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KELINGTON'S NET PROFIT CLIMBS 37% TO RM5.5 MILLION IN 1Q2021

*Secured an additional RM105 million worth of projects,
boosting orderbook to RM459 million in 1Q2021*

Kuala Lumpur, 25 May 2021 – Integrated engineering solutions provider, Kelington Group Berhad (“Kelington” or “Group”) (stock code:0151) today reported a strong set of financial performance for the first quarter ended 31 March 2021 (“1Q2021”).

During the quarter, Kelington’s profit attributable to shareholders of the company (“net profit”) climbed 37% year-on-year (“YoY”) to RM5.5 million from RM4.1 million in the prior year (“1Q2020”). The bottom-line growth was backed by an increase in revenue of 24% to RM104.8 million in 1Q2021 as compared to RM84.7 million in the same period last year. The robust financial performance was mainly driven by a significantly higher revenue contribution from Malaysia which soared 119.7% to RM43.9 million in 1Q2021 versus RM20.0 million in 1Q2020. This makes Malaysia operations the largest revenue contributor at 42% of total revenue. The China operations also recorded an improved performance with 47% growth YoY in revenue to RM19.0 million.

With regards to the business segment, the Ultra High Purity (“UHP”) division remained the primary revenue contributor and delivered a 9% YoY growth in revenue to RM68.9 million, attributable to higher projects completion in Malaysia and China. The second largest revenue contributor, General Contracting division, soared 220% YoY to RM16.3 million in 1Q2021 against RM5.1 million in 1Q2020, driven by higher project orders in Malaysia.

Meanwhile, the Industrial Gases division continued to contribute positively to the Group with a 73% YoY growth in revenue to RM8.8 million in 1Q2021 as demand for liquid carbon dioxide (“LCO2”) normalised on the back of resumption of economic activities.



Kelington Group Berhad

(Registration No.199901026486 (501386-P))

Commenting on the Group's financial performance, **Ir. Raymond Gan, Chief Executive Officer of Kelington Group Berhad** said, "We are pleased to commence the year with a set of commendable results across different business divisions. Signs of picking up in expansion activities by our clients have been apparent due to semiconductor shortage as well as ease of lockdown restrictions in many parts of the world. Hence, we are now working hard to fulfill the increasing project orders and racing to meet delivery timelines. The improved performance in the first quarter has definitely proven our resilience and set the tone for operational and financial growth for the rest of the quarters in FY2021."

"In just a 3-month period, we have successfully clinched an additional RM105 million worth of projects. Inclusive of the carried forward projects from FY2020 and new orders in FY2021, our orderbook rose to RM459 million, out of which RM364 million remains outstanding. Our strong replenishment of orders serves as a testament to our team's ability in clinching new projects amidst a challenging operating landscape."

He added that he continued to see promising growth in demand for the Group's LCO2 product due to resumption of business activities, which will in turn, will continue generating positive contributions to Kelington.

"Moving forward, we remain upbeat on the outlook ahead due to the recovery momentum buoyed by the global economic recovery amidst the ongoing mass Covid-19 vaccine deployment worldwide. Furthermore, we are confident to achieve top and bottom-line growth in FY2021, underpinned by consistent replenishment in orders and strong financial position. I believe our strong foothold in the industry puts us in a strong position to capitalize on the semiconductor boom and clinch more projects by leveraging on our robust track record in serving our clients from the semiconductor and electronics industries," he added.

In terms of balance sheet, Kelington remained in a net cash position RM9.2 million with total gross cash in hand of RM74.3 million exceeding total debt of RM65.1 million as at 31 March 2021. The increase in total debt was mainly attributed to the drawdown of borrowing for working capital for the Industrial Gases division and project financing. Net cash per share stood at 3 sen while gearing ratio was at 0.37 times.

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Kelington Group Berhad

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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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