

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Statement of Profit or Loss and Other Comprehensive Income  
For The 4th Quarter Ended 31 December 2024

The unaudited financial results of Kelington Group Berhad and its subsidiaries (the "Group") for the period ended 31 December 2024 are as follow:-

	Note	Unaudited	Audited	+	-	%	Unaudited	Audited	+	-	%
		Current Qtr Ended 31.12.2024 RM'000	Previous Qtr Ended 31.12.2023 RM'000				12-months Period up to 31.12.2024 RM'000	12-months Period up to 31.12.2023 RM'000			
Revenue		304,325	478,787	-		36	1,272,120	1,614,449	-		21
Cost of sales		(236,631)	(392,565)				(1,025,928)	(1,384,949)			
<b>Gross profit</b>		<u>67,694</u>	<u>86,222</u>	-		21	<u>246,192</u>	<u>229,500</u>	+		7
Other income		6,450	2,872				12,216	9,571			
Administrative expenses		(19,487)	(27,617)				(68,037)	(72,902)			
Selling and distribution expenses		(975)	(1,763)				(3,651)	(3,834)			
Other expenses		(3,407)	(8,974)				(18,887)	(17,481)			
<b>Results from operating activities</b>		<u>50,275</u>	<u>50,740</u>	-		1	<u>167,833</u>	<u>144,854</u>	+		16
Finance costs		(2,303)	(2,944)				(9,482)	(10,951)			
<b>Profit before taxation for the financial period</b>		<u>47,972</u>	<u>47,796</u>	+		0	<u>158,351</u>	<u>133,903</u>	+		18
Taxation	B5	(8,869)	(10,707)				(32,842)	(27,885)			
<b>Profit after taxation for the financial period</b>		<u>39,103</u>	<u>37,089</u>	+		5	<u>125,509</u>	<u>106,018</u>	+		18
<b>Other comprehensive income, net of tax</b>											
Foreign currency translation		2,521	217				(6,330)	4,308			
		<u>2,521</u>	<u>217</u>				<u>(6,330)</u>	<u>4,308</u>			
<b>Total comprehensive income for the period</b>		<u>41,624</u>	<u>37,306</u>				<u>119,179</u>	<u>110,326</u>			
<b>Profit attributable to:</b>											
Shareholders of the Company		38,659	37,215	+		4	123,066	104,135	+		18
Non-controlling interests		444	(126)				2,443	1,883			
<b>Profit after taxation for the financial period</b>		<u>39,103</u>	<u>37,089</u>	+		5	<u>125,509</u>	<u>106,018</u>	+		18
<b>Total comprehensive income attributable to:</b>											
Shareholders of the Company		41,184	37,326				116,741	108,423			
Non-controlling interests		440	(20)				2,438	1,903			
<b>Total comprehensive income for the period</b>		<u>41,624</u>	<u>37,306</u>				<u>119,179</u>	<u>110,326</u>			
<b>Basic earnings per ordinary share (sen):</b>											
Basic earnings per share (sen)	B11	5.53	5.77				18.24	16.17			
Diluted earnings per share (sen)	B11	4.92	5.51				15.82	15.61			

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes enclosed to the interim financial statements.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Statement of Financial Position  
As at 31 December 2024

	Note	Unaudited As At 31.12.2024 RM'000	Audited As At 31.12.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		209,036	168,750
Goodwill on consolidation		6,826	7,211
Deferred tax assets		1,588	1,333
Right-of-use assets		5,068	6,756
		222,518	184,050
<b>Current assets</b>			
Inventories		20,846	25,450
Contract assets		148,818	159,382
Trade receivables		302,271	386,584
Other receivables, prepayments and deposits		43,918	46,293
Current tax assets		2,702	308
Fixed deposits with licensed banks		210,136	36,129
Cash and bank balances		202,978	233,132
		931,669	887,278
<b>TOTAL ASSETS</b>		<b>1,154,187</b>	<b>1,071,328</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		183,981	73,792
Retained earnings		240,394	204,797
Other reserve		50,061	54,541
Treasury share		(534)	(534)
<b>Total Equity attributable to Shareholders of the Company</b>		473,902	332,596
Non-controlling interests		84	5,796
<b>Total Equity</b>		473,986	338,392
<b>Non-current liabilities</b>			
Deferred tax liabilities		11,010	5,922
Lease liability	B8 (a)	1,721	2,598
Hire purchase payables	B8 (b)	4,169	4,430
Long term borrowings	B8 (b)	76,033	55,617
		92,933	68,567
<b>Current liabilities</b>			
Contract liabilities		228,070	249,714
Trade payables		175,952	223,841
Other payables and accruals		67,615	52,040
Derivative liabilities	B7	-	434
Lease liability	B8 (a)	2,491	4,080
Current tax liabilities		12,565	12,773
Short term borrowings	B8 (b)	100,565	119,241
Bank overdraft	B8 (b)	10	2,246
		587,268	664,369
<b>Total liabilities</b>		680,201	732,936
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,154,187</b>	<b>1,071,328</b>
<b>Net Assets Per Share Attributable to ordinary Equity holders of the company (RM)</b>		0.6599	0.5230

The Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of KGB for the financial year ended 31 December 2023 and the accompanying explanatory notes enclosed to the interim financial statements.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Condensed Consolidated Statements of Changes in Equity  
For The 4th Quarter Ended 31 December 2024

	<-----Attributable to Equity Holders of the Company----->						Total Equity RM'000		
	<-----Non Distributable----->			Distributable					
	Share Capital RM'000	Treasury Share RM'000	Capital Reserve RM'000	Employee Share Scheme Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	
<b>As at 1 January 2024</b>	73,792	(534)	36,651	4,697	13,193	204,797	<b>332,596</b>	5,796	<b>338,392</b>
Profit after taxation for the financial period	-	-	-	-	-	123,066	<b>123,066</b>	2,443	<b>125,509</b>
Other comprehensive expense, net of tax:									
- Foreign currency translation	-	-	-	-	(6,325)	-	<b>(6,325)</b>	(5)	<b>(6,330)</b>
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,325)</b>	<b>123,066</b>	<b>116,741</b>	<b>2,438</b>	<b>119,179</b>
Contributions by and distribution to owners of the company:									
- Employees' share scheme exercised	802	-	-	(802)	-	-	<b>-</b>	-	<b>-</b>
- Dividend for the period	-	-	-	-	-	(58,151)	<b>(58,151)</b>	-	<b>(58,151)</b>
- Warrants exercised	83,774	-	-	-	-	-	<b>83,774</b>	-	<b>83,774</b>
- Transfer to reserve fund in accordance to subsidiary's local regulatory requirement	-	-	871	-	-	-	<b>871</b>	-	<b>871</b>
- Issuance of ordinary shares for acquisition of non-controlling interest	25,613	-	-	-	-	(27,542)	<b>(1,929)</b>	(8,150)	<b>(10,079)</b>
- Transfer of non-distributable reserve funds by a subsidiary	-	-	1,776	-	-	(1,776)	<b>-</b>	-	<b>-</b>
<b>Total recognised income and expense for the period</b>	<b>110,189</b>	<b>-</b>	<b>2,647</b>	<b>(802)</b>	<b>-</b>	<b>(87,469)</b>	<b>24,565</b>	<b>(8,150)</b>	<b>16,415</b>
<b>As at 31 December 2024</b>	<b>183,981</b>	<b>(534)</b>	<b>39,298</b>	<b>3,895</b>	<b>6,868</b>	<b>240,394</b>	<b>473,902</b>	<b>84</b>	<b>473,986</b>
<b>As at 1 January 2023</b>	73,292	(534)	11,194	634	8,928	145,785	<b>239,299</b>	3,816	<b>243,115</b>
Profit after taxation for the financial year	-	-	-	-	-	104,135	<b>104,135</b>	1,883	<b>106,018</b>
Other comprehensive income, net of tax:									
- Foreign currency translation differences	-	-	-	-	4,288	-	<b>4,288</b>	20	<b>4,308</b>
<b>Total comprehensive income/ (expenses) for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,288</b>	<b>104,135</b>	<b>108,423</b>	<b>1,903</b>	<b>110,326</b>
Contributions by and distribution to owners of the company:									
- Dividends paid for the period	-	-	-	-	-	(19,317)	<b>(19,317)</b>	-	<b>(19,317)</b>
- Share-based payment	-	-	-	4,545	-	-	<b>4,545</b>	-	<b>4,545</b>
- Employees' share scheme exercised	482	-	-	(482)	-	-	<b>-</b>	-	<b>-</b>
- Warrants exercised	18	-	-	-	-	-	<b>18</b>	-	<b>18</b>
- Transfer of non-distributable reserve funds by a subsidiary	-	-	1,022	-	-	(1,022)	<b>-</b>	-	<b>-</b>
- Bonus shares issued by a subsidiary	-	-	25,479	-	-	(25,479)	<b>-</b>	-	<b>-</b>
<b>Total transactions with owners</b>	<b>500</b>	<b>-</b>	<b>26,501</b>	<b>4,063</b>	<b>-</b>	<b>(45,818)</b>	<b>(14,754)</b>	<b>-</b>	<b>(14,754)</b>
<b>As at 31 December 2023</b>	<b>73,792</b>	<b>(534)</b>	<b>37,695</b>	<b>4,697</b>	<b>13,216</b>	<b>204,102</b>	<b>332,968</b>	<b>5,719</b>	<b>338,687</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes enclosed to the interim financial statements.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Condensed Consolidated Statement of Cash Flow  
For The Year Ended 31 December 2024

