Kelington Group Berhad

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Press Release

FOR IMMEDIATE RELEASE

KELINGTON EXPANDS INDUSTRIAL GAS FOOTPRINT WITH US$29.3 MILLION AIR SEPARATION UNIT PLANT IN INDIA

Kuala Lumpur, 5 August 2026 – Integrated engineering solutions provider, Kelington Group Berhad ("**Kelington**" or the "**Group**") (stock code: 0151), through its wholly-owned subsidiary, Ace Gases Technologies Private Limited ("**AGTI**"), has announced the investment of approximately US$29.3 million (equivalent to approximately RM120 million) to construct a 300 tonnes per day merchant Air Separation Unit ("**ASU"**) plant in Maharashtra, India ("**Investment**").

An ASU plant is an industrial facility that separates atmospheric air into its primary component gases, such as nitrogen, oxygen, and argon. These gases serve as critical inputs across a wide range of industries, including medical oxygen, electronics, healthcare, metallurgy, chemicals, automotive, pharmaceuticals, food processing, engineering and other manufacturing activities.

The ASU plant will be developed as a standalone merchant plant on a site spanning approximately 20,000 square metres, enabling Kelington to serve a broad base of industrial gas customers across Maharashtra and neighbouring markets. The development will also include the supporting infrastructure, utilities, storage facilities and distribution systems required for the production and supply of industrial gases. The Investment is expected to strengthen the Group's industrial gas presence in India by providing a local source of supply to support demand from industrial and manufacturing customers in the region.

Development works are expected to commence in August 2026 and are targeted for completion by the third quarter of 2028, subject to the necessary certificates, licenses, permits and approvals required for the construction and operation of the ASU plant. The Investment will be funded through a combination of internally generated funds and bank borrowings.

Strategically located in Maharashtra, the Investment positions Kelington to capitalise on the region's established industrial base and continued industrial expansion. Maharashtra is India's largest state economy by nominal Gross State Domestic Product, accounting for 14.0% of India's nominal GDP. Anchored by Mumbai, India's financial capital, the state remains a key driver of the country's economic growth. According to the Economic Survey of Maharashtra 2025-26, the state's industrial sector is expected to grow by 5.7% in 2025-26, with manufacturing projected to expand by 5.9%. This growth trajectory is expected to support rising demand for reliable industrial gas supply. The plant's location is also expected to provide logistical advantages in serving customers across key industrial areas within Maharashtra and surrounding regions, while positioning Kelington to support the state's future manufacturing and industrial development.

Mr. Lim Seng Chuan (林成全), Chief Executive Officer of Kelington Group Berhad said, "This marks Kelington's first industrial gas production facility in India and represents a meaningful milestone in the Group's regional expansion strategy. Maharashtra offers a compelling combination of strategic location, growing industrial base and an underserved industrial gas market. By establishing a local ASU plant, Kelington will be well positioned to capture rising demand from customers seeking reliable and locally available industrial gases."

Maharashtra is one of India's leading industrial states, supported by a sizeable manufacturing base. Maharashtra is also strategically connected to major industrial and commercial centres such as Mumbai and Pune. The wider region attracts a diverse range of manufacturing activities, including automotive and auto components, engineering, steel, pharmaceuticals, chemicals, food processing, defence, and aerospace related manufacturing.

Building upon that, the investment is underpinned by a supportive policy and infrastructure foundation. The plant site is expected to benefit from reliable grid and open access power, which is critical in ensuring stable and cost-effective electricity supply, complemented by attractive foreign direct investment incentives and tax rebates. In addition, the region's continued industrial development, including the expansion of Maharashtra Industrial Development Corporation ("**MIDC**") industrial zones, is expected to support long term demand for industrial gases in the region.

Mr. Ryan Chong Ann Tsun ("张恩山"), Managing Director of Ace Gases Sdn Bhd, said, "The Maharashtra ASU plant is designed to address a clear market need for reliable, locally produced industrial gases. The standalone merchant model gives us the flexibility to serve a wider base of customers across multiple industries, while the plant's location provides logistical advantages in reaching key industrial clusters within Maharashtra and neighbouring markets."

"As the project moves toward construction and commercial operations, our priority will be to deepen engagement with industrial customers across the region and build a diversified customer base across multiple sectors" Mr. Ryan Chong added.

This expansion reflects the Group's long-term strategy to scale its industrial gas segment and reinforces its commitment to delivering sustainable value to shareholders. The Group looks forward to playing an active role in India's industrial growth, supported by rising demand for locally produced industrial gases.

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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.

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