

Kelington Group Berhad

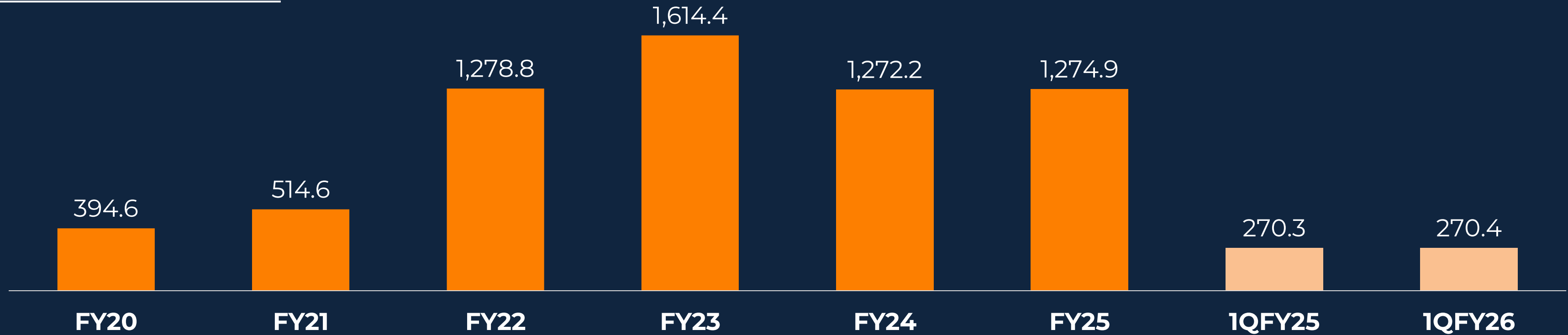
Corporate Presentation
1Q FY26 Results Review

May 2026

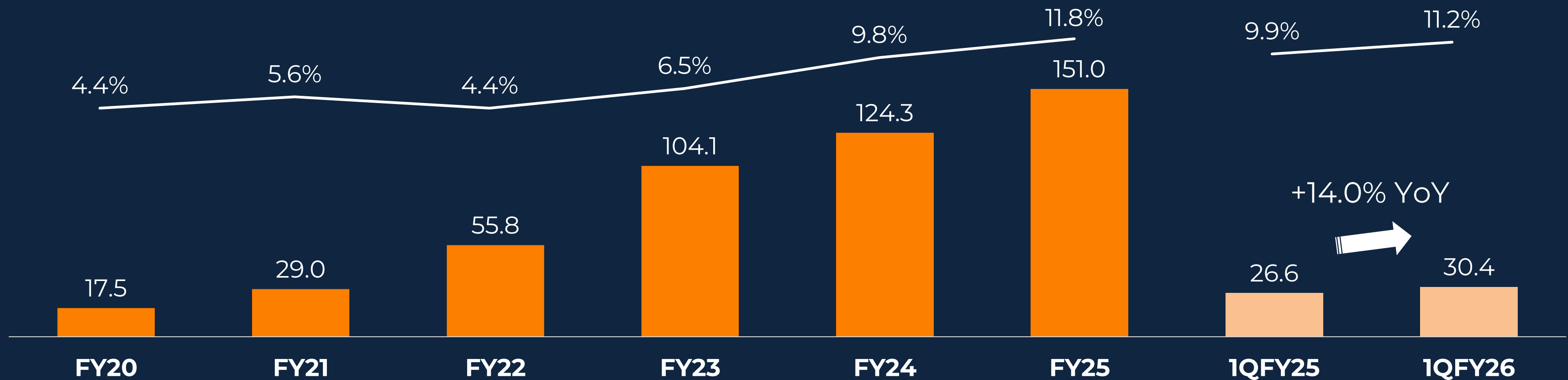


1QFY26 Net Profit grew by 14.0% YoY

Revenue (RM mil)



Net Profit (RM mil) and Net Profit Margin %



Expanding margins support net profit growth



RM mil	1QFY26	1QFY25	YoY change	4QFY25	QoQ change
Revenue	270.4	270.3	+0.1%	404.9	-33.2%
Gross profit	63.2	48.6		87.7	
<i>Gross profit margin</i>	<i>23.4%</i>	<i>18.0%</i>		<i>21.7%</i>	
Other income	2.3	2.0		2.7	
Administrative expenses	(20.3)	(13.8)		(11.6)	
Selling & distribution expenses	(1.0)	(0.9)		(1.0)	
Other expenses	(3.0)	(1.6)		(17.3)	
Operating profit	41.2	34.3	+20.3%	60.4	-31.7%
Finance costs	(1.9)	(2.2)		(1.8)	
Net (impairment losses) / reversal of impairment losses on financial assets	0.1	2.1		3.7	
Profit before tax	39.4	34.2	+15.1%	62.2	-36.7%
Tax	(9.0)	(7.6)		(11.7)	
Profit after tax	30.4	26.6	+14.0%	50.5	-39.8%
Net profit	30.4	26.6	+14.0%	50.4	-39.8%
<i>Effective tax rate</i>	<i>22.8%</i>	<i>22.1%</i>		<i>18.8%</i>	
<i>PBT margin</i>	<i>14.6%</i>	<i>12.7%</i>		<i>15.4%</i>	
<i>PAT margin</i>	<i>11.2%</i>	<i>9.9%</i>		<i>12.5%</i>	

Marginal revenue growth in 1QFY26 mainly attributed to seasonal slowdown and shorter working window during the Q1 festive season.

Higher administrative expenses in 1QFY26 due to:-

- **Increased investment in human capital** to support expanding operations.

Higher other expenses in 1QFY26 due to:-

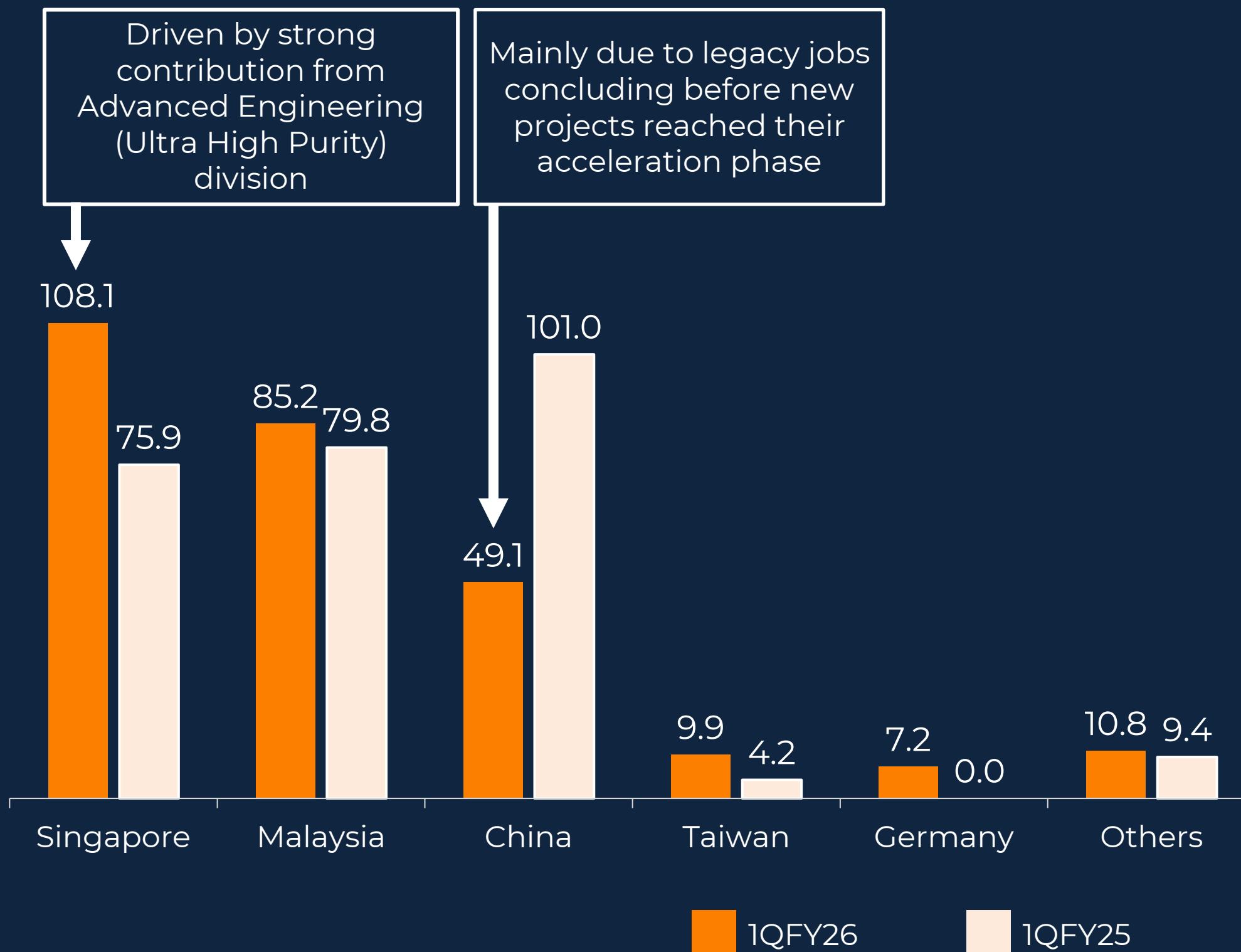
- Forex losses of RM1.4 million.

