



Kelington Group Berhad (501386-P)

Press Release

KELINGTON 1Q 2017 NET PROFIT UP BY TEN-FOLD TO RM2.0 MILLION

Newly clinched China projects to contribute positively to remaining quarters of the year.

1Q traditionally lower due to winter and CNY holidays in China and Taiwan.

Kuala Lumpur, 29 May 2017 – Integrated engineering solutions provider, Kelington Group Berhad (“Kelington” or “Group”) has reported its financial results for the first quarter ended 31 March 2017 (“1Q 2017”).

1Q 2017 net profit increased to RM2.0 million, recording a rise of more than ten-fold from RM0.2 million reported in the previous year’s corresponding period (“1Q2016”). This was due to the higher provision of impairment losses on projects and receivables and an unrealized foreign exchange loss that was incurred in 1Q 2016.

1Q2017 revenue decreased by 28% to RM56.5 million, from RM78.5 million in 1Q2016. This was due to the completion of a major project secured in 2015 involving the supply of a bulk gas system, clean dry air distribution system and exhaust distribution system in Singapore. “The decrease in revenue also reflects our management’s decision to be selective of our projects, taking on high quality projects from reputable clients. We value quality over quantity and this is to ensure that the projects we work on deliver healthy profit margins”, said **Ir. Raymond Gan, Chief Executive Officer of Kelington**.

Bulk of the Group’s revenue was contributed by its operations in Malaysia at 37%, followed by Taiwan (24%), China (21%) and Singapore (14%). Projects in Indonesia and Philippines contributed the remaining 4%.

Kelington Group Berhad (501386-P)

3, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong Industrial Park,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

Tel : (603) 7845 5696 / 7848 3849 Fax : (603) 7845 7097

Ir. Raymond Gan added, “The outlook of our Group’s financial performance remains positive as we continue to enjoy a healthy rate of orderbook replenishment. Since the start of the year, we have clinched new contracts worth approximately RM100 million.”

“Some of these recent project wins are from non-electronic multinational corporations (MNCs). This strengthens our prospects in expanding our client network outside of our core focus which used to comprise mainly of the electronic sector. Furthermore, the commencement of our new business unit involving the supply of Industrial Gases will also contribute positively to our long-term outlook.”

“We have benefited from China’s production capacity ramp up of memory chips and integrated circuits and have secured some contracts from the manufacturers there. The first quarter of the year is a traditionally weaker quarter for the Group as our operations in China and Taiwan are affected by the winter season and Chinese New Year holidays. The progress billing of these projects in the coming quarters will contribute positively to our financial performance.”

The Group continues to remain in a healthy net cash position with a cash balance of RM41.5 million against total borrowings of RM13.7 million.

The Group has a total orderbook of RM250 million, of which RM198 million are outstanding.

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.

Kelington Group Berhad (501386-P)

3, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong Industrial Park,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

Tel : (603) 7845 5696 / 7848 3849 Fax : (603) 7845 7097

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

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

MEDIA CONTACT:

Keow Mei-Lynn

Capital Front Investor Relations

hp +6 (012) 250 5575

email meilynn@capitalfront.biz

Kelington Group Berhad (501386-P)

3, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong Industrial Park,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

Tel : (603) 7845 5696 / 7848 3849 Fax : (603) 7845 7097