	<b>Unaudited 12-Months Ended 31.12.2024 RM'000</b>	<b>Audited 12-Months Ended 31.12.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	158,351	133,903
Adjustments for:-		
Depreciation of property, plant and equipment	9,947	7,134
Depreciation of right-of-use assets	4,788	3,888
Changes on lease modification	-	(3)
Loss on disposal of subsidiary	-	36
Property, plant and equipment written off	6	33
Impairment loss on trade receivables	1,262	743
Impairment loss on contract assets	-	11,182
Provision for foreseeable loss	-	323
Interest expense	9,482	10,895
Interest income	(5,946)	(2,463)
Loss on disposal of equipment	2	134
Fair value adjustments on derivatives	(434)	(2,568)
Net (reversal)/ addition of provision of warranty costs	(147)	310
Share-based payments	-	4,545
Safety production reserve fund	871	-
Writeback of impairment loss on trade receivables	(1,922)	(934)
Reversal of impairment losses on contract assets	(2,952)	(1,237)
Unrealised loss on foreign exchange	3,306	18
Waiver of debts	-	(164)
Operating profit before working capital changes	176,614	165,775
Decrease/ (Increase) in inventory	4,604	(3,135)
Changes in net of contract assets /contract liabilities	(8,128)	4,783
Decrease in trade and other receivables	85,696	18,706
(Decrease)/ Increase in trade and other payables	(33,820)	9,759
<b>CASH FROM OPERATIONS</b>	<b>224,966</b>	<b>195,888</b>
Income tax paid	(30,864)	(21,331)
Interest paid	(36)	(34)
Interest received	5,946	2,463
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>200,012</b>	<b>176,986</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of plant and equipments	(48,764)	(69,170)
Disposal of subsidiaries (net of cash)	-	(65)
Proceeds from disposal of equipments	-	1,117
Additions of fixed deposits with tenure more than 3 months	(20,000)	(21)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(68,764)</b>	<b>(68,139)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(58,151)	(19,317)
Interest paid	(9,446)	(11,480)
Drawdown of borrowing	14,889	195,686
Acquisition of non-controlling interests	(10,084)	(110)
Repayment of borrowings and lease liabilities	(21,188)	(271,086)
Proceeds from exercise of warrants	83,774	18
Net increase in pledged fixed deposits and bank balances	(2,908)	(490)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(3,114)</b>	<b>(106,779)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>128,134</b>	<b>2,068</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(4,953)</b>	<b>5,722</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>237,322</b>	<b>229,532</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>360,503</b>	<b>237,322</b>

Cash and cash equivalents at the end of financial period comprise the following:

Cash and bank balances	202,978	233,132
Fixed deposits	210,136	36,129
	413,114	269,261
Less: bank overdraft	(10)	(2,246)
Less: fixed deposits pledged to licensed banks	(26,278)	(24,068)
Less: bank balance pledged to licensed banks	(6,323)	(4,451)
Less: fixed deposits with tenure of more than 3 months	(20,000)	(1,174)
	360,503	237,322

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited consolidated financial statements of KGB for the year ended 31 December 2023 and the accompanying explanatory notes enclosed to the interim financial statements.

**Part A - Explanatory Notes Pursuant to MFRS 134**

**A1. Basis of Preparation**

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting and in accordance to the requirements of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**").

The interim financial statements should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended ("**FYE**") 31 December 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

The accounting policies and methods of presentation and computation adopted in this interim financial report are consistent with those adopted in the most recent annual financial statements for the FYE 31 December 2023. The new, revised and amended MFRS and IC Interpretations, which are effective for the financial periods beginning on January 1, 2024, did not have any material impact on the financial results of the Group.

The Group have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback  
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101: Non-current Liabilities with Covenants  
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards did not have any material impact on the financial statements of the Group and of the Company.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

	<b>Effective date</b>
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

**A2. Status of Audit Qualification**

There were no audit qualification to the annual audited financial statements of the Group for the FYE 31 December 2023.

**A3. Segmental Information**

(a) Business Segment

The Group is organised into 3 main reportable segments as follows:

- (i) Service segment - involved in the provision of scientific and technical researches, laboratory testing service and experiments;
- (ii) Manufacturing, trading and rental segment - (1) industrial gases and leasing of tanks;  
- (2) equipments and materials for contracts; and
- (iii) Construction segment - involved in the provision of engineering services and construction.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**

**A3. Segmental Information (Cont'd)**

(a) Business Segment (Cont'd)

Service Segment	Manufacturing and Trading Segment:		Construction Segment	The Group
	Industrial Gases	Equipments & Materials		
RM'000	RM'000	RM'000	RM'000	RM'000

**31.12.2024**

Revenue					
External revenue	-	144,574	14,320	1,113,226	1,272,120
Inter-segment revenue	-	472	55,820	9,659	65,951
	-	145,046	70,140	1,122,885	1,338,071
Consolidated Adjustments					(65,951)
					<u>1,272,120</u>

Service Segment	Manufacturing and Trading Segment:		Construction Segment	The Group
	Industrial Gases	Equipments & Materials		
RM'000	RM'000	RM'000	RM'000	RM'000

**31.12.2023**

Revenue					
External revenue	527	113,783	3,760	1,496,379	1,614,449
Inter-segment revenue	-	180	103,542	11,222	114,944
	527	113,963	107,302	1,507,601	1,729,393
Consolidated Adjustments					(114,944)
					<u>1,614,449</u>

(b) Geographical information

Revenue is based on the country in which the customers are located. Non-current assets are determined according to the country where these assets are located. Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include goodwill and deferred tax assets.

	Revenue		Non-current Assets	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	504,269	699,453	201,334	158,790
China	378,213	238,221	4,524	4,142
Singapore	331,339	610,545	8,226	12,535
Taiwan	22,893	30,572	20	39
Others	35,406	35,658	-	-
	<u>1,272,120</u>	<u>1,614,449</u>	<u>214,104</u>	<u>175,506</u>

**A4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 31 December 2024.

**A5. Material Changes in Estimates**

There were no material changes in estimates used in the preparation of the financial statements in the current financial quarter as compared with the previous financial quarters or financial year.