Driven by **improved gross profit margins across key projects.**

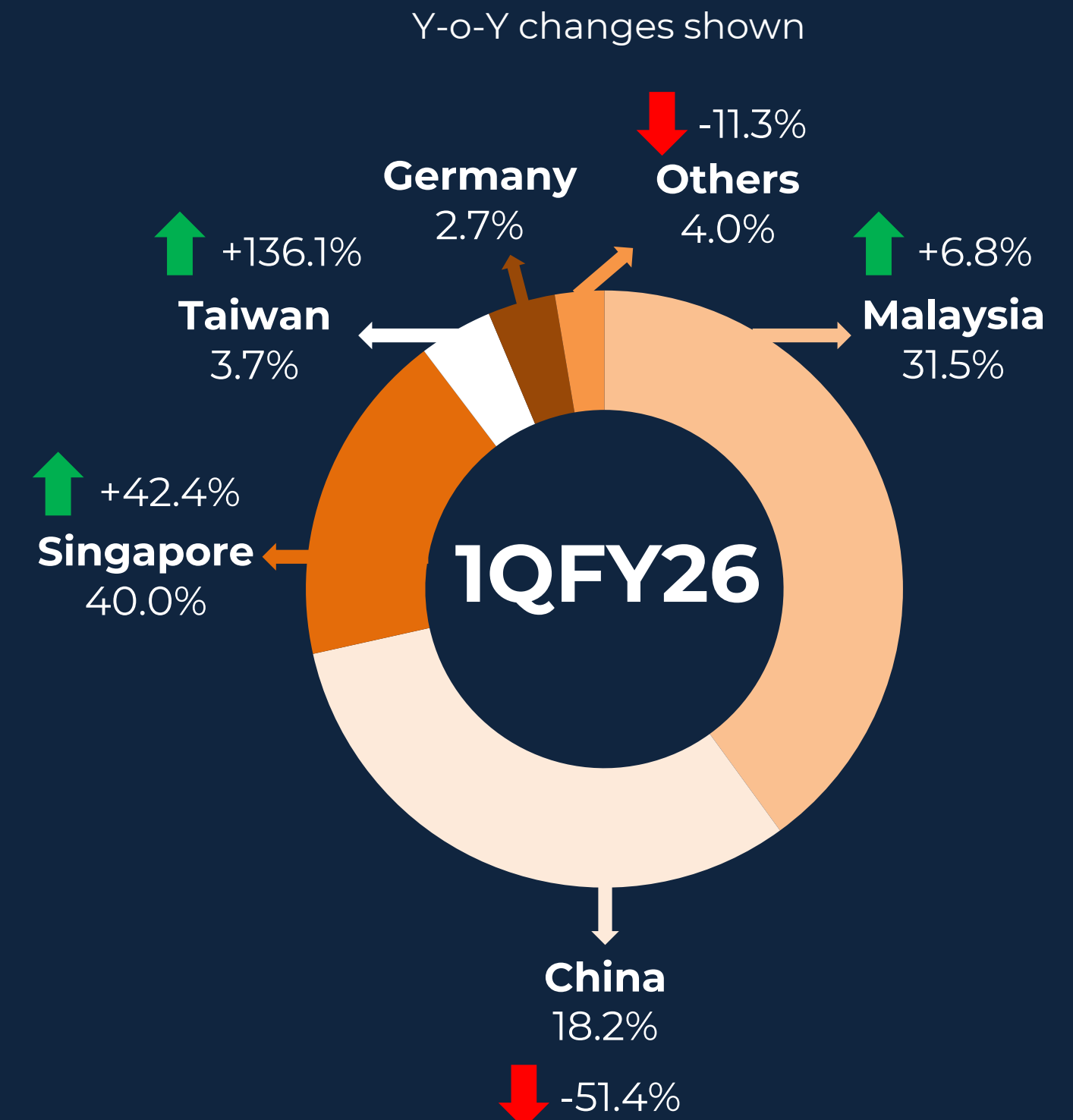
Group revenue breakdown by geographical market



Geographical Revenue Breakdown (RM mil)



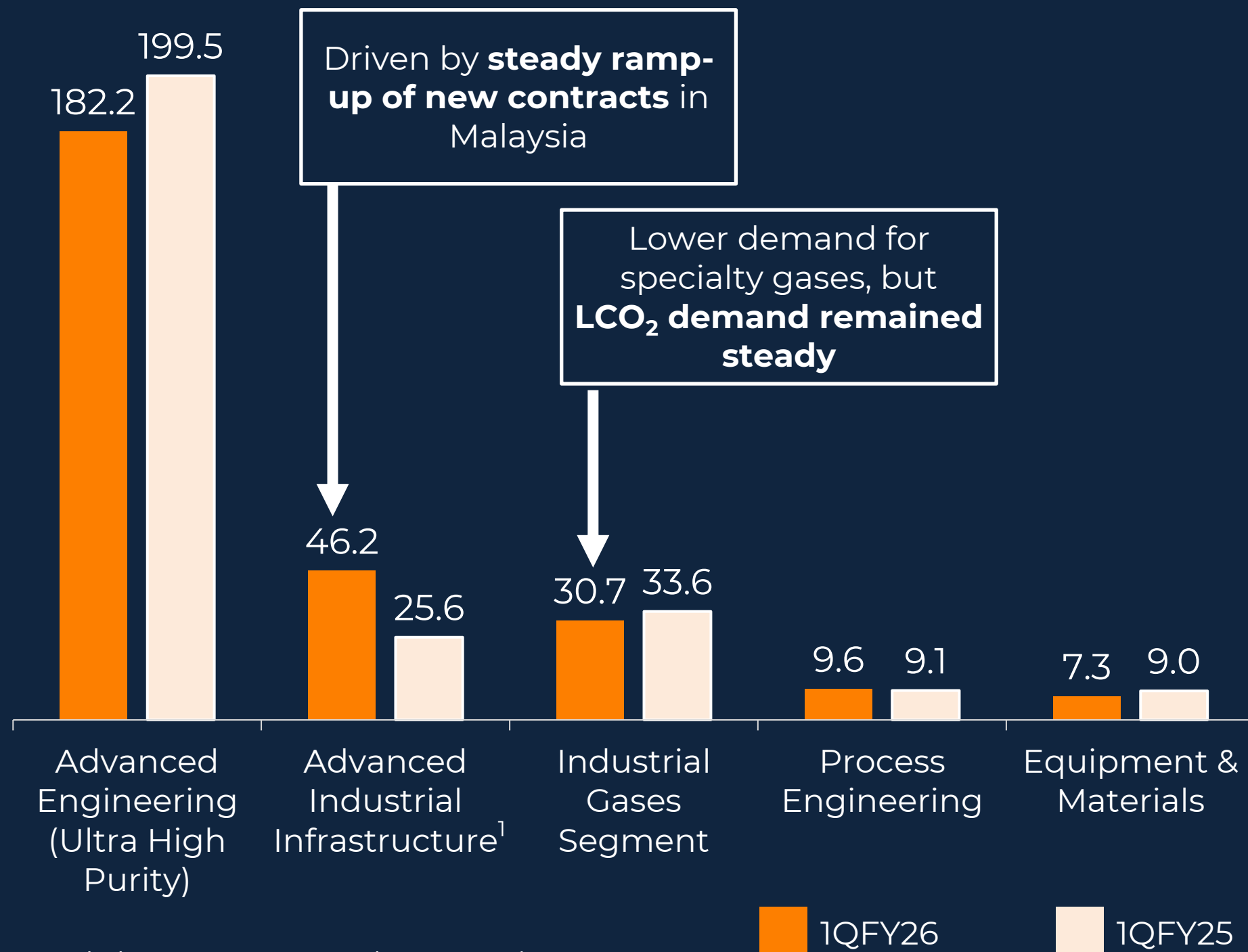
1QFY26 Geographical Revenue Breakdown (%)



