



# **KELINGTON GROUP BERHAD**

[Registration No. 199901026486 (501386-P)]

("KGB", "the Company" or "the Group")

**Interim Financial Statements  
Fourth Quarter Results  
For the Financial period ended  
31 December 2025**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

The unaudited financial results of Kelington Group Berhad and its subsidiaries (the "Group") for the year ended 31 December 2025 are as follow:-

		Unaudited	Audited			Unaudited	Audited		
	Note	Current Qtr Ended 31.12.2025 RM'000	Previous Qtr Ended 31.12.2024 RM'000	+	-	12-months Period up to 31.12.2025 RM'000	12-months Period up to 31.12.2024 RM'000	+	-
				%	%			%	%
Revenue		404,930	304,374	+	33	1,273,599	1,272,169	+	-
Cost of sales		(317,250)	(238,088)			(1,001,134)	(1,027,385)		
<b>Gross profit</b>		<u>87,680</u>	<u>66,286</u>	+	32	<u>272,465</u>	<u>244,784</u>	+	11
Other income		2,663	8,579			10,065	12,426		
		<u>90,343</u>	<u>74,865</u>			<u>282,530</u>	<u>257,210</u>		
Administrative expenses		(11,649)	(21,695)			(64,517)	(74,268)		
Selling and distribution expenses		(1,045)	(2,075)			(4,154)	(4,751)		
Other expenses		(17,277)	(867)			(22,911)	(12,324)		
Finance costs		(1,822)	(2,223)			(8,047)	(9,402)		
Net reversal of impairment losses on financial assets		3,672	387			7,109	2,306		
<b>Profit before taxation</b>		<u>62,222</u>	<u>48,392</u>	+	29	<u>190,010</u>	<u>158,771</u>	+	20
Income tax expense	B5	(11,718)	(8,042)			(38,841)	(32,015)		
<b>Profit after taxation</b>		<u>50,504</u>	<u>40,350</u>	+	25	<u>151,169</u>	<u>126,756</u>	+	19
<b>Other comprehensive (expense)/income</b>									
Foreign currency translation differences		(4,352)	1,510			(8,045)	(7,341)		
		<u>(4,352)</u>	<u>1,510</u>			<u>(8,045)</u>	<u>(7,341)</u>		
<b>Total comprehensive income for the period</b>		<u>46,152</u>	<u>41,860</u>			<u>143,124</u>	<u>119,415</u>		
<b>Profit after taxation attributable to:</b>									
Shareholders of the Company		50,426	39,942	+	26	151,096	124,349	+	22
Non-controlling interests		78	408			73	2,407	+	22
<b>Profit after taxation for the financial period</b>		<u>50,504</u>	<u>40,350</u>	+	25	<u>151,169</u>	<u>126,756</u>	+	19
<b>Total comprehensive income attributable to:</b>									
Shareholders of the Company		46,079	41,453			143,056	117,010		
Non-controlling interests		73	407			68	2,405		
<b>Total comprehensive income for the period</b>		<u>46,152</u>	<u>41,860</u>			<u>143,124</u>	<u>119,415</u>		
<b>Basic earnings per ordinary share (sen):</b>									
Basic earnings per share (sen)	B11	6.51	5.72			20.28	18.43		
Diluted earnings per share (sen)	B11	5.98	5.08			18.28	15.96		

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 2024 and the accompanying explanatory notes enclosed to the interim financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