**A6. Seasonal or Cyclical Factors**

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the quarter under review.

**A7. Dividends Paid**

On 23 December 2024, KGB had paid the third interim tax-exempt dividend of 2 sen per ordinary share in respect of the FYE 31 December 2024 amounting to RM14,297,330.

**A8. Valuation of Property, Plant and Equipment**

Property, plant and equipment of the Group were not revalued during the current quarter under review. As at 31 December 2024, all the property, plant and equipment were stated at cost less accumulated depreciation.

**A9. Movement of Debt And Equity Securities**

Saved as disclosed in the following, there were no issuance, cancellation, resale and repayment of debt and equity securities during the current quarter under review:

(a) Exercise of Warrants

During the quarter under review, KGB issued 20,087,533 new ordinary shares from the exercise of Warrants 2021/2026 at the exercise price of RM1.38 which amounted to RM27,720,796.

(b) Issuance of ordinary shares for acquisition of non-controlling interest

On 20 November 2024, the acquisition of 9.29% equity interest in Ace Gases Sdn Bhd for a purchase consideration of RM35,692,893 satisfied via cash consideration amounting to RM10,079,483 and issuance of 7,590,958 new ordinary shares in KGB at an issue price of RM3.3742 per share, amounting to RM25,613,410.

**A10. Changes in Composition of the Group**

There were no change in the composition of the Group during the current quarter under review.

**A11. Discontinued Operation**

There were no discontinued operations within the activities of the Group for the quarter under review.

**A12. Capital Commitments**

Saved as disclosed in the following, there were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the current quarter under review.

	<b>As at 31.12.2024</b>
	<b>RM'000</b>
Purchase of plant & equipment	<u>9,897</u>

**A13. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities and contingent assets as at 31 December 2024.

**A14. Material Subsequent Events**

Saved as disclosed in note 6 of part B, there has been no material subsequent events after the quarter ended 31 December 2024.

**B. Additional information required by the Bursa Malaysia's Listing Requirements**

**B1 Review Of Performance**

	Current Year Quarter 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Changes		Current Year-to-date 31.12.2024 RM'000	Preceding Year Corresponding Period 31.12.2023 RM'000	Changes	
			Amount RM'000	%			Amount RM'000	%
Revenue	304,325	478,787	(174,462)	-36%	1,272,120	1,614,449	(342,329)	-21%
Operating profit	50,275	50,740	(465)	-1%	167,833	144,854	22,979	16%
Profit before tax ("PBT")	47,972	47,796	176	0%	158,351	133,903	24,448	18%
Profit after tax ("PAT")	39,103	37,089	2,014	5%	125,509	106,018	19,491	18%
Profit attributable to shareholders of the company	38,659	37,215	1,444	4%	123,066	104,135	18,931	18%

**(a) Current Quarter vs. Previous Year Corresponding Quarter**

	Revenue 4Q2024 31.12.2024 RM'000	% of total	Revenue 4Q2023 31.12.2023 RM'000	% of total	Changes %	
Service segment:	-	0%	-	0%	0%	
Manufacturing & trading segment:	- Industrial gases	34,337	11%	29,616	6%	16%
	- Equipments and materials	27,411	9%	56,811	12%	-52%
Construction segment:	- Ultra High Purity ("UHP")	209,001	69%	296,329	62%	-29%
	- Process Engineering	27,497	9%	32,351	7%	-15%
	- General Contracting	23,598	8%	107,290	22%	-78%
Consolidated Adjustments	(17,519)	-6%	(43,610)	-9%		
<b>Total</b>	<b>304,325</b>		<b>478,787</b>		<b>-36%</b>	

Kelington's revenue declined by 36% YoY to RM304.3 million in 4Q2024 compared to 4Q2023. This was mainly attributed to reduced revenue contributions from Singapore and Malaysia, as several major projects in these regions were either completed or nearing completion. Additionally, Kelington is leveraging the semiconductor industry's upcycle by shifting its focus from general contracting to UHP projects, which, although smaller in contract size, yield higher profitability.

In terms of geographical breakdown, revenue contribution was led by Malaysia (35%), followed by China (31%) and Singapore (30%).

Revenue from China saw a significant rise to RM94.3 million, marking an 88.0% increase from RM50.2 million in the same period last year. This strong growth was driven by several large UHP projects secured in the second half of 2023 and the first half of 2024, reflecting robust demand in the region.

In Malaysia, revenue decreased by 48.5% to RM106.9 million, down from RM207.6 million in 4Q2023. This reduction was primarily due to several major projects nearing completion, leading to a slowdown in revenue contributions during this period. Additionally, newly secured projects have not yet contributed significantly, further impacting overall revenue.

Additionally, revenue from Singapore experienced a 56.8% YoY decline, amounting to RM90.0 million in 4Q2024, compared to RM208.3 million in 4Q2023. This decrease was mainly due to the completion and near completion of several major projects in the region.