Group revenue breakdown by business segment

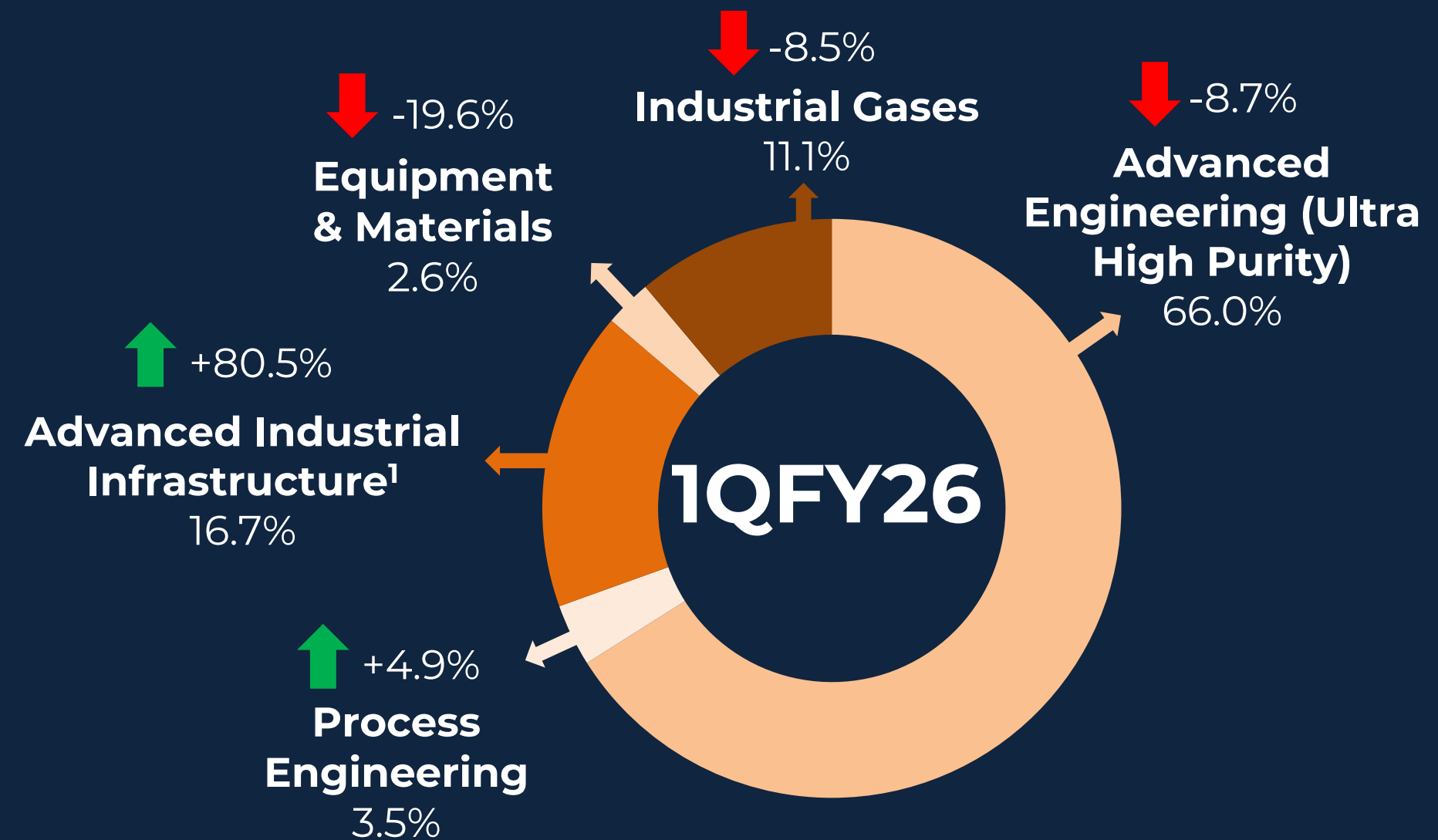


Segmental Revenue Breakdown (RM mil)



1QFY26 Segmental Revenue Breakdown (%)

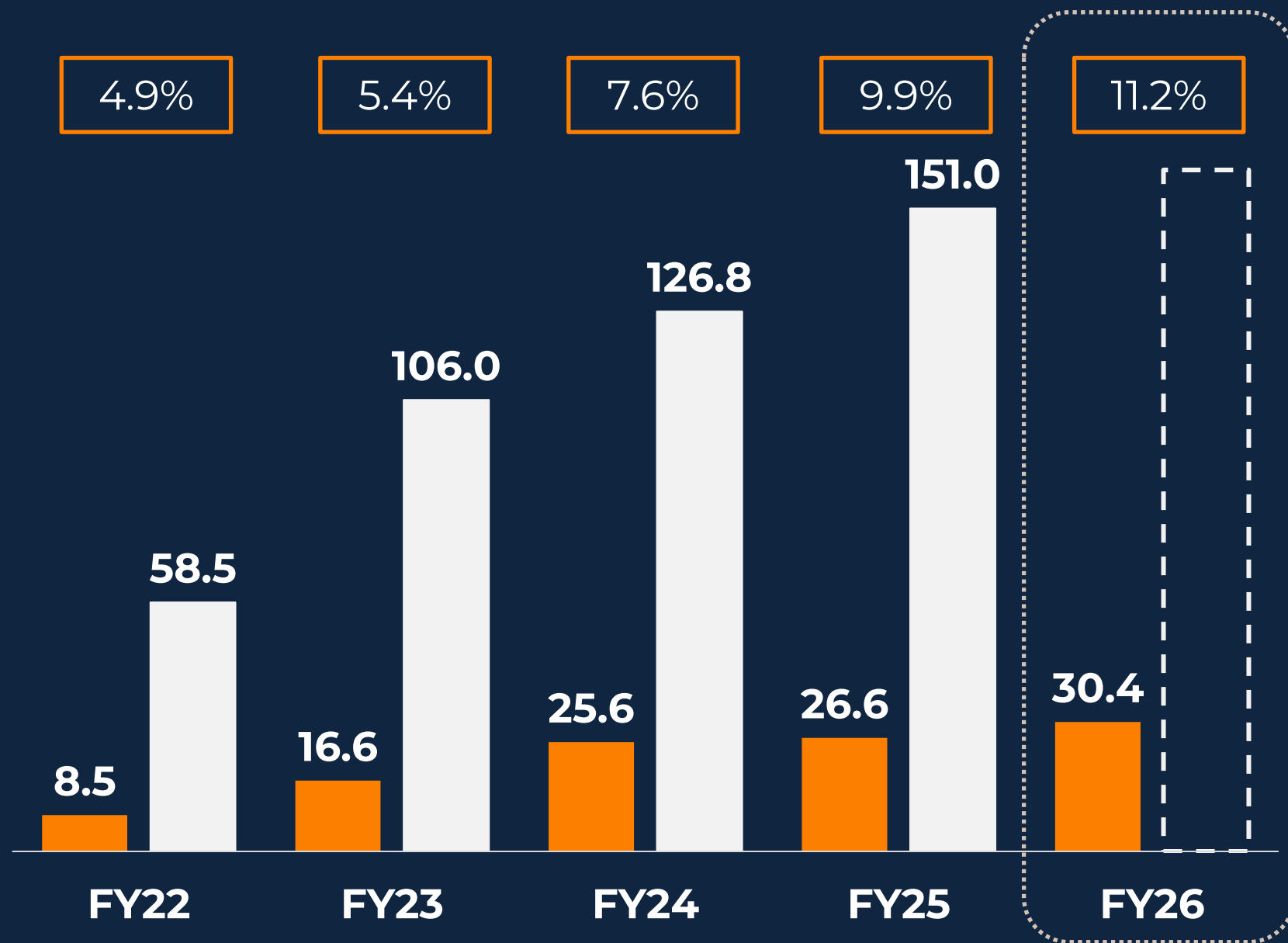
Y-o-Y changes shown



Sustained Earnings Growth with Improving PAT Margins



PAT & PAT Margin



- Despite marginal revenue increase, **1QFY26 PAT grew by 14.0%**.
- 1QFY26 PAT margin **expanded from 9.9% to 11.2%**.
- This is driven by our strategy of prioritising Advanced Engineering (Ultra High Purity) projects with higher margin potential.

- 1Q PAT (RM mil)
- Full-Year PAT (RM mil)
- 1Q PAT Margin

Balance sheet highlights



RM mil	31.03.2026 (Unaudited)	31.12.2025 (Audited)
Total Assets	1,346.6	1,391.1
Total Liabilities	724.3	777.5
Total Borrowings ¹	171.5	207.6
Short-term ¹	98.3	132.0
Long-term ¹	73.1	75.6
Short-term Investments	137.8	78.1
Total Cash ²	409.5	405.4
Net Cash	238.0	197.8
Total Equity	622.2	613.6
Net Asset/Share	0.79	0.79
Gearing (times)	0.28	0.34
Net gearing (times)	Net cash	Net cash

Decrease in borrowings due to:-

- Repayment of borrowings and lease liabilities.

Increase in short-term investments from:-

- Investments in money market

Increase in net cash driven by:-

- Proceeds from projects.
- Exercise of warrants.

Growth in equity due to:-

- Exercise of warrants and quarterly profits.

The Group remains in a **net cash position**, providing flexibility to fund future capex opportunities while continuing to reward shareholders through dividends.

