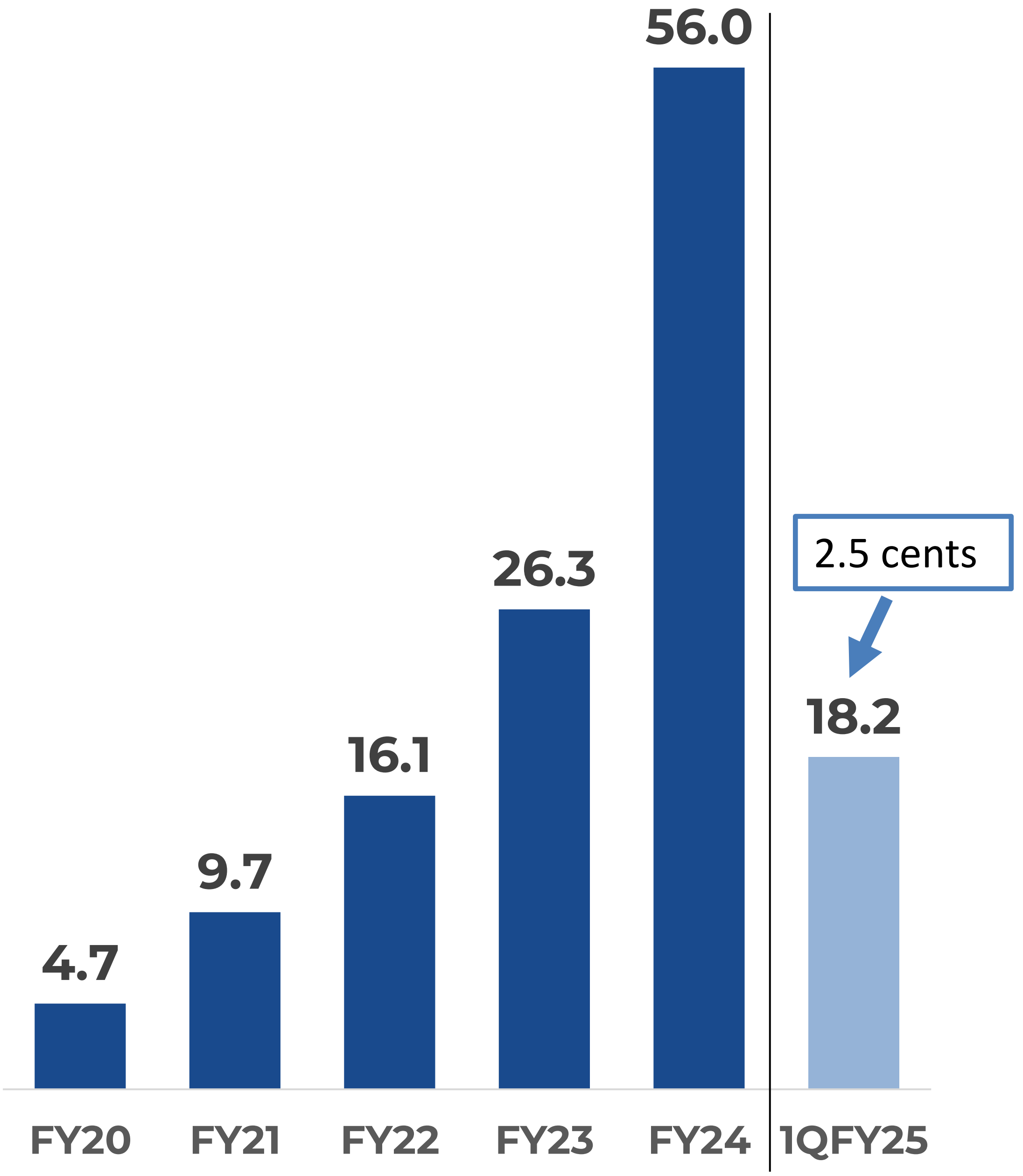
Shareholders' Funds (RM mil)



39.9%

growth from FY23 to FY24

Total Dividend Declared (RM mil)



Dividend payout ratio at

68.4%

based on 1QFY25 earnings

Outlook remains positive, supported by proactive efforts to pursue new opportunities

1

Global semiconductor industry growth

- Driven by rising demand from AI and data centres
- Reversal of AI diffusion rule is positive for semiconductor industry, expected to reignite capital spending across key semiconductor markets

2

New Industrial Master Plan 2030

- Attracting more foreign investments into Malaysia
- Malaysia attracted RM378.5 billion of approved investments in 2024
- 5% target growth in approved investments in 2025

3

Market Expansion Strategy

- Tendering for projects in Europe
- EU Chips Act to strengthen EU's global market share in semiconductors to 20% by 2030, up from <10% currently
- Backed by total financing framework of €43 billion

4

Industrial Gas

- Demand for liquid CO2 remains steady
- With passing of CCUS Bill in March 2025, a regulatory body, MyCCUS was established
- A clear framework to accelerate the development of CCUS industry, opportunities ahead

World Fab Forecast Report (2024 to 2026)

Published on 12 March 2025

2025 Fab Investments

Foundry leads with US$61B (+2% YoY)

Memory grows 50% to US$32B

2026 Outlook

Equipment spending up 18% to US$124B

Investment
Foundry: US$72B
Memory : US$48B

Foundry Capacity Growth

+11% in 2025

9% in 2026

Growth (including Pure Foundry & Foundry / IDM)

New Fab Projects (2025-2030)

39 new fabs worldwide

Greenfield & shell; excluding expansions / R&D

semi

Source: *https://www.semi.org/en/products-services/market-data/world-fab-forecast*

THANK YOU

For investor relations queries,
kindly contact howpin@capitalfront.biz