In terms of business segments, the UHP division continued remained the key revenue driver, contributing 69% of the Group's total revenue in 4Q2024. Although UHP revenue declined by 29% to RM209.0 million compared to the same period last year, its higher proportion of total revenue resulted in improved project margins, supporting overall profitability. This highlights the successful completion of several UHP projects in Singapore and the company's strategic focus on the UHP segment.

The Process Engineering division's revenue contribution experienced a decrease of 15%, totaling RM27.5 million in 4Q2024 compared to 4Q2023. This shift is mainly attributed to a process engineering project awarded in Malaysia in 2022, that is now nearing completion.

Revenue from the General Contracting division decreased by 78%, dropping to RM23.6 million in the 4Q2024 from RM107.3 million in 4Q2023. This reduction was mainly due to slower progress on General Contracting projects in Malaysia following their period of accelerated activity.

The Industrial Gases division showcased steady improvement in 4Q2024, driven by consistent demand for liquid carbon dioxide in both local and export markets. As a result, revenue surged by 16% to RM34.3 million, compared to RM29.6 million in 4Q2023, highlighting a strong growth trajectory in this segment.



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**B1 Review Of Performance (Cont'd)**

(a) Current Quarter vs. Previous Year Corresponding Quarter (Cont'd)

Due to lower revenue in 4Q2024, gross profit declined by 21%, from RM86.2 million in 4Q2023 to RM67.7 million. However, the gross profit margin improved to 22.2% from 18.0% in 4Q2023, driven by a strategic focus on revenue composition, a favorable project mix, and contributions from the Industrial Gases division. Additionally, a reversal of impairment amounting to approximately RM3.0 million, recognized under other income, was primarily due to improved project recoverability in China. Despite these factors, PAT for the quarter recorded a modest increase of 5% compared to 4Q2023.

(b) Current Year-to date vs. Previous Year-to date

	Revenue 12M2024 RM'000	% of total		Revenue 12M2023 RM'000	% of total	Changes
Service segment:	-	0%		527	0%	-100%
Manufacturing & trading segment:	145,046	11%		113,963	7%	27%
- Industrial gases						
- Equipments and materials	70,140	6%		107,302	7%	-35%
Construction segment:	852,761	67%		1,023,431	63%	-17%
- Ultra High Purity ("UHP")						
- Process Engineering	85,511	7%		123,885	8%	-31%
- General Contracting	184,613	15%		360,285	22%	-49%
Consolidated Adjustments	(65,951)	-5%		(114,944)	-7%	
<b>Total</b>	<b>1,272,120</b>			<b>1,614,449</b>		<b>-21%</b>

The Group's revenue fell by 21% to RM1,272.1 million in 12M2024, compared to RM1,614.4 million in the same period in 2023. This decrease was primarily due to lower revenue contributions from Singapore and Malaysia, where several major projects were either completed or nearing completion. Additionally, the timing gap between the completion of existing projects and the start of new projects further impacted revenue.

Revenue from the UHP division fell by 17% to RM852.8 million in 12M2024, compared to RM1,023.4 million in the same period of 2023. This decline was mainly due to the completion of several UHP projects in Singapore. However, this reduction was partially offset by an increase in UHP projects in China, highlighting strong demand for UHP services in the region.

The Process Engineering division experienced a revenue decline of 31%, dropping to RM85.5 million in 12M2024 from RM123.9 million in 12M2023. This reduction was mainly attributed to a major project in Malaysia, awarded in 2022, that is now nearing completion.

Similarly, the General Contracting division's revenue fell by 49%, reaching RM184.6 million in 12M2024 compared to RM360.3 million in the 12M2023. The reduction was mainly due to lower contributions from operations in Malaysia, Singapore, and China.

On the other hand, the Industrial Gases division saw a 27% year-on-year increase in revenue, rising to RM145.0 million in 12M2024 from RM114.0 million in 12M2023. This growth was primarily driven by increased sales of liquid carbon dioxide and other gases.

In terms of geographical breakdown in 12M2024, revenue contribution was led by Malaysia (40%) followed by China (30%), Singapore (26%), and Taiwan (2%).

Despite the overall decline in revenue, the Group achieved a significant increase in gross profit, rising from RM229.5 million in 12M2023 to RM246.2 million in 12M2024. This growth was driven by a favorable project mix and contributions from the Industrial Gases division. As a result, both PBT and PAT saw strong year-on-year growth, increasing by 18% to RM158.4 million and RM125.5 million, respectively, underscoring the company's focus on projects that enhance profitability.

(c) Variation of Results Against Preceding Quarter

	Current Quarter 4Q2024  Unaudited 31.12.2024 RM'000	Immediate Preceding Quarter 3Q2024 Unaudited 30.9.2024 RM'000	Changes	
			Amount RM'000	%
Revenue	304,325	307,310	(2,985)	-1%
Operating profit	50,275	45,224	5,051	11%
Profit before tax ("PBT")	47,972	42,817	5,155	12%
Profit after tax ("PAT")	39,103	33,593	5,510	16%
Profit attributable to shareholders of the company	38,659	32,917	5,742	17%

Compared to 3Q2024, revenue in 4Q2024 saw a slight decline of 1% to RM304.3 million, mainly due to lower contributions from operations in Malaysia. However, PBT and PAT increased by 12% and 16%, respectively, driven by a reversal of impairment and the absence of an unrealized forex loss recorded in 3Q2024.