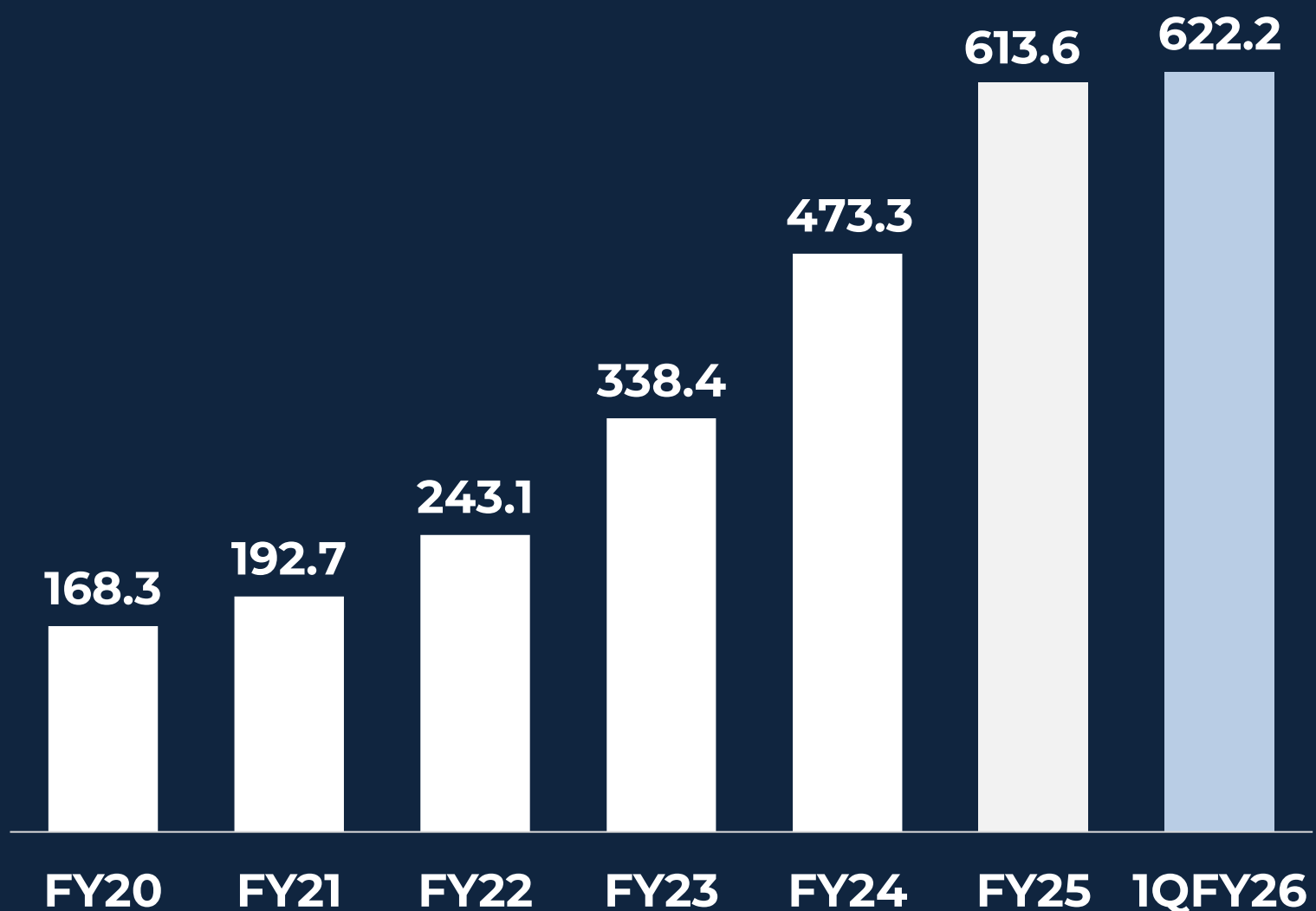
¹Include lease liabilities

²Include fixed deposits with licensed banks

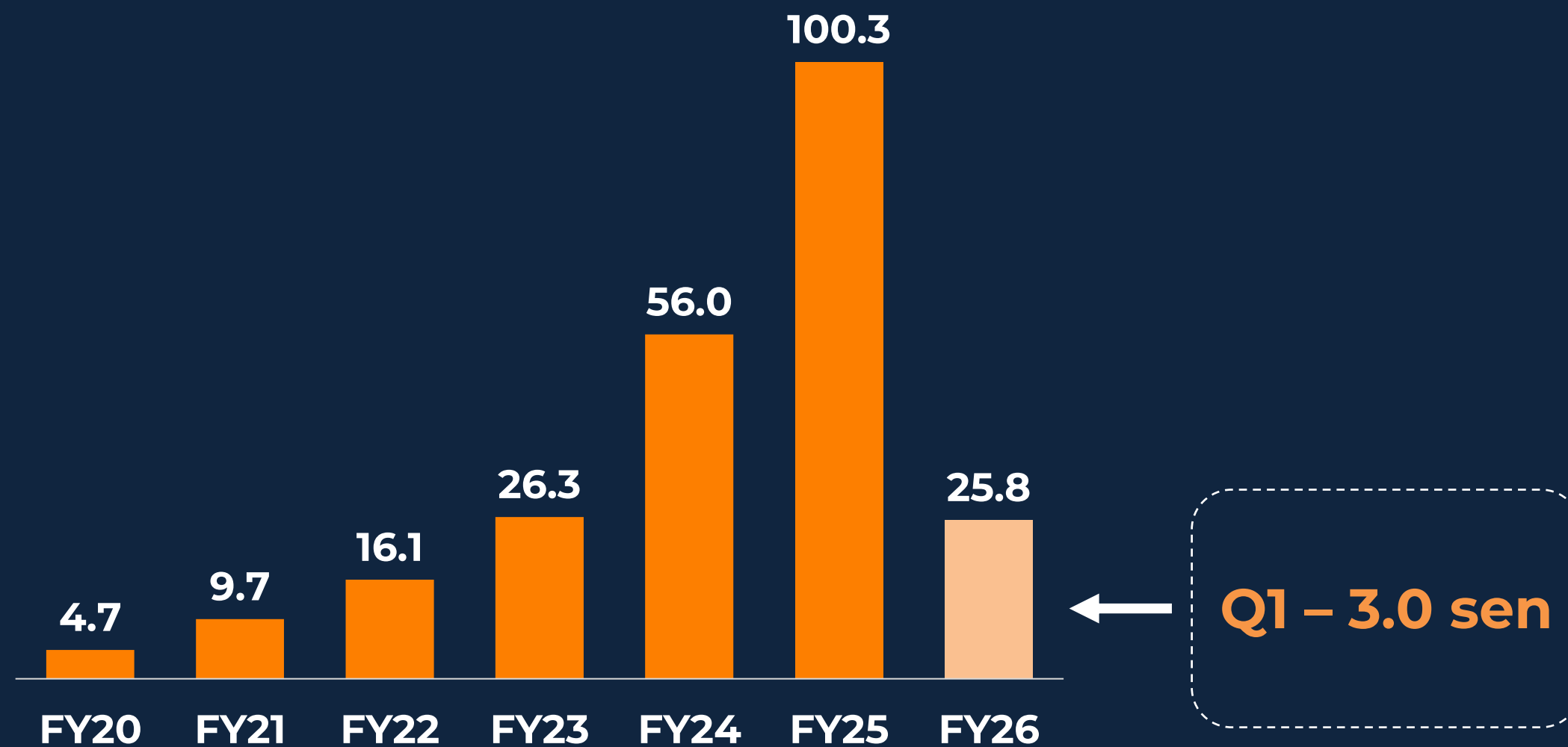
Building long term shareholder value while growing dividend returns



Shareholders' Funds (RM mil)



Total Dividend Declared (RM mil)



For 1QFY26:
1st interim dividend - 3.0 sen

>3x

growth from FY20 to FY25

Dividend payout ratio at

84.9%

based on 1QFY26 earnings

Recognised across key market benchmarks



➤ Inclusion in key benchmarks reflects Kelington's strong fundamentals and growing market recognition.

01



Bursa Malaysia Quality 50 Index

As of 12 January 2026, Kelington is a constituent of the **Bursa Malaysia Quality 50 Index** and the **Bursa Malaysia Quality 50 Shariah Index**.

The index identifies **50 Malaysian listed companies with stronger financial fundamentals**, excluding constituents of FTSE Bursa Malaysia KLCI (FBMKLCI).

Inclusion signals:

- Stronger financial fundamentals
- Balance sheet discipline
- Earnings and cash flow quality

02



FTSE4Good Index

Since 20 December 2021, Kelington has been included in the **FTSE4Good Bursa Malaysia Index** and **FTSE4Good Bursa Malaysia Shariah Index**, with a 4-star rating (the highest).

The index highlights **companies that demonstrate stronger practices in managing environmental, social and governance (ESG) matters**.

Inclusion signals:

- ESG excellence
- Greater visibility among sustainable and Shariah-compliant investors

03



MSCI Global Small Cap Index

As of November 2025, Kelington is a constituent of the **MSCI Global Small Cap Index**.

The index tracks **small-cap companies across global equity markets** and is **widely referenced by international institutional investors**.

Inclusion signals:

- Increased visibility among global institutional investors
- Recognition of Kelington's scale and growth potential

04



MY Value Up Programme

Since April 2026, Kelington has been selected as part of the **MY Value Up Programme**.

The programme targets the **top 88 public-listed companies** on Bursa Malaysia, and aims to **strengthen long-term value creation, improve financial performance, and enhance the visibility of Malaysian public-listed companies**.

