



Press Release

Kelington Group Berhad

(Registration No.199901026486 (501386-P))

KELINGTON POSTS RECORD HIGH QUARTERLY

NET PROFIT OF RM6.3 MILLION IN 3Q 2019

- *Strong growth driven by UHP projects in Singapore*

Kuala Lumpur, 19 November 2019 – Integrated engineering solutions provider, Kelington Group Berhad (“Kelington” or “Group”) today reported its highest ever quarterly net profit of RM6.3 million for the third quarter ended 30 September 2019 (“3Q 2019”), rising 34.8% from the previous year’s corresponding period (“3Q 2018”) of RM4.6 million. Revenue stood at RM97.0 million, representing a 52.4% increase from the previous year.

	Quarter ended 30.9.2019	Quarter ended 30.9.2018	Year to date ended 30.9.2019	Year to date ended 30.8.2018
RM million	3Q 2019	3Q 2018	9M 2019	9M 2018
Revenue	97.0	63.7	268.5	239.4
Profit before tax	7.5	5.9	21.2	17.5
Net Profit	6.3	4.6	16.2	13.3

The strong results in 3Q 2019 was mainly contributed by higher contributions from the Ultra High Purity division which represented 75.4% of total revenue. This was followed by Process Engineering (17.5%), General Contracting (5.7%) and Industrial Gases (1.4%) divisions.

For the nine months period ended 30 September 2019 (“9M 2019”), Kelington’s net profit rose 22.3% to RM16.2 million from RM13.3 million in the previous year. Revenue recorded a year-on-year increase of RM29.1 million or 12.1% to RM268.5 million from RM239.4 million. Singapore was the major contributor, representing 43.6% of 9M2019 revenue. This was followed by China (28.6%) and Malaysia (24.7%).

In terms of new orders secured at the Group’s engineering business, Kelington continued to replenish its orderbook despite the challenging operating landscape. In 3Q 2019, Kelington clinched new orders totaling RM67 million which brings the total new orders secured year-to-date to RM294 million. The new projects were mainly from the UHP and Process Engineering division originating from Singapore and China.

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Inclusive of carried forward projects, total orderbook grew to RM554 million, of which RM282 million remains outstanding.

Commenting on the Group's future prospects, **Ir. Raymond Gan, Chief Executive Officer of Kelington Group Berhad** said, "Moving forward, we anticipate higher revenue contribution from our new business division, Industrial Gases. Our new state-of-the-art liquid carbon dioxide ("liquid CO₂") manufacturing plant in Kerteh, Terengganu, successfully commenced operations in October 2019."

"So far, preliminary feedback from the customers on our LCO₂ has been positive and we are intensifying our business development activities especially to the food and beverage ("F&B") industry players as our LCO₂ produced is of food grade quality. This should contribute positively to our financial performance next year onwards."

In terms of financial position, the Group's balance sheet continues to remain healthy. As at 30 September 2019, total gross cash in hand stood at RM90.0 million, surpassing total debt of RM29.1 million. Gearing ratio remained manageable at 0.19 times.

Shareholders' equity (excluding non-controlling interests) rose to RM150.5 million from RM116.1 million as at 31 December 2018. The increase was mainly attributable to the exercise of convertible warrants and continuous quarterly profit.

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ABOUT KELINGTON GROUP BERHAD (“Kelington” or the “Group”)

Kelington is an integrated engineering solutions provider specializing in ultra-high purity (UHP) gas and chemical delivery systems, mechanical process engineering, mechanical systems and electrical systems. The Group provides end-to-end engineering solutions ranging from system design to fabrication and installation of equipment to testing and maintenance.

Established since 2000, the Group serves customers in the high technology industry across different sectors such as Industrial Gases, Wafer Fabrication, Solar Energy, TFT-LCT, Bioscience and Light Emitting Diode (LED). In line with its expansion plans, Kelington has also expanded its industry focus to include the pharmaceutical, healthcare and oil and gas sectors.

For more information, please log on to <http://kelington-group.com>

Released on behalf of Kelington Group Berhad by Capital Front Investor Relations.

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