**B1 Review Of Performance (Cont'd)**

(d) Statement of Financial Position

<b>Financial Indicators</b>	<b>As at 31.12.2024 Unaudited RM'000</b>	<b>As at 31.12.2023 Audited RM'000</b>
Total assets	1,154,187	1,071,328
Total equity	473,986	338,392
Debt	184,989	188,212
Fixed deposits, cash & bank balances	413,114	269,261
Net cash	228,125	81,049
Debt-to-Equity (Gearing)	0.39	0.56

As of 31 December 2024, the Group's shareholders' equity (excluding non-controlling interests) rose to RM474.0 million from RM332.6 million as of 31 December 2023. This growth was driven by the exercise of warrants, issuance of ordinary shares and quarterly profits. Throughout the 12-month period, the Group declared and distributed dividends totaling RM58.2 million to its shareholders.

The Group's total debt decreased to RM185.0 million as of 31 December 2024, down from RM188.2 million as of 31 December 2023. This reduction was primarily due to the settlement of project financing in Singapore, though partially offset by loans drawn down for capital expenditures in the industrial gases division. Additionally, the net cash balance improved significantly, reaching RM228.1 million in the fourth quarter of 2024, up from RM81.0 million in 2023. This increase in net cash was mainly driven by project proceeds, and funds from the exercise of warrants.

As a result, the Group's financial position remains robust, with an improved gearing ratio of 0.39 times.

**B2 Commentary Of Prospects**

The outlook for the Group's engineering division remains positive, underpinned by our well-diversified presence across multiple countries and sectors. The rising demand for advanced semiconductor chips is accelerating the establishment of new wafer fabs, presenting further opportunities for our services.

The expanding Carbon Capture, Utilization, and Storage ("CCUS") industry also creates new avenues for growth. Our expertise in liquid CO<sub>2</sub> production is closely tied to CCUS, as we capture and purify waste CO<sub>2</sub> from an oil and gas processing plant, contributing to global decarbonisation by repurposing industrial emissions. With our engineering expertise, we are well-positioned to capitalise on emerging opportunities in the CCUS sector.

In our Industrial Gas segment, demand for LCO<sub>2</sub> continues to grow. With an annual production capacity of 120,000 MT, we are well-equipped to meet growing domestic and international needs. Additionally, having secured land adjacent to our existing plants enhances our flexibility for future capacity expansion.

For the 12 months ended 31 December 2024, the Group secured new contracts worth RM1.1 billion. Including carried-forward projects, our total order book stands at RM2.4 billion, with RM1.27 billion remain outstanding.

Barring unforeseen circumstances, we are confident of delivering a commendable financial performance in FY2025, supported by the execution of our order book, continued growth in our Industrial Gas business, and the success of new business initiatives.

**B3 Profit Forecast and Profit Guarantee**

The Company did not announce any profit forecast or profit estimate for the FYE 31 December 2024 in any public document and hence this information is not applicable.

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**B4 Profit for the Period**

	Quarter ended		Year-to-date ended	
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	2,660	1,118	5,946	2,463
Interest expense	(2,303)	(3,197)	(9,482)	(11,514)
Net (provision)/ reversal of impairment loss on trade receivables:				
- specified	(1,259)	(619)	660	(743)
Depreciation and amortisation	(1,214)	(1,940)	(9,947)	(7,134)
Depreciation of right-of-use assets	(1,207)	(2,176)	(4,788)	(3,888)
Property, plant and equipment written off	-	(30)	(6)	(33)
Unrealised Foreign exchange gain/(loss)	3,920	188	(3,306)	164
Realised Foreign exchange (loss)/ gain	(842)	(806)	4	(1,374)
Provision for gratuity	-	-	(1,264)	(5,466)
Gain/ (loss) on disposal of equipment	-	76	(2)	(134)
Changes on lease modification	-	3	-	3
Safety production reserve fund	-	-	(871)	-
Net reversal/(addition) of provision of warranty cost:	147	(310)	147	(310)
Net fair value adjustments of financial derivatives	625	(304)	434	2,568
Reversal of impairment loss on contract assets	2,952	1,237	2,952	1,237

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

**B5 Taxation**

	Current quarter ended 31.12.2024 RM'000	Cumulative Year to date ended 31.12.2024 RM'000
Company taxation	7,352	27,939
Deferred taxation	1,517	4,903
	<u>8,869</u>	<u>32,842</u>

The effective tax rate of the Group for the current financial year under review is lower than the statutory tax rate due to the tax rate in Singapore is relatively lower. Apart from this, there are some tax exemptions in China due to expenditure on research and developments.

**B6 Corporate Proposal**

Saved as disclosed in the following, there were no outstanding corporate proposals announced but not completed as at the date of this quarterly report.