Inclusion signals:

- Recognition as one of Bursa Malaysia's key public-listed companies
- Strengthened corporate profile among investors

Division 1: **Technology and Process Solution**



Order book growth supports earnings visibility

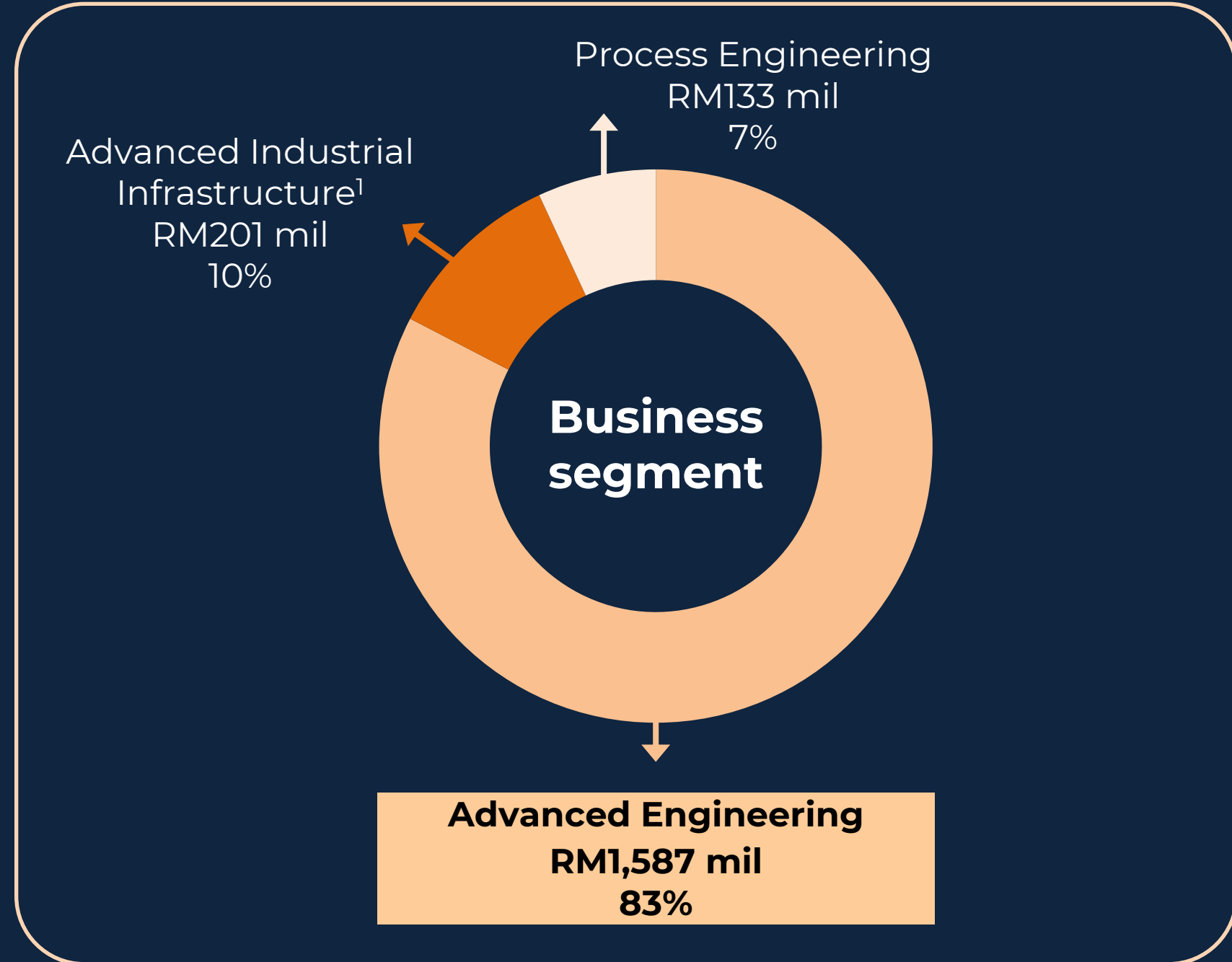
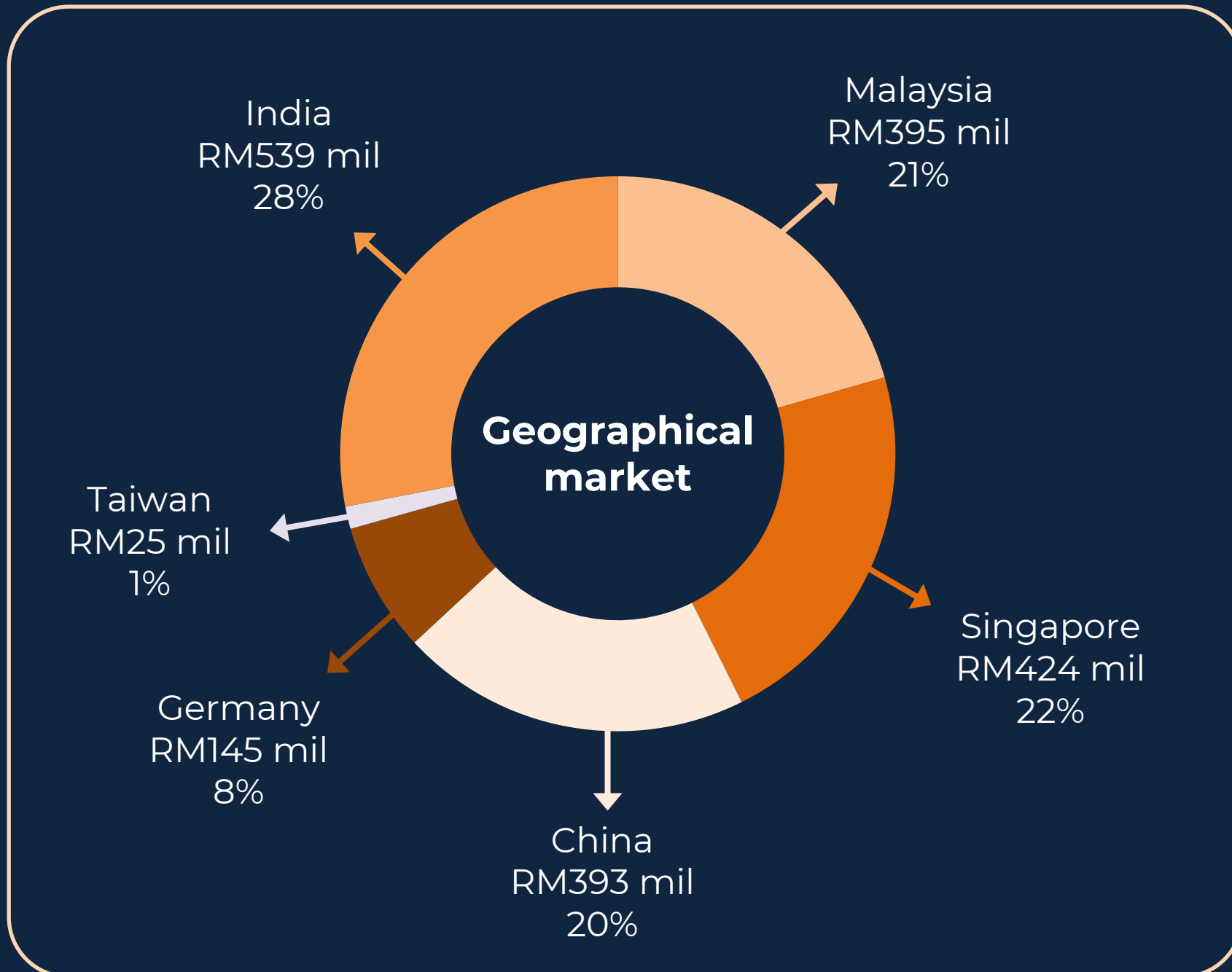
- Wide geographic base and high-margin advanced engineering mix strengthen earnings visibility

