



FOR IMMEDIATE RELEASE

## KELINGTON RECORDS STRONG REBOUND IN 3Q2020

*Net profit jumped 687% QoQ to RM5 million in 3Q2020 driven by strong growth in China and Malaysia*

**Kuala Lumpur, 24 November 2020** – Integrated engineering solutions provider, Kelington Group Berhad (“Kelington” or “Group”) (stock code:0151) today reported a strong recovery in the third quarter ended 30 September 2020 (“3Q2020”) following a soft performance in the first half of the year arising from the various lockdown measures imposed to curb Covid-19 across its operations.

Kelington’s revenue grew 27.1% quarter-on-quarter (“QoQ”) to RM98.3 million in 3Q2020 from RM77.3 million in the preceding quarter (“2Q2020”) while net profit jumped 687.3% QoQ to RM4.9 million against RM0.6 million in 2Q2020.

As compared to the same quarter last year (“3Q2019”), revenue from Malaysia and China rose 52.0% YoY to RM31.5 million and 38.2% YoY to RM35.0 million, respectively. Revenue from Taiwan more than doubled to RM5.4 million from RM2.1 million last year driven by higher revenue from Ultra High Purity (“UHP”) and solar projects. Higher revenue from these countries was however offset by a decrease in revenue from Singapore to RM24.1 million against RM48.0 million in the previous year, as engineering activities there were temporarily disrupted due to the lockdown measures.

Commenting on the Group’s financial performance, **Ir. Raymond Gan, Chief Executive Officer of Kelington Group Berhad** said, “We are encouraged by the recovery momentum across our key operating markets, especially in Malaysia and China where our operations are back on track for growth. Over in Singapore, our operations are gradually recovering to 75% level and we are targeting for operations there to resume back to normal levels by next year.”



# Kelington Group Berhad

(Registration No.199901026486 (501386-P))

In terms of business segment, the UHP division remained the anchor revenue contributor to the Group at RM70.1 million or 71% of total revenue. General Contracting segment was the second largest revenue contributor at RM11.6 million, up 110% YoY from RM5.5 million in 3Q2019, mainly driven by higher project orders in Malaysia. This was followed by Process Engineering segment which recorded a lower revenue of RM9.3 million in 3Q2020 due to lesser project completions in Singapore.

The industrial gases division contributed its highest ever quarterly revenue of RM7.2 million in 3Q2020, attributable to an increase in demand of liquid carbon dioxide (“LCO2”).

**Ir. Raymond Gan, Chief Executive Officer of Kelington Group Berhad** added, “Project flows have improved as more industry players are resuming their expansion activities. Our operations in China and Malaysia are busy coping with the rising project orders and racing to meet delivery timelines. In 3Q2020 alone, we clinched an additional RM142 million worth of projects, boosting our total new orders secured to RM372 million in the nine-month period of 2020, representing an increase of 26.5% from RM294 million same period last year.”

He added that majority of the new orders clinched were from China, Malaysia and Singapore. Inclusive of the carried forward projects from FY2019 and new orders in FY2020, Kelington’s total outstanding orderbook has grown to RM370 million as at 30 September 2020.

“Overall, we are upbeat on the outlook ahead and our optimism is underpinned by the strong replenishment of orders and robust pipeline of project tenders across our key operating markets. This has prompted us to increase our workforce in order to meet the upward demand and boost our productivity. Looking ahead, we anticipate growth to be driven by the UHP division in China and Malaysia as well as our industrial gases division.”

For the nine months period ended 30 September 2020 (“9M2020”), the Group’s revenue and net profit stood lower at RM260.3 million and RM9.6 million respectively, mainly due to operational disruptions in 1H2020.

---

## Kelington Group Berhad

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



# Kelington Group Berhad

(Registration No.199901026486 (501386-P))

On balance sheet, Kelington remains healthy in a net cash position of RM39.1 million with total gross cash in hand of RM89.1 million exceeding the total debt of RM50.1 million as at 30 September 2020. Majority of the Group's debt are used for project financing purposes and capital expenditure for new industrial gas business division. Net cash per share stood at 12 sen.

-End-

---

## 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.

### Media Contact:

Keow Mei-Lynn

Capital Front Investor Relations

hp +6 (012) 250 5575

email [meilynn@capitalfront.biz](mailto:meilynn@capitalfront.biz)

---

### Kelington Group Berhad

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