	Note	Unaudited As At 31.12.2025 RM'000	Audited As At 31.12.2024 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		227,433	209,059
Goodwill on consolidation		6,563	6,826
Deferred tax assets		1,688	2,280
Right-of-use assets		8,152	5,068
		243,836	223,233
<b>Current assets</b>			
Short-term investments		78,124	-
Inventories		14,797	19,787
Contract assets		186,428	150,909
Trade receivables		433,877	299,388
Other receivables, deposits and prepayments		34,312	41,964
Current tax assets		3,764	1,790
Fixed deposits with licensed banks		201,895	210,136
Cash and bank balances		203,475	202,978
		1,156,672	926,952
<b>TOTAL ASSETS</b>		<b>1,400,508</b>	<b>1,150,185</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		265,615	183,981
Retained earnings		306,010	239,788
Other reserve		42,340	50,063
Treasury share		(534)	(534)
<b>Total Equity attributable to Shareholders of the Company</b>		613,431	473,298
Non-controlling interests		119	51
<b>Total Equity</b>		613,550	473,349
<b>Non-current liabilities</b>			
Deferred tax liabilities		13,107	10,902
Lease liabilities	B8 (a)	3,802	1,721
Hire purchase payables	B8 (b)	3,679	4,129
Long term borrowings	B8 (b)	69,834	74,531
		90,422	91,283
<b>Current liabilities</b>			
Contract liabilities		195,895	222,360
Trade payables		225,115	188,978
Other payables and accruals		95,767	57,607
Lease liabilities	B8 (a)	3,600	2,491
Current tax liabilities		18,396	11,710
Dividend payable		31,241	-
Short term borrowings	B8 (b)	126,522	102,397
Bank overdraft	B8 (b)	-	10
		696,536	585,553
<b>Total liabilities</b>		786,958	676,836
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,400,508</b>	<b>1,150,185</b>
<b>Net Assets Per Share Attributable to ordinary Equity holders of the company (RM)</b>		0.7862	0.6590

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 2024 and the accompanying explanatory notes enclosed to the interim financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

	<-----Attributable to Equity Holders of the Company----->					Distributable	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Share RM'000	Capital Reserve RM'000	Employee Share Scheme Reserve RM'000	Exchange Fluctuation Reserve RM'000				
<b>As at 1 January 2025</b>	183,981	(534)	40,314	3,895	5,854	239,788	<b>473,298</b>	51	<b>473,349</b>
Profit after taxation for the financial period	-	-	-	-	-	151,096	<b>151,096</b>	73	<b>151,169</b>
Other comprehensive expense:									
- Foreign currency translation differences	-	-	-	-	(8,040)	-	<b>(8,040)</b>	(5)	<b>(8,045)</b>
Total comprehensive income for the financial period	-	-	-	-	(8,040)	151,096	<b>143,056</b>	68	<b>143,124</b>
Contributions by and distribution to owners of the company:									
- Employees' share scheme vested	1,000	-	-	(1,000)	-	-	-	-	-
- Dividends	-	-	-	-	-	(83,776)	<b>(83,776)</b>	-	<b>(83,776)</b>
- Warrants exercised	80,634	-	-	-	-	-	<b>80,634</b>	-	<b>80,634</b>
- Share-based payments	-	-	-	219	-	-	<b>219</b>	-	<b>219</b>
- Transfer of non-distributable safety production reserve funds by a subsidiary	-	-	535	-	-	(535)	-	-	-
- Transfer of non-distributable reserve funds by a subsidiary	-	-	563	-	-	(563)	-	-	-
Total recognised income and expense for the period	81,634	-	1,098	(781)	-	(84,874)	<b>(2,923)</b>	-	<b>(2,923)</b>
<b>As at 31 December 2025</b>	<b>265,615</b>	<b>(534)</b>	<b>41,412</b>	<b>3,114</b>	<b>(2,186)</b>	<b>306,010</b>	<b>613,431</b>	<b>119</b>	<b>613,550</b>
<b>As at 1 January 2024</b>	73,792	(534)	38,427	4,697	13,193	203,021	<b>332,596</b>	5,796	<b>338,392</b>
Profit after taxation for the financial year	-	-	-	-	-	124,349	<b>124,349</b>	2,407	<b>126,756</b>
Other comprehensive income:									
- Foreign currency translation differences	-	-	-	-	(7,339)	-	<b>(7,339)</b>	(2)	<b>(7,341)</b>
Total comprehensive income for the financial period	-	-	-	-	(7,339)	124,349	<b>117,010</b>	2,405	<b>119,415</b>
Contributions by and distribution to owners of the company:									
- Employees' share scheme vested	802	-	-	(802)	-	-	-	-	-
- Dividends	-	-	-	-	-	(58,152)	<b>(58,152)</b>	-	<b>(58,152)</b>
- Warrants exercised	83,774	-	-	-	-	-	<b>83,774</b>	-	<b>83,774</b>
- Transfer of non-distributable reserve funds by subsidiaries	-	-	829	-	-	(829)	-	-	-
- Transfer of non-distributable safety production reserve funds by a subsidiary	-	-	1,058	-	-	(1,058)	-	-	-
Total contributions by and distributions to owners of the Company	84,576	-	1,887	(802)	-	(60,039)	<b>25,622</b>	-	<b>25,622</b>
Changes in ownership interest in subsidiaries:									
Acquisition of non-controlling interests	25,613	-	-	-	-	(27,543)	<b>(1,930)</b>	(8,150)	<b>(10,080)</b>
<b>As at 31 December 2024</b>	<b>183,981</b>	<b>(534)</b>	<b>40,314</b>	<b>3,895</b>	<b>5,854</b>	<b>239,788</b>	<b>473,298</b>	<b>51</b>	<b>473,349</b>