Outstanding Order Book of
RM1.92 bil

as at 31 March 2026



+39% QoQ
 From **RM1.38 bil** in 4QFY25

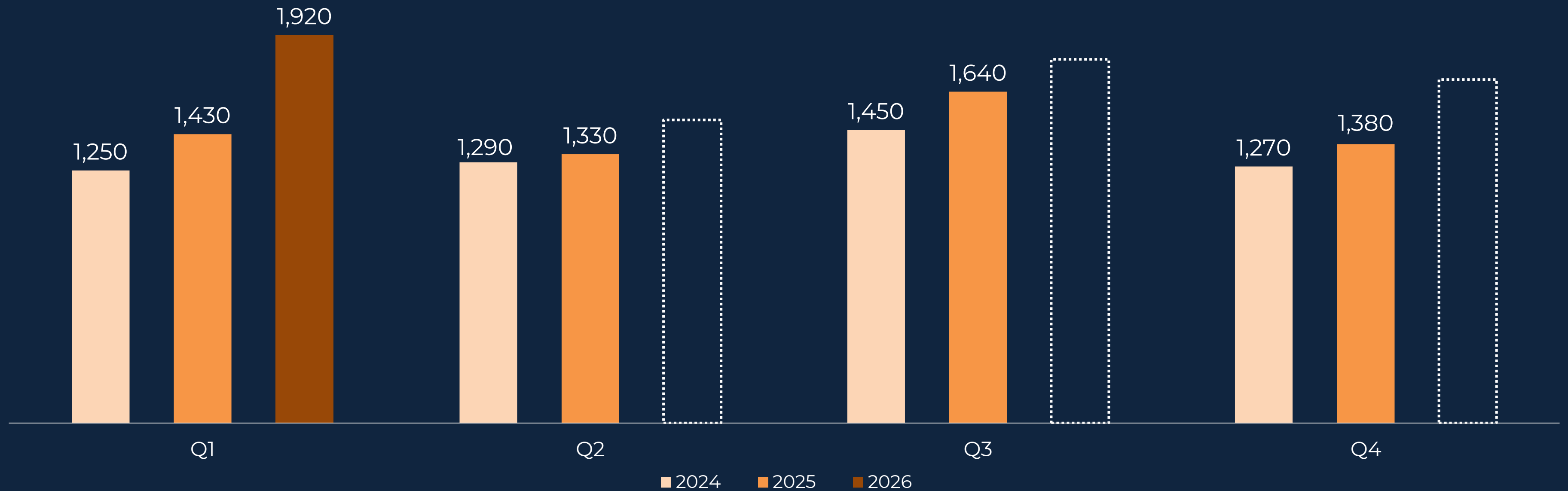


¹formerly known as General Contracting

Sustained demand underpins healthy outstanding orderbook

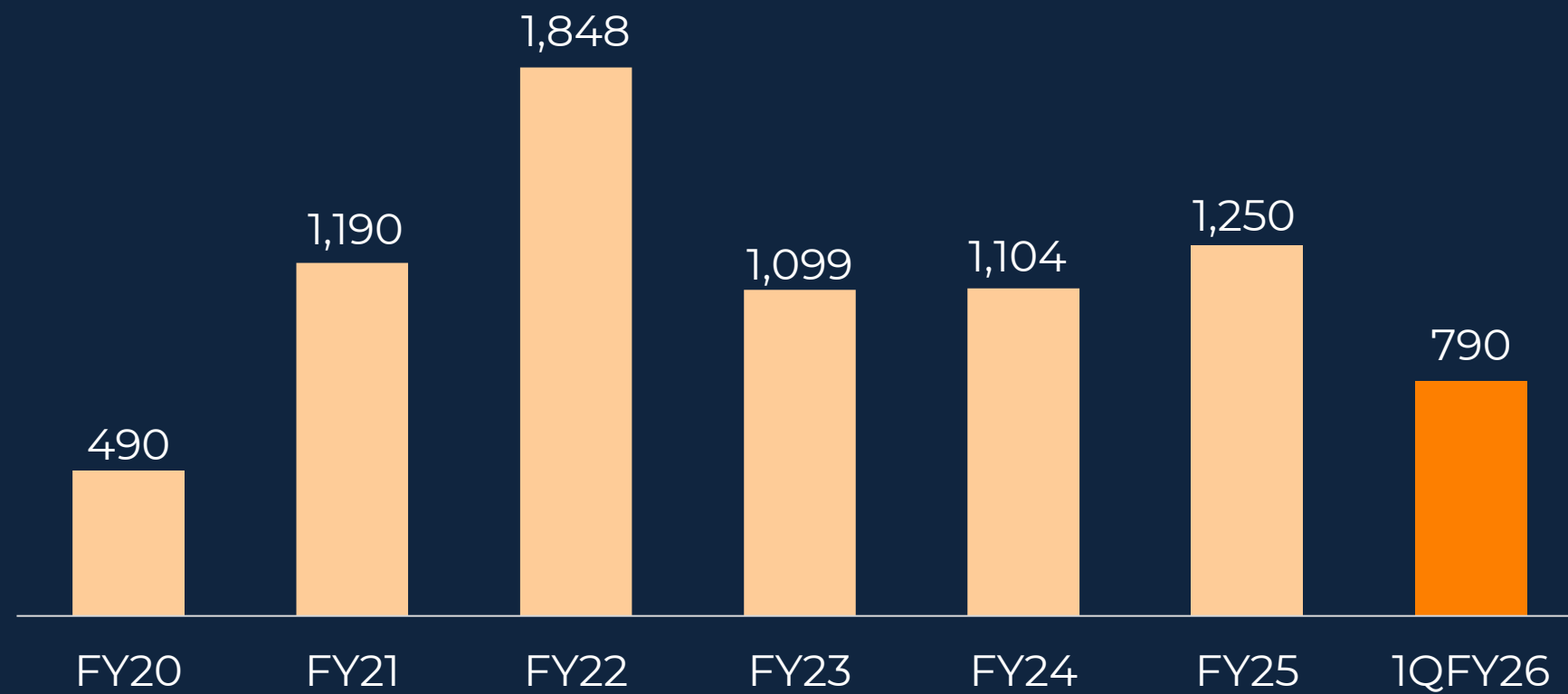


Outstanding orderbook as at end of quarter (RM mil)



Leveraging on the semiconductor growth cycle, we are seeing steady inflow of new orders

New orders secured (RM mil)



New projects secured in Apr & May 2026

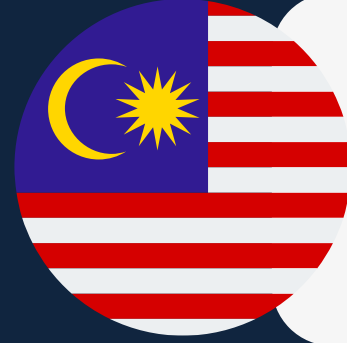
RM176.0 million

Strong market demand driving expanding tenderbook

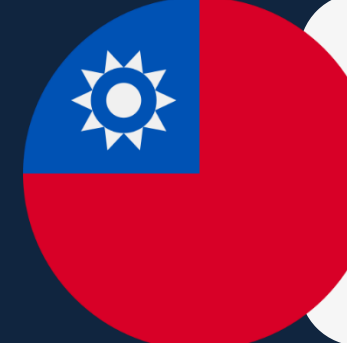
➤ Global 300mm fab equipment spending forecasted to exceed USD150 billion in 2027



Singapore
RM2,134 million
40.0%



Malaysia
RM1,838 million
35.0%



Taiwan
RM115 million
2.0%



China
RM175 million
3.0%



India
RM883 million
17.0%



Europe
RM138 million
3.0%

Total tenderbook of
RM5.3 billion
as at 31 March 2026

Key markets supporting tenderbook expansion

➤ Ongoing semiconductor investments continue to support long-term demand for advanced engineering solutions



INDIA

Emerging Semiconductor Hub

Semiconductor Market Size

2026
USD 12.41 bil



2031
USD 17.42 bil

7.02% CAGR

Market Drivers

- **Government-backed push** to build domestic semiconductor capacity
- **Greenfield fab and assembly investments** across key states

Potential Upside

- Strong demand for **fab infrastructure and gas distribution systems**
- **Potential follow-on opportunities** as local semiconductor ecosystem scales



Singapore

Established Semiconductor Hub

Semiconductor Market Size

2025
USD 10.16 bil



2030
USD 14.15 bil

6.90% CAGR

Market Drivers

- **Strong government support** for semiconductor manufacturing and R&D
- **Expansion of data centre build-outs**

Potential Upside

- **High fab density** drives recurring upgrade and expansion tenders
- Data centre pipeline **sustains demand for precision gas and advanced engineering solutions**



Malaysia

Established Home Market

Semiconductor Market Size

2026
USD 10.86 bil



2031
USD 16.51 bil

8.76% CAGR

Market Drivers

- **Government incentives and tax holidays** to support industry expansion
- Early adoption of **advance chiplet-based packaging**

Potential Upside

- **Home-market presence** lowers mobilisation costs, strengthening competitiveness
- Advanced chiplet-based packaging ramp requires **new gas distribution infrastructures**

Future Outlook: Advanced Engineering

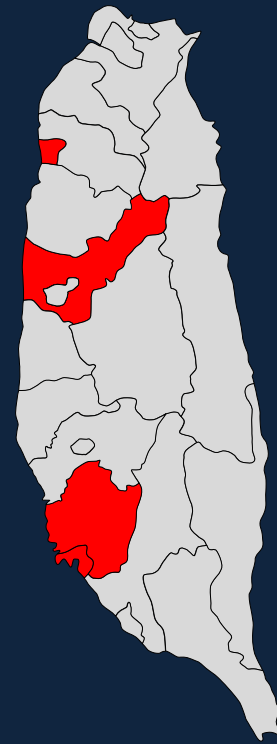


Global semiconductor market set for 25% YoY growth to reach USD975 bil in 2026 (up from previous forecast of USD760 bil)

Semiconductor Fab Developments – TSMC

➤ Expansions across key geographies present opportunities for hook-up contracts and underpins demand for advanced engineering.

TAIWAN – TSMC



Kaohsiung

Fab 22 P3-P5: 2nm & 1.4nm

Target full operations by **4Q 2027**

Hsinchu

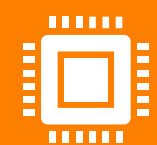
Fab 20 P3 / P4: 1.4nm

Target mass production by **late 2027 / 2028**.

Taichung

Fab 25: 1.4nm

Target mass production by **2H 2028**.



Leading-edge cluster
High technological intensity

USA – TSMC

Arizona

Fab 21 P2: 3nm

Target volume production by **2H 2027**.

Fab 21 P3: 2nm & 1.6nm

Target volume production by **end 2030**.

