



Press Release

FOR IMMEDIATE RELEASE

KELINGTON EXPANDS PRODUCTION OF LIQUID CARBON DIOXIDE WITH COMMENCEMENT OF SECOND PLANT

Kuala Lumpur, 26 March 2024 – Integrated engineering solutions provider, Kelington Group Berhad (“**Kelington**” or “**Group**”), through its 90.71% owned subsidiary, Ace Gases Sdn Bhd, has today announced the commencement of liquid carbon dioxide (“LCO2”) production at the Group’s second LCO2 plant with a production capacity of 70,000 tonnes per year located at Kerteh, Terengganu. This brings the Group’s production capacity of LCO2 to 120,000 tonnes per year.

At the Group’s LCO2 plant, CO2 waste gas sourced from Petronas Gas Processing Plant is purified and converted into food-grade LCO2, catering for use across diverse applications, particularly in the Food and Beverage (“F&B”) sector for the production of carbonated drinks and the creation of dry ice for food freezing.

Ir. Raymond Gan (顏漢慶), **Chief Executive Officer of Kelington Group Berhad** said, “Kelington first ventured into LCO2 manufacturing with the commencement of the first plant, with production capacity of 50,000 tonnes per year, in October 2019. Having reached its full capacity, this expansion enables us to stay ahead of the growing market demand. Commencement of the second LCO2 plant will position us for further revenue growth from our Industrial Gas segment as we now have the capacity to effectively meet rising demand.”

“The prospects of our LCO2 manufacturing business are promising, especially as the closure of petrochemical plants overseas due to environmental concerns have led to global shortage of LCO2, which is essential in many industrial processes.”

“Over 70% of the Group’s LCO2 is currently exported, serving markets in Singapore, Australia, New Zealand, Fiji, Indonesia and the Philippines. The enhanced capacity allows us to further broaden our market footprint, both within these existing territories and into new regions.”



In addition to the manufacturing facilities, Kelington has a robust support infrastructure, including storage tanks and a fleet of transportation vehicles. This facilitates the secure and efficient distribution of LCO2 both domestically and internationally.

Kelington's strategic diversification into both engineering services and industrial gas manufacturing ensures a balanced portfolio for long-term sustainability. While engineering services offer project-based revenue, the industrial gas segment promises a steady, recurring income, enhancing the Group's financial resilience and growth potential across various market conditions and sectors. By balancing across both segments, the Group is able to capitalise on opportunities across different market cycles and sectors.

-End-

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

Kelington is an integrated engineering solutions provider specialising 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 as well as building manufacturing facilities for electronic and semiconductor sectors.

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:

Mei Chee Chang

Capital Front Investor Relations

email meichee@capitalfront.biz