The Statements of Changes in Equity should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes enclosed to the interim financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

	<b>Unaudited Year Ended 31.12.2025 RM'000</b>	<b>Audited Year Ended 31.12.2024 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	190,010	158,771
Adjustments for:-		
Depreciation of property, plant and equipment	12,765	9,947
Depreciation of right-of-use assets	3,343	4,789
Property, plant and equipment written off	8	-
Inventories written off	-	19
Interest expense	8,047	9,402
Interest income	(8,729)	(5,946)
Loss on disposal of property, plant and equipment	105	3
Fair value loss on derivatives	-	889
Reversal of provision for unutilised leaves	(324)	-
Net addition/ (reversal) of provision for warranty costs	9,191	(203)
Net reversal of impairment loss on financial assets	(7,109)	(2,306)
Unrealised loss on foreign exchange	7,599	3,479
	214,906	178,844
Operating profit before working capital changes	214,906	178,844
Decrease in inventory	4,075	4,498
Changes in net of contract assets /contract liabilities	(61,558)	(40,627)
(Increase)/ decrease in trade and other receivables	(138,732)	81,063
Increase/ (decrease) in trade and other payables	68,283	(25,026)
	86,974	198,752
<b>CASH FROM OPERATIONS</b>	86,974	198,752
Income tax paid	(30,410)	(30,010)
Interest paid	(1)	(146)
Interest received	8,729	5,946
	65,292	174,542
<b>NET CASH FROM OPERATING ACTIVITIES</b>	65,292	174,542
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(31,482)	(48,508)
Addition of right-of-use assets	-	(291)
Proceeds from disposal of property, plant and equipments	551	40
Placement to short-term investment	(78,124)	-
Uplift/ (Addition) of fixed deposits with tenure more than 3 months	24,923	(23,749)
	(84,132)	(72,508)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(84,132)	(72,508)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(52,535)	(58,152)
Interest paid	(8,047)	(9,172)
Net drawdown of borrowing and lease liabilities	17,914	(1,309)
Acquisition of non-controlling interests	-	(10,080)
Proceeds from exercise of warrants	80,853	83,774
Withdrawal/ (addition to) of pledged fixed deposits and bank balances	4,521	(2,228)
	42,706	2,833
<b>NET CASH FROM FINANCING ACTIVITIES</b>	42,706	2,833
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	23,866	104,867
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	(2,156)	15,245
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	357,434	237,322
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	379,144	357,434

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

Cash and bank balances	203,475	202,978
Fixed deposits	201,895	210,136
	405,370	413,114
Less: bank overdraft	-	(10)
Less: fixed deposits pledged to licensed banks	(19,109)	(24,424)
Less: bank balance pledged to licensed banks	(7,117)	(6,323)
Less: fixed deposits with tenure of more than 3 months	-	(24,923)
	379,144	357,434

**The Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of KGB for the year ended 31 December 2024 and the accompanying explanatory notes enclosed to the interim financial statements.**

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

**A. Explanatory Notes Pursuant to MFRS 134**

**A1. Basis of Preparation**

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 2024. 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 2024.