(subject to final scope & timeline)



Strategic location in US
Supported by strong policy incentives

JAPAN - JASM

Kumamoto

Fab 23 P2: 6/7nm & 3nm

Target operational readiness by **end of 2027**.

3nm slated for **2028 onwards**.



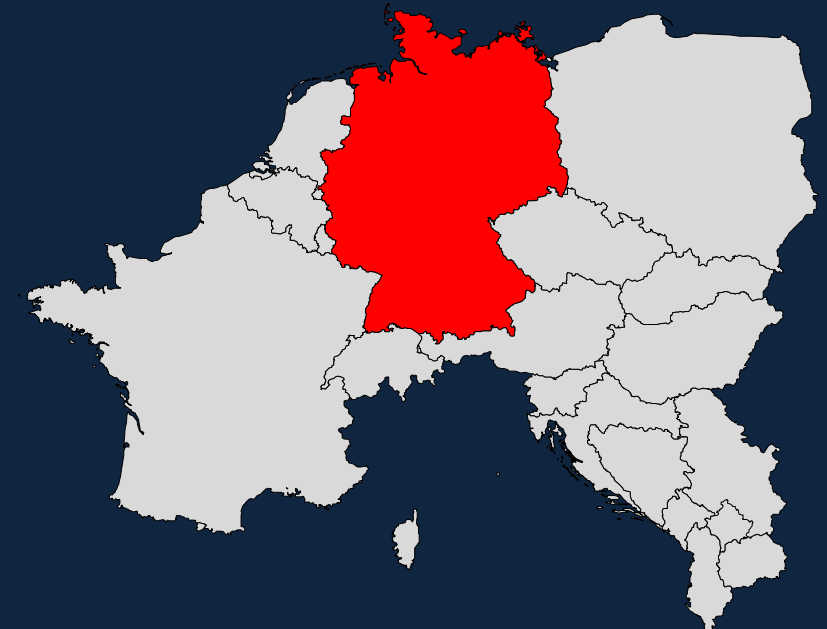
Imaging & Automotive
Serving automotive & optoelectronics industry

GERMANY - ESMC

Dresden

22/28nm

Target mass production by **2027**.


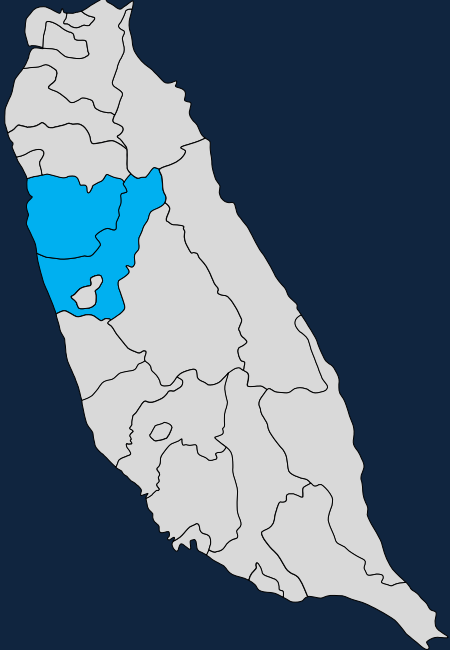
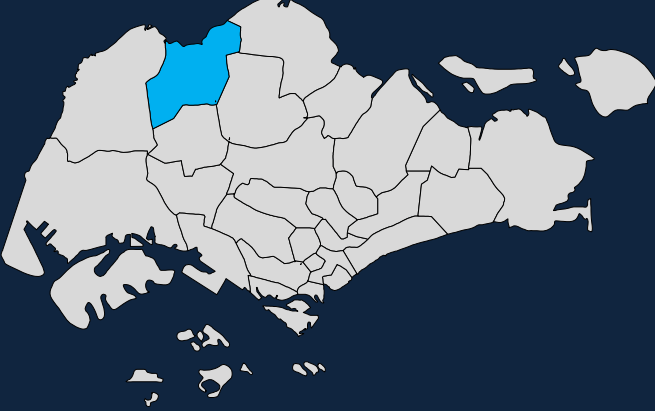
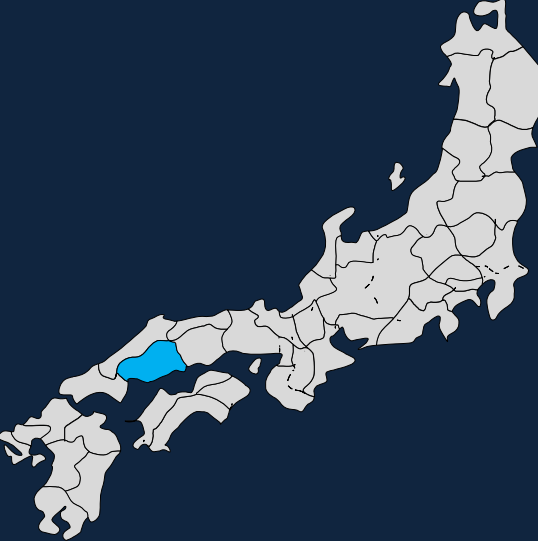



Automotive-focused
Serving automotive & industrial demand

Information on these facilities is compiled from publicly available sources and is shown for industry context only. It does not indicate any tender, award or contract between Kelington Group Berhad and the parties mentioned.

Semiconductor Fab Developments – Micron

➤ Expansions across key geographies present opportunities for hook-up contracts and underpins demand for advanced engineering.

America	Taiwan	Singapore	Japan	India
<p>Boise, Idaho Leading-edge DRAM Fab: 1β & beyond</p> <p>Target operational readiness by 2027; volume production by 2028</p> <p>Clay, New York Mega DRAM Fab Cluster (4 fabs)</p> <p>First fab target operational readiness by 2029</p> <p>Long-term expansion post 2030</p> 	<p>Miaoli, Taiwan Advanced Packaging & Backend Hub</p> <p>Target ramp up by 2026</p> <p>Taichung, Taiwan Advanced DRAM fab: 1α, 1β and beyond</p> <p>Target volume production by 2027</p> 	<p>Woodlands, Singapore HBM Advanced Packaging Facility Operational by 2026</p> <p>F10B: Advanced NAND memory & AI-centric applications</p> <p>First wafer output by 2H 2028</p> 	<p>Hiroshima, Japan Advanced DRAM fab: 1β node with EUV adoption</p> <p>Target ramp-up by 2026</p> <p>High-Bandwidth Memory (HBM) Facility HBM shipment targeted 2028</p> 	<p>Sanand, Gujarat Assembly, Test, & Packaging Facility (ATMP)</p> <p>P2 targeted late 2027</p> 

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Additional Semiconductor Fab Developments

Project Name	Location	Year Initiated	Estimated Cost (USD)
Infineon - SPF	Dresden, Germany	2023	~ \$5.3 billion
STM's fab expansion	Crolles, France	2022	~ \$7.5 billion
STM SiC Fab	Catania, Italy	2024	~ \$5.0 billion
STM Fab	Malta	2024	~ \$0.6 billion
IMEC's Semicon R&D fab	Malaga, Spain	2025	~ \$0.7 billion
Tata Semicon Assembly	Assam, India	2024	~ \$3.2 billion
Tata Semicon Production	Gujarat, India	2026	~ \$11.0 billion
Rapidus 2nm Logic Fab	Hokkaido, Japan	2023	~ \$37.0 billion
TSMC F25 – 1.4nm	Taichung, Taiwan	2025	~ \$47.0 billion
TSMC F22 – 2.0nm	Kaohsiung, Taiwan	2022	~ \$45.0 billion
Micron HBM	Hiroshima, Japan	2026	~ \$9.6 billion
Micron 10E & 10B	Singapore	2025	~ \$24.0 billion
GlobalFoundries SPRINT	Dresden, Germany	2025	~ \$1.3 billion

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Division 2: Industrial Gas



Industrial Gas

- High margin segment providing recurring income with long-term supply contracts with customers