Proposed Acquisition of the Remaining 9.29% Equity Interest in Ace Gases Sdn Bhd ("Proposed Acquisition")

On 29 July 2024, the Company had entered into a conditional share sale agreement with Palace Star Sdn Bhd, Chong Ann Tsun and Alan Lim Chui Boon for the proposed acquisition of 2,539,000 ordinary shares in Ace Gases Sdn Bhd ("AGSB"), representing the remaining 9.29% equity interest in AGBS for a purchase consideration of RM35,692,893 to be satisfied via cash consideration amounting to RM10,079,483 and issuance of 7,590,958 new ordinary shares in KGB ("Consideration Shares") at an issue price of RM3.3742 per Consideration Share.

The Proposed Acquisition is deemed as a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, by virtue of the interests of the directors and/ or major shareholders in relation to the Proposed Acquisition.

The resolution of this Proposed Acquisition was duly passed at the Extraordinary General Meeting held on 23 October 2024 and the transaction was completed on 20 November 2024.

**B7 Derivatives Financial Instruments**

There were no outstanding foreign currency forward contracts as at 31 December 2024.

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**B8 Lease Liability and Group Borrowings**

(a) Lease liability

The lease liability as at 31 December 2024 versus 31 December 2023 were as follows:

	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Non-current	1,721	2,598
Current	2,491	4,080
<b>Total</b>	<b>4,212</b>	<b>6,678</b>

The lease liability comprises tenancy agreements of more than one year. The increase in lease liability as of 31 December 2024, compared to the same period last year, was primarily due to tenancy agreements for ISO tanks in the industrial gases division.

(b) Group Borrowings

The borrowings as at 31 December 2024 versus 31 December 2023 were as follows.

	As At 31 December 2024					
	Current Liabilities		Non-current Liabilities		Total Borrowings	
	Currency ('000)	RM'000	Currency ('000)	RM'000	Currency ('000)	RM'000
<b>Secured</b>						
Term Loan	<i>RM11,551</i>	11,551	<i>RM74,033</i>	74,033	<i>RM85,584</i>	85,584
Revolving loan	<i>RMB7,000; NTD16,000; RM21,000</i>	27,472	<i>RM2,000</i>	2,000	<i>RMB7,000; NTD16,000; RM23,000</i>	29,472
Post buyer Loan/ Invoice financing	<i>RMB88,442, RM5,549</i>	59,773	-	-	<i>RMB88,442, RM5,549</i>	59,773
Hire Purchase Payable	<i>SGD43, RM1,629</i>	1,769	<i>SGD274, RM3,267</i>	4,169	<i>SGD317, RM4,896</i>	5,938
Bank overdraft	<i>RM10</i>	10	-	-	<i>RM9</i>	10
<b>Unsecured</b>						
Nil	-	-	-	-	-	-
		<b>100,575</b>		<b>80,202</b>		<b>180,777</b>
Weighted average interest rate of borrowings						4.77%
Proportion of borrowings between fixed interest rate and floating interest rate						3%:97%

The slight reduction in borrowing as of 31 December 2024, compared to the same period last year, was primarily attributed to decreased project financing in Singapore. However, this decline was partially offset by higher capital expenditure and working capital requirements for the Industrial Gases division, along with increased project financing needs in China.

	As At 31 December 2023					
	Current Liabilities		Non-current Liabilities		Total Borrowings	
	Currency ('000)	RM'000	Currency ('000)	RM'000	Currency ('000)	RM'000
<b>Secured</b>						
Term Loan	<i>SGD1,000, RM14,821</i>	18,300	<i>RM55,617</i>	55,617	<i>SGD1,000, RM70,438</i>	73,917
Revolving loan	<i>RM26,250</i>	26,250	-	-	<i>RM26,250</i>	26,250
Post buyer loan/Invoice financing	<i>RMB67,388, SGD7,181, RM6,427</i>	73,186	-	-	<i>RMB67,388, SGD7,181, RM6,427</i>	73,186
Hire Purchase Payable	<i>SGD49, RM1,335</i>	1,505	<i>SGD317, RM4,113</i>	4,430	<i>SGD366, RM5,448</i>	5,935
Bank overdraft	<i>RM2,248</i>	2,248	-	-	<i>RM2,248</i>	2,248
<b>Unsecured</b>						
Nil	-	-	-	-	-	-
		<b>121,489</b>		<b>60,047</b>		<b>181,536</b>
Weighted average interest rate of borrowings						4.79%
Proportion of borrowings between fixed interest rate and floating interest rate						3%:97%

The decrease in borrowing during the year ended 31 December 2023 compared to previous year was mainly attributed to the settlement of project financing loan as specific projects reached their final stage. However, the upswing in term loans and revolving credit is primarily a result of capital expenditure and working capital for the industrial gases division.

The improved in weighted average interest rate mainly a result of the reduction in the interest rate of term loan.

## **B9 Material Litigation**

Save as disclosed below, as at the date of this quarterly report, neither KGB nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of the Group:-

### **(1) Updates on legal proceeding against Hui Neng Mechanical & Electrical Engineering Co. ("Hui Neng")(27518963)**

On 29 June 2016, the Judge has decided in favour of Kelington Taiwan and allowed Kelington Taiwan's claim of NTD34,234,442 (equivalent to RM4,279,305) being the net amount after deducting Hui Neng's progress claim of NTD1,765,558, plus all interest thereon since 13 March 2015 until full and final settlement and that all litigation cost shall be borne by Hui Neng.