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 2024. The new, revised and amended MFRS and IC Interpretations, which are effective for the financial periods beginning on January 1, 2025, did not have any material impact on the financial results of the Group.

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:-

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective date</b>
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
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to 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.

**A2. Status of Audit Qualification**

There were no audit qualification to the annual audited financial statements of the Group for the FYE 31 December 2024.

**A3. Segmental Information**

(a) Business Segment

The Group is organised into 2 main reportable segments as follows:

- (i) Engineering segment -
  - (1) involved in the provision of engineering services and construction activities;
  - (2) manufacturing and trading of engineering equipments and materials for contracts;
- (ii) Industrial gases segment - involved in the manufacturing and trading of industrial and specialty gases, facility fee and leasing of tanks. Also undertaking project-related activities associated with industrial gases.

<b>Engineering segment</b>		<b>Industrial Gases Segment</b>	<b>The Group</b>
<b>Construction activities</b>	<b>Equipments &amp; materials</b>		
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**31.12.2025**

Revenue				
External revenue	1,138,787	8,658	126,154	1,273,599
Inter-segment revenue	4,561	24,617	142	29,320
	<u>1,143,348</u>	<u>33,275</u>	<u>126,296</u>	<u>1,302,919</u>
Consolidated Adjustments				(29,320)
				<u>1,273,599</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

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

(a) Business Segment (Cont'd)

Engineering segment		Industrial Gases Segment	The Group
Construction activities	Equipments & materials		
RM'000	RM'000	RM'000	RM'000

**31.12.2024**

Revenue

External revenue	1,088,490	28,036	155,643	1,272,169
Inter-segment revenue	8,143	55,766	471	64,380
	<u>1,096,633</u>	<u>83,802</u>	<u>156,114</u>	<u>1,336,549</u>

Consolidated Adjustments				(64,380)
				<u>1,272,169</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. The amounts of non-current assets do not include goodwill and deferred tax assets.

	Revenue		Non-current Assets	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Malaysia	452,343	503,752	217,215	198,400
China	284,417	376,924	3,072	4,524
Singapore	448,457	331,840	12,871	11,185
Taiwan	29,608	22,889	24	18
Germany	20,631	-	2,403	-
Others	38,143	36,764	-	-
	<u>1,273,599</u>	<u>1,272,169</u>	<u>235,585</u>	<u>214,127</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 2025.

**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 10 October 2025, KGB had paid the second interim single-tier dividend of 2.5 sen per ordinary share in respect of the FYE 31 December 2025 amounting to RM19,296,170.

**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 2025, all the property, plant and equipment were stated at cost less accumulated depreciation.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

**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:

Exercise of Warrants

During the quarter under review, KGB issued 6,981,762 new ordinary shares from the exercise of Warrants 2021/2026 at the exercise price of RM1.38 which amounted to RM9,634,832.

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

Saved as disclosed below, there were no change in the composition of the Group during the current quarter under review:

On 26 November 2025, the Group incorporated a wholly-owned subsidiary in Malaysia under the name Kelington Smartfab Sdn Bhd. The subsidiary was established with an issued and paid-up share capital of RM100, comprising 100 ordinary shares. The entire equity interest is 100% owned by Kelington Technologies Sdn Bhd, which is a wholly-owned subsidiary of the Group.

**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 31.12.2025</b>
	<b>RM'000</b>
Purchase of plant & equipment	<u>3,805</u>

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

There were no contingent liabilities and contingent assets as at 31 December 2025.