Manufacturing of liquid CO₂

1st

Largest CO₂ producer in Malaysia

120,000
tonnes

Production capacity per annum

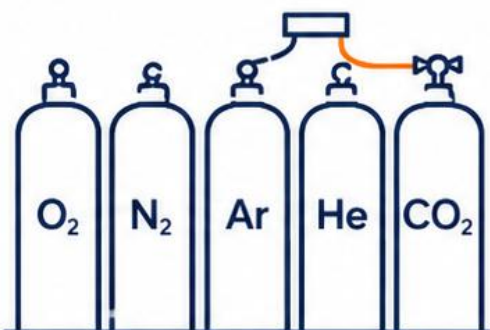
74%
exports

To Singapore, Australia, New Zealand, Fiji, Indonesia, Philippines



On-site gas supply

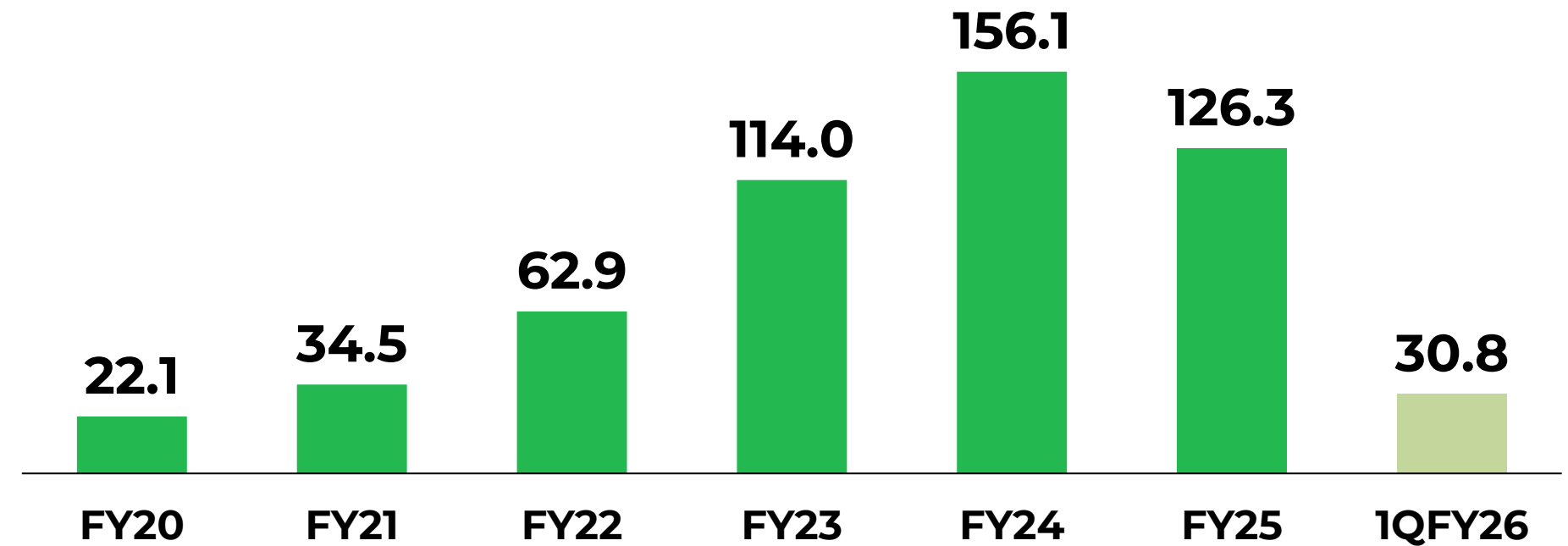
Supply of hydrogen, nitrogen and oxygen for an optoelectronics semiconductor plant



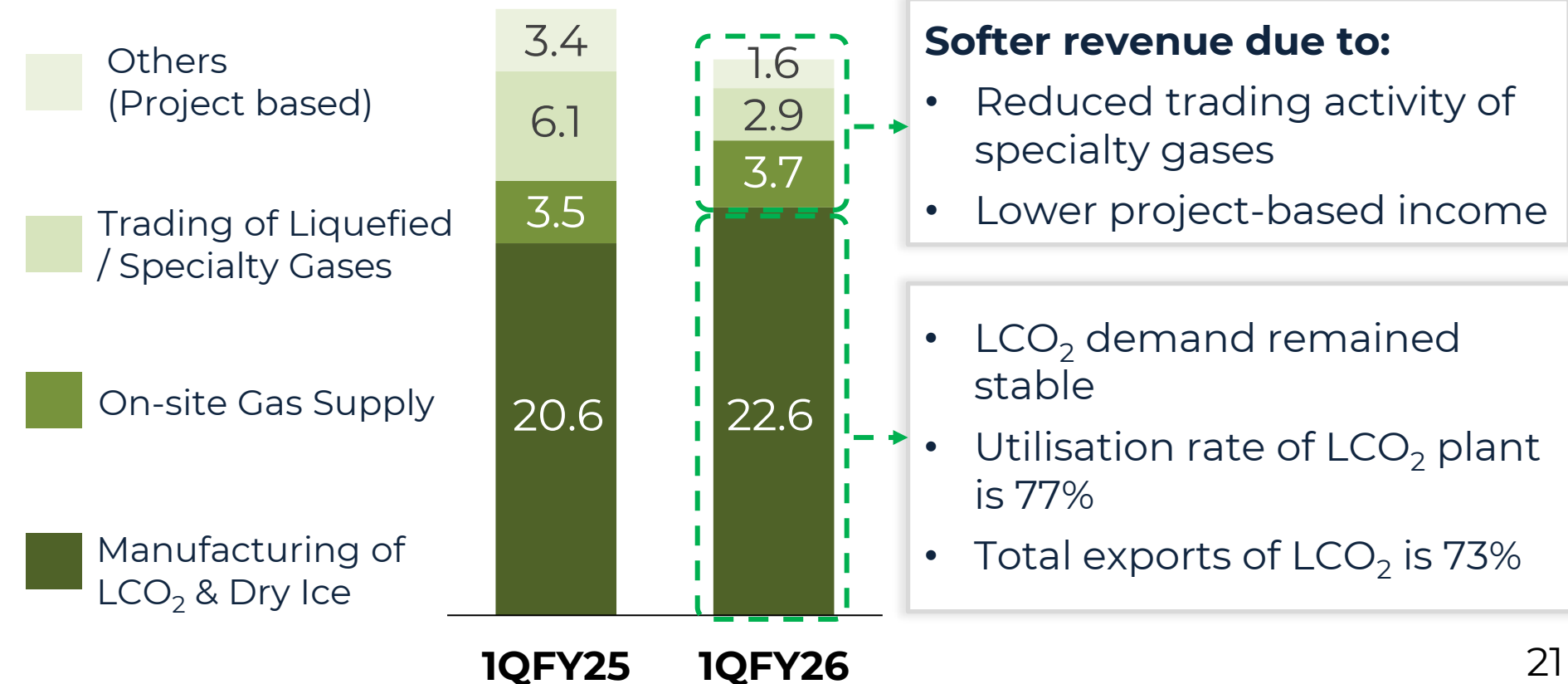
Trading of industrial gases

Oxygen, Nitrogen, Argon, Helium, and Carbon Dioxide

Industrial Gas Revenue (RM mil)



1Q revenue breakdown (RM mil)



Softer revenue due to:





- Reduced trading activity of specialty gases
- Lower project-based income

- LCO₂ demand remained stable
- Utilisation rate of LCO₂ plant is 77%
- Total exports of LCO₂ is 73%

Expanding Environmental & Energy Transition Technologies segment

➤ Exploring carbon capture, green hydrogen, and Bio-CNG to drive Malaysia's ESG and energy transition goals

Carbon Capture & Storage

- 1 Industrial Source / Manufacturing Plant 
- 2 CO₂ Captured 
- 3 CO₂ Purified / Liquefied 
- 4 Transport / Storage / Utilisation 

- Capture and manage CO₂ emissions from industrial processes, such as steel manufacturing
- Planned carbon tax introduction likely to increase demand for low-carbon solutions
- Ace Gases is building capabilities through industry collaboration and early-stage CCUS initiatives


Positions Kelington as a **potential engineering partner in Malaysia's low carbon transition**

Green Hydrogen

2MW Green Hydrogen production hub at Batang Kali Small Hydropower Plant, Selangor



Land, power, water, and regulatory support



Lead electrolyser plant and green hydrogen production



Develop hydrogen buses and refuelling stations

- Demonstrates entry into green hydrogen value chain
- Supports cleaner mobility and industrial decarbonisation

Bio-CNG

Bio-CNG Supply Chain

- 1 POME (Palm Oil Mill Effluent)
- 2 Anaerobic digestion
- 3 First Stage Desulphurisation
- 4 Second Stage Desulphurisation
- 5 Compression
- 6 Decanting into Petronas pipeline
- 6 To end users

ACE GASES SCOPE

- Renewable gas produced from organic waste such as POME
- Supports circular economy and waste-to-energy applications

Potential applications include **pipeline injection, transport, and industrial use**

Understanding Malaysia's National Carbon Market Policy (NCMP)

➤ Step-by-step overview of the policy framework and its relevance to Kelington

What is NCMP?



Launched in April 2026



Malaysia's framework for building a **national carbon market**



Covers the **voluntary carbon market** and **future compliance market**



Focuses on **high-integrity carbon credits** that are **measurable, reportable, and verifiable**



Objective: Establish a credible carbon market ecosystem before broader compliance mechanisms are introduced

How does it work?



1 Set **clearer rules and standards** for carbon credit development



2 Build supporting infrastructure such as a **national carbon registry**



3 Strengthen **monitoring, reporting and verification (MRV) systems**



4 Support **carbon credit tracking, trading and future compliance mechanisms**



Near-term focus: Voluntary market development
Longer-term direction: Groundwork for compliance and carbon pricing tools

Why is it relevant to KGB?



Strengthens the policy backdrop for Kelington's **environmental & energy transition initiatives**



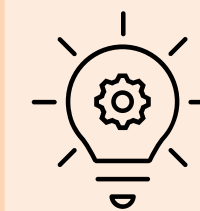
Supports long-term adoption of **carbon capture, green hydrogen and bio-CNG solutions**



Encourages industrial players to **explore practical decarbonisation projects**



Positions Ace Gases as **potential engineering partner** in Malaysia's low-carbon transition



Key takeaway: NCMP strengthens the long-term environment for industrial decarbonisation opportunities



Thank You

For investor relations queries, kindly contact
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