On 25 July 2016, Hui Neng has submitted an appeal to the Court.

On 14 October 2016, Hui Neng has submitted a written plea to the High Court, Taiwan. On 9 December 2016, Kelington Taiwan answered to the plea submitted by Hui Neng to the High Court.

On 19 January 2017, High court decided to call the witnesses to Court to give evidence on the next hearing. On 24 February 2017, 7 April 2017, 18 May 2017, 6 July 2017, 25 August 2017, 28 September 2017, 16 November 2017, 21 December 2017, 2 February 2018, 15 March 2018, 22 June 2018, 5 July 2018, 1 August and 29 August, High court had heard the evidences given by the witnesses and fixed the final hearing on 12 September 2018.

On 12 September 2018, High Court Taiwan has delivered its court decision and ordered that Hui Neng shall pay Kelington Taiwan the sum of NTD 29,328,814 (equivalent to RM3,946,129) plus interest of 5% per annum thereon since 10 October 2015.

On 11 January 2021, Kelington Taiwan received a judgement from the Supreme Court of Taiwan which in response to Hui Neng's petition made on 23 October 2018 that the original court judgment made on 12 September 2018 was set aside except for the provisional execution, and the case shall re-submit to the Taiwan High Court in Kaohsiung.

On 8 May 2024, High Court of Taiwan has delivered its court decision and ordered that Hui Neng shall pay Kelington Taiwan the sum of NTD 28,067,575 (approximately RM4,108,279), plus an interest of 5% per annum thereon since 11 August 2018. Hui Neng is currently appealing against the decision of the High Court of Taiwan and the matter is ongoing. KTW has replied to Hui Neng's claim and the matter is currently pending decision from court.

The Company will announce further developments on the above matter in due course.

### **(2) Commencement of arbitration proceeding by Kelington Technologies Sdn. Bhd. ("KTSB"), a wholly owned subsidiary of Kelington against JCT Industries Group Sdn. Bhd ("JCT")**

On 19 August 2022, KTSB served a Notice of Arbitration to JCT ("Respondent"). The arbitration proceedings commenced under the Notice of Arbitration filed pursuant to the Arbitration Act 2005 and the PAM Arbitration Rules.

In summary, KTSB claims from the Respondent by way of counterclaims, including but not limited to:

- 1 the sum of RM6,272,033.97;
- 2 further, or alternatively, such sums as may be determined by this Honourable Tribunal on a quantum meruit basis;
- 3 interest for such period and rate as the Honourable Tribunal deems fit;
- 4 interest from the date of the award until full and final settlement;
- 5 costs of the arbitration; and
- 6 such further relief as the Honourable Tribunal deems fit and proper.

On 14 November 2022, KTSB received a notice dated 8 November 2022 from Pertubuhan Arkitek Malaysia (PAM) that a sole arbitrator has been appointed for the Arbitration Proceedings.

On 22 April 2024, KTSB served a statement of case to JCT pursuant to Article 10 of the Pertubuhan Arkitek Malaysia Rules 2019 (PAM Rules 2019).

#### **Particulars of the Primarily Reliefs**

In this arbitral proceeding, the Claimant seeks from the Respondent, amongst others, the outstanding payment of RM6,272,033.97, and costs and interests arising from the same.

On 18 July 2024, KTSB received a statement of defence dated 18 July 2024 ("Defence") from JCT in response to the KTSB's Statement of case ("SOC"). In the Defence from JCT, JCT denied KTSB's claim and has prayed for Kelington's claim sum of RM6,272,033.97 with interests to be dismissed.

On 12 August 2024, KTSB served a Statement of Reply to Defence ("SOR") to JCT in response to JCT's Defence. In the SOR to JCT, KTSB denied the Defence filed by JCT and has requested that the reliefs set forth in KTSB's SOC to be allowed with costs.

On 15 October 2024, KTSB was notified by Pertubuhan Arkitek Malaysia (PAM) of the appointment of Ar. Alice Leong Pek Lian as the new arbitrator. This appointment is necessitated by the previous arbitrator informing parties on his ill-health condition which prevents him from continuing his duties as the arbitrator.

The Company will announce further developments on the above matter in due course.

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**B10 Dividends Payable**

On 26 February 2025, the Board of Directors of KGB proposed the payment of fourth interim tax-exempt dividend of 2 sen per ordinary share in respect of the FYE 31 December 2024 amounting to RM14,412,179. This will be paid on 11 April 2025.

**B11 Earnings Per Share**

The earnings per share for the quarter and cumulative year to date are computed as follow:

	<b>Current Quarter Ended</b>		<b>Cumulative Year To Date Ended</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Profit After Taxation attributable to owners of the company (RM'000)	38,659	37,215	123,066	104,135
Weighted average number of ordinary shares in issue ('000)	698,774	644,785	674,861	643,888
Basic Earnings Per Share (Sen)	5.53	5.77	18.24	16.17
Diluted Earnings Per Share (Sen) # ^	4.92	5.51	15.82	15.61

*Note :*

# - Assuming the full exercise of the remaining 153,614,799 convertible warrants

^ - Assuming the exercise of 20,990,650 shares, which is the remaining unexercised options of Employee Shares Scheme.