



## Press Release

FOR IMMEDIATE RELEASE

### KELINGTON COLLABORATES WITH PETRONAS CCS SOLUTIONS TO EXPLORE CARBON CAPTURE TECHNOLOGIES

**Kuala Lumpur, 3 July 2025** – Integrated engineering solutions provider, Kelington Group Berhad (“**Kelington**” or “**Group**”) (stock code:0151), via its subsidiary, Ace Gases Marketing Sdn Bhd (“**Ace Gases**”) has signed a Memorandum of Understanding (“**MoU**”) with PETRONAS CCS Solutions Sdn. Bhd. (“**PCCSS**”). The collaboration will explore joint value propositions through a feasibility study leveraging Ace Gases' expertise in carbon dioxide (“**CO<sub>2</sub>**”) logistics and facility operations.

This MoU will be valid for one year, with an option to extend for an additional year, subject to mutual agreement. The collaboration will focus on identifying potential synergies and opportunities in managing carbon emissions. The study will encompass the evaluation of technologies, facilities, feasibility, commercial aspects, funding opportunities, and relevant industries.

Upon completion, it is anticipated that the study will provide a comprehensive assessment of the commercial and technical viability of developing joint value propositions in relation to the transport of carbon emissions. The findings may pave the way for potential future projects and collaborations between both parties, contributing to sustainable and innovative solutions for carbon management.

The collaboration comes at a time when Malaysia's annual CO<sub>2</sub> emissions from fossil fuel and industrial activities reached 288.82 million tonnes in 2023 (Source: *Our World In Data*). This feasibility study marks a critical step toward developing a national carbon capture scheme. If successfully implemented, it will provide CO<sub>2</sub> emitters with viable pathways to sequester carbon emissions, directly supporting Malaysia's Paris Agreement commitment to reduce carbon intensity by 45% by 2030 and achieve net-zero emissions by 2050.

Carbon sequestration is increasingly recognised as a solution for mitigating CO<sub>2</sub> emissions, particularly in hard-to-abate industries such as power generation, cement production, and oil and gas refining. The feasibility study will assess both the technical and commercial viability of deploying these solutions at scale.

Kelington, through Ace Gases, is already actively involved in carbon capture, as it currently owns and operates two CO<sub>2</sub> manufacturing plants. These facilities receive CO<sub>2</sub> from PETRONAS' gas processing plants in Kerteh, Terengganu, which is then purified and liquefied for reuse across various industries, with a particular focus on the food and beverage sector.

In parallel, Ace Gases is also exploring further utilisation pathways for the captured carbon, including the conversion of CO<sub>2</sub> into sustainable fuels such as green methanol, ammonia, and sustainable aviation fuel. These initiatives will further advance Malaysia's low-carbon transition and support the development of a circular carbon economy.

**Ir. Raymond Gan (顏漢慶), Chief Executive Officer of Kelington Group Berhad** said, "We believe that the shift towards a low-carbon economy presents not only a responsibility but an opportunity for innovation and growth. As we confront the urgent challenges posed by climate change, technologies like carbon capture and storage have emerged as a vital solution for reducing greenhouse gas emissions."

"By leveraging Kelington's established capabilities in industrial gas processing and engineering services with PETRONAS CCS Solutions industry-leading insights and resources, we are well-positioned to develop effective and scalable carbon capture solutions. These solutions can significantly mitigate emissions and offer transformative potential across industries."

The collaboration aligns with Malaysia's National Energy Transition Roadmap, which outlines ambitious goals for achieving carbon neutrality by 2050.

"We are optimistic about the potential for collaboration on future projects with an industry leader like PETRONAS CCS Solutions. In line with the rising demand for low-carbon technologies, this collaboration will open new business opportunities, allow us to tap into diverse customer segments, and broaden our service offerings, paving the way for fresh revenue streams."

With the Malaysian government's planned introduction of a carbon tax by 2026, targeting the iron, steel, and energy sectors, Kelington is well-positioned to help industries lower their carbon emissions, hence reducing their carbon tax obligations. By providing effective carbon management solutions, the Group will enable businesses to navigate future tax structures while actively supporting Malaysia's broader goals for decarbonization on a global scale.

At this juncture, this collaboration is not expected to have any financial impact on Kelington's earnings and net assets. Nonetheless, the Group views this collaboration as a strategic step in



advancing its capabilities and positioning for long-term growth in the evolving carbon management sector.

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

Kelington Group Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad, is an integrated engineering solutions provider with a core focus on advanced engineering and process systems, particularly for the semiconductor and electronics industries. The Group delivers end-to-end engineering solutions ranging from system design to fabrication and installation of equipment as well as building manufacturing facilities.

Via Ace Gases Sdn Bhd, its wholly-owned subsidiary, the Group is also a key player in the industrial gas sector, supplying a comprehensive range of industrial and electronic specialty gases. Its engineering services extend to gas plant design, on-site gas generation, and customised gas delivery systems, serving diverse industry applications.

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

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Released on behalf of Kelington Group Berhad by Capital Front Investor Relations.

### **Media Contact:**

How Pin Cheong

Capital Front Investor Relations

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