



Kelington Group Berhad (501386-P)

Press Release

KELINGTON DELIVERS TURNAROUND IN FY2016 WITH RECORD-HIGH REVENUE OF RM340 MILLION

- Returns to the black with full year net profit of RM8.7 million, from net loss position in previous year
- Gross profit margins increased to 11.3% from 9.8% in previous year

Kuala Lumpur, 22 February 2017 – Integrated engineering solutions provider, Kelington Group Berhad (“Kelington” or “Group”) has reported a commendable financial performance for the fourth quarter ended 31 December 2016 (4Q2016).

Financial Summary

RM'000	3 months ended 31 December 2016	3 months ended 31 December 2015		12 months ended 31 December 2016	12 months ended 31 December 2015	
	4Q2016	4Q2015	Change	FY2016	FY2015	Change
Revenue	106,083	91,359	16%	340,228	206,356	65%
Gross profit	12,437	9,703	28%	38,307	20,206	90%
Pre-tax profit	5,460	(6,890)	n.m.	9,784	(2,055)	n.m.
Net profit attributable to shareholders*	4,575	(7,105)	n.m.	8,691	(2,546)	n.m.

*profit after tax and non-controlling interests

4Q2016 revenue increased by 16% to RM106.1 million from RM91.4 million in the previous year's corresponding period. Net profit stood at RM4.6 million, a turnaround from a net loss position of RM7.1 million in the previous year's corresponding period.

In recent years, the Group had been successful at expanding its core business beyond Ultra High Purity gas solutions to provide process engineering solutions and general contracting works on a turnkey basis. In 2016, the Group secured a strong flow of new orders amounting to RM323 million.

Kelington Group Berhad (501386-P)

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Resulting from this, revenue for the full year period (FY2016) soared by 65% to RM340.2 million, hitting a record-high in the Group's history. Revenue contribution from all of the Group's four key operating markets in Malaysia, Singapore, Taiwan and China grew from the previous year. With a more stringent productivity programme in place to monitor costs, the Group's FY2016 gross profit margin increased to 11.3% from 9.8% in the previous year.

For the full year 2016, Kelington delivered a net profit of RM8.7 million or 3.95 sen earnings per share. This is a significant turnaround from the previous year's loss position which was affected by the provision of impairment losses on certain projects and receivables.

Ir. Raymond Gan, Chief Executive Officer of Kelington Group Berhad said, "We are very pleased with our financial performance for 2016, having set new records in our revenue and order flows. We are gaining a strong track record in delivering turnkey engineering works, having completed certain notable jobs. This adds credibility to the Group as we bid for similar type of jobs which carry higher values and command higher margins."

The Group has a total orderbook of RM546.9 million, of which RM206.7 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.

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

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