**A14. Material Subsequent Events**

Saved as disclosed in note 10 of part B, there has been no material subsequent events after the quarter ended 31 December 2025.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

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

**B1 Review Of Performance**

	Current Year Quarter 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Changes		Current Year-to-date 31.12.2025 RM'000	Preceding Year Corresponding Period 31.12.2024 RM'000	Changes	
			Amount RM'000	%			Amount RM'000	%
Revenue	404,930	304,374	100,556	33%	1,273,599	1,272,169	1,430	0%
Profit before tax ("PBT")	62,222	48,392	13,830	29%	190,010	158,771	31,239	20%
Profit after tax ("PAT")	50,504	40,350	10,154	25%	151,169	126,756	24,413	19%
Profit attributable to shareholders of the company	50,426	39,942	10,484	26%	151,096	124,349	26,747	22%

(a) Current Quarter vs. Previous Year Corresponding Quarter

		Revenue 4Q2025 31.12.2025 RM'000	% of total	Revenue 4Q2024 31.12.2024 RM'000	% of total	Changes %
Engineering segment	- Advanced Engineering (Ultra High Purity)	258,353	64%	194,764	64%	33%
	- Process Engineering	41,726	10%	27,497	9%	52%
	- General Contracting	69,743	17%	22,366	7%	212%
Industrial gases segment	- Equipments and materials	12,698	3%	40,998	13%	-69%
		30,086	7%	34,621	11%	-13%
Consolidated Adjustments		(7,676)		(15,872)		
<b>Total</b>		<b>404,930</b>		<b>304,374</b>		<b>33%</b>

Kelington's revenue grew 33% year-on-year to RM404.9 million in 4Q2025, primarily driven by stronger contributions from its Singapore and Malaysia operations. Revenue from other regions, including Germany, also supported the overall growth.

PBT and PAT increased by 29% and 25% to RM62.2 million and RM50.5 million, respectively, mainly due to higher revenue and the writeback of impairment amounting to RM3.6 million. During the quarter, the Group reported higher other expenses due to forex loss of RM6.5 million and a provision of warranty costs of RM9.2 million for projects under the defect liability period.

Revenue growth was primarily driven by stronger contributions from Advanced Engineering projects in Singapore (+71%) and general contracting works in Malaysia (+36%). However, revenue from China fell by 28% as several projects neared completion, resulting in a slower pace of contribution.

Across business segments, all Engineering divisions contributed positively to revenue growth in 4Q2025. The Advanced Engineering division remained the Group's largest revenue contributor, accounting for 64% of total revenue during the quarter, and continues to be a core strategic focus for the Group.

The Process Engineering division posted a 52% year-on-year increase, driven by the completion of a major project in Malaysia and increased contributions from this segment in the Taiwan market.

Revenue from the General Contracting division increased more than twofold to RM69.7 million in 4Q2025, mainly driven by contributions from newly awarded projects in Malaysia that commenced in 2Q2025.

Revenue from the Industrial Gases division decreased by 13%. While sales of liquid carbon dioxide (LCO<sub>2</sub>) remained stable, the overall decrease was mainly due to lower demand for certain traded specialty gases.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

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

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

	Revenue 12M2025 RM'000	% of total		Revenue 12M2024 RM'000	% of total	Changes
Engineering segment	847,681	67%		838,524	66%	1%
- Advanced Engineering (Ultra High Purity)						
- Process Engineering	93,447	7%		85,511	7%	9%
- General Contracting	202,220	16%		172,598	14%	17%
- Equipments and materials	33,275	3%		83,802	7%	-60%
Industrial gases segment	126,296	10%		156,114	12%	-19%
Consolidated Adjustments	(29,320)	-2%		(64,380)	-5%	
<b>Total</b>	<b>1,273,599</b>			<b>1,272,169</b>		<b>0%</b>

For 12M2025, the Group's revenue recorded a marginal increase to RM1.274 billion. PBT and PAT rose by 20% and 19% to RM190.0 million and RM151.2 million, respectively, supported by a more favourable project mix with higher margins, as well as contributions from the reversal of impairment losses.

