Kelington Group Berhad

(Registration No.199901026486 (501386-P)

Press Release

FOR IMMEDIATE RELEASE

KELINGTON ACHIEVES 25.7% YOY GROWTH IN 2QFY26 NET PROFIT TO RM41.3 MILLION; ANNOUNCES 3.0 SEN DIVIDEND

Kuala Lumpur, 20 August 2026 – Integrated engineering solutions provider, Kelington Group Berhad ("**Kelington**" or the "**Group**") (stock code:0151) today announced its second quarter ("**2QFY26**") and six months financial results for the period ended 30 June 2026 ("**1HFY26**").

During the quarter, Kelington delivered profit attributable to shareholders ("**net profit**") of RM41.3 million, 25.7% higher than the RM32.9 million achieved in the previous year corresponding quarter ("**2QFY25**"). Quarterly revenue came in at RM344.4 million, up 22.1% year-on-year ("**YoY**") from RM282.0 million. This was underpinned by higher contributions across all core segments, namely Advanced Engineering (Ultra