Revenue was primarily driven by Singapore (+35%), reflecting the ramp-up of new projects in the region, along with contributions from projects in Germany. This was partially offset by declines in Malaysia (-10%) and China (-25%), due to a timing gap between the completion of existing projects and the start of new ones.

The Advanced Engineering division remained a stable revenue contributor, supported by projects in Singapore and Germany. The Process Engineering division posted a 9% increase in revenue to RM93.4 million, mainly driven by projects in Taiwan. Meanwhile, revenue from the General Contracting division grew 17% to RM202.2 million, supported by operations in Malaysia.

Revenue from the Industrial Gases division fell 19%, primarily due to weaker demand for certain traded specialty gases. However, demand for LCO<sub>2</sub> remained stable and even showed an improvement compared to 12M2024.

In terms of geographical breakdown in 12M2025, revenue contribution was led by Malaysia (36%), followed by Singapore (35%), China (22%) and Taiwan (2%).

(c) Variation of Results Against Preceding Quarter

	Current Quarter 4Q2025	Immediate Preceding Quarter 3Q2025	Changes	
	Unaudited 31.12.2025 RM'000	Unaudited 30.09.2025 RM'000	Amount RM'000	%
Revenue	404,930	316,365	88,565	28%
Profit before tax ("PBT")	62,222	52,238	9,984	19%
Profit after tax ("PAT")	50,504	41,138	9,366	23%
Profit attributable to shareholders of the company	50,426	41,138	9,288	23%

Revenue for 4Q2025 climbed 28% quarter-on-quarter to RM404.9 million, fueled by growing contributions from Singapore, Malaysia, China, and Germany as several new projects gained traction. In line with the robust topline performance, PBT and PAT rose 19% and 23%, respectively.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

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

(d) Statement of Financial Position

<b>Financial Indicators</b>	<b>As at 31.12.2025 Unaudited RM'000</b>	<b>As at 31.12.2024 Audited RM'000</b>
Total assets	1,400,508	1,150,185
Total equity	613,550	473,349
Debt	207,437	185,279
Fixed deposits, cash & bank balances	405,370	413,114
Net cash	197,933	227,835
Debt-to-Equity (Gearing)	0.34	0.39

As of 31 December 2025, the Group's shareholders' equity (excluding non-controlling interests) rose to RM613.4 million from RM473.3 million as of 31 December 2024. This growth mainly driven by the exercise of warrants and quarterly profits. During the year, the Company declared total dividends of RM83.8 million to its shareholders.

As of 31 December 2025, the Group's total debt increased to RM207.4 million from RM185.3 million a year earlier, mainly due to the drawdown of borrowings for working capital needs and the renewal of several tenancy agreements recognised as additional lease liabilities. Meanwhile, the Group's net cash position declined to RM197.9 million from RM227.8 million at the end of 2024. This reduction was largely attributable to cash placed in short-term investments amounting to RM78.1 million, funded by proceeds from projects and the exercise of warrants.

As a result, the Group's financial position remains robust, with an improved gearing ratio of 0.34 times.

**B2 Commentary Of Prospects**

The global economy continues to transition towards an artificial intelligence driven era. Demand for logic and memory semiconductors remains fundamental, underpinning end market applications across automotive, industrial automation, data centres and smartphones. These structural digitalisation trends are expected to support sustained capital expenditure in advanced fabrication facilities.

World Semiconductor Trade Statistics has revised its 2026 global semiconductor market forecast upward from USD760 billion to USD975 billion, representing 25% year-on-year growth. This outlook provides a favourable operating environment for the Group and underscores the growth potential ahead.

Governments across major economies are placing greater emphasis to strengthen semiconductor self-sufficiency. Supply chain resilience, geopolitical uncertainties, and technological sovereignty have led to significant investments being channelled into establishing domestic semiconductor fabrication facilities to reduce reliance on external sources.

Against this backdrop, the Group continues to pursue geographical expansion, with a focus on Europe and India, while positioning itself to capture opportunities in Sustainable Engineering.

Following its contract win in Germany in August 2025, the Group is strengthening its presence in Europe to capture emerging opportunities arising from the European Chips Act. The Group has also recently established an initial presence in India and is actively pursuing additional opportunities to scale its presence. Moving forward, the Group remains optimistic on semiconductor industry prospects and will continue to prioritise projects with stronger margin profile.

In parallel, the Group is strengthening its Sustainable Engineering segment in line with regional decarbonisation priorities. Supportive policy developments, including the anticipated implementation of a carbon tax in 2026, are expected to accelerate adoption of low carbon solutions such as, green hydrogen and bio-compressed natural gas ("bio-CNG"). To position Kelington as a first mover in these emerging areas, the Group has entered strategic collaborations with industry partners and academic institutions to build practical capabilities and support its role as an engineering partner in the broader energy transition landscape.

For the 12 months ended 31 December 2025, the Group has secured RM1.25 billion in new contract wins, bringing its outstanding order book to RM1.38 billion.

Backed by a solid project pipeline and active involvement in fast growing sectors, the Group is confident to sustain growth momentum in its core markets while pursuing opportunities to broaden its geographical footprint and industrial gas portfolio, with continued emphasis on bottom line performance.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

**B3 Profit Forecast and Profit Guarantee**

The Company did not announce any profit forecast or profit estimate for the FYE 31 December 2025 in any public document and hence this information is not applicable.

**B4 Profit for the Period**

	Quarter ended		Year-to-date ended	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	2,400	2,660	8,729	5,946
Interest expense	(1,823)	(2,139)	(8,048)	(9,318)
Net reversal of impairment loss on financial assets	3,672	387	7,109	2,306
Depreciation and amortisation	(6,677)	(1,214)	(12,765)	(9,947)
Depreciation of right-of-use assets	(801)	(1,208)	(3,343)	(4,789)
Property, plant and equipment written off	-	6	(8)	-
Unrealised foreign exchange (loss)/ gain	(6,340)	3,747	(7,599)	(3,479)
Realised foreign exchange (loss)/ gain	(138)	(84)	(319)	762
Net (provision)/ reversal for unutilised leaves	(3)	-	324	-
Gain/ (loss) on disposal of equipment	53	(1)	(105)	(3)
(Provision)/ reversal of warranty costs	(9,126)	203	(9,191)	203
Net fair value adjustments of financial derivatives	2	(1,080)	-	(889)

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 31.12.2025 RM'000	Cumulative Year to date ended 31.12.2025 RM'000
Company taxation	13,371	36,134
Deferred taxation	(1,653)	2,707
	<u>11,718</u>	<u>38,841</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 below, there were no other corporate proposals announced but not completed as at the date of this quarterly report.

On 19 November 2025, the Company announced to extend the duration of its existing unexercised employee share scheme ("ESS") shares, expiring on 5 July 2027 for a further 5 years to 5 July 2032 in accordance with the terms of the ESS By-Laws. The ESS extension is not subject to any approval from Bursa Malaysia Securities Berhad, the Securities Commission Malaysia and the shareholders of the Company.

**B7 Derivatives Financial Instruments**

There were no outstanding foreign currency forward contracts as at 31 December 2025.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

**B8 Lease Liability and Group Borrowings**

(a) Lease liability

The lease liability as at 31 December 2025 versus 31 December 2024 were as follows:

	31.12.2025 RM'000	31.12.2024 RM'000
Non-current	3,802	1,721
Current	3,600	2,491
Total	7,402	4,212

The lease liability comprises tenancy agreements of more than one year. The increase in lease liability as of 31 December 2025, compared to the same period last year, was mainly due to several new tenancy agreements entered into during the year.

(b) Group Borrowings

The borrowings as at 31 December 2025 versus 31 December 2024 were as follows.

	As At 31 December 2025					
	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>RM12,862</i>	12,862	<i>RM68,279</i>	68,279	<i>RM81,141</i>	81,141
Revolving loan	<i>RMB7,000; NTD16,000; SGD5,500; RM26,000</i>	49,501	<i>RM1,555</i>	1,555	<i>RMB7,000; NTD16,000; SGD5,500; RM27,555</i>	51,056
Invoice financing/ Trust receipts	<i>RMB95,729, RM6,525</i>	62,163	-	-	<i>RMB95,729, RM6,525</i>	62,163
Hire Purchase Payable	<i>SGD43, RM1,862</i>	1,996	<i>SGD221, RM2,978</i>	3,679	<i>SGD264, RM4,840</i>	5,675
Bank overdraft	-	-	-	-	-	-
<b>Unsecured</b>						
Nil	-	-	-	-	-	-
		126,522		73,513		200,035
Weighted average interest rate of borrowings						3.72%
Proportion of borrowings between fixed interest rate and floating interest rate						3%:97%

	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>RM11,053</i>	11,053	<i>RM74,531</i>	74,531	<i>RM 85,584</i>	85,584
Revolving loan	<i>RMB7,000; RM23,000, NTD16,000</i>	29,472	-	-	<i>RMB7,000; RM23,000, NTD16,000</i>	29,472
Invoice financing/ Trust receipts	<i>RMB88,916, RM5,549</i>	60,063	-	-	<i>RMB88,916, RM5,549</i>	60,063
Hire Purchase Payable	<i>SGD53, RM1,636</i>	1,809	<i>SGD264, RM3,259</i>	4,129	<i>SGD317, RM4,895</i>	5,938
Bank overdraft	<i>RM10</i>	10	-	-	<i>RM10</i>	10
<b>Unsecured</b>						
Nil	-	-	-	-	-	-
		102,407		78,660		181,067
Weighted average interest rate of borrowings						4.77%
Proportion of borrowings between fixed interest rate and floating interest rate						3%:97%

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2025**

**B8 Lease Liability and Group Borrowings (Cont'd)**

(b) Group Borrowings (Cont'd)

As of 31 December 2025, total borrowings increased compared to 31 December 2024, mainly driven by higher working capital requirements for the Singapore operations, Industrial Gas segment, and China operations. This was partially offset by a reduction in term loan balances following scheduled repayments during the year. Consequently, the overall loan movement reflects increased utilisation of working capital facilities alongside the repayment of term loans.

Furthermore, the lower interest rate compared to the previous year was attributable to reductions in borrowing rates across all countries, namely Malaysia, China, Singapore, and Taiwan, following successful negotiations with lenders supported by the Group's strong banking relationships.

**B9 Material Litigation**

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.

**B10 Dividends Payable**

On 24 November 2025, the Board of Directors of KGB declared the payment of third interim single-tier dividend of 2.5 sen and special interim dividend of 1.5 sen per ordinary share in respect of the FYE 31 December 2025 amounting to RM31,241,321. This had been paid on 21 Jan 2026.

On 25 February 2026, the Board of Directors of KGB declared the payment of fourth interim single-tier dividend of 2.5 sen and special interim dividend of 1.5 sen per ordinary share in respect of the FYE 31 December 2025 amounting to RM31,343,896. This will be paid on 21 April 2026.

**B11 Earnings Per Share**

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

	Current Quarter Ended		Cumulative Year To Date Ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Profit After Taxation attributable to owners of the company (RM'000)	50,426	39,942	151,096	124,349
Weighted average number of ordinary shares in issue ('000)	774,701	698,774	745,064	674,861
Basic Earnings Per Share (Sen)	6.51	5.72	20.28	18.43
Diluted Earnings Per Share (Sen) # ^	5.98	5.08	18.28	15.96

Note :

# - Assuming the full exercise of the remaining 95,185,347 (31.12.2024 - 153,614,799) convertible warrants

^ - Assuming the exercise of 17,305,750 (31.12.2024 - 20,990,650) shares, which is the remaining unexercised options of Employee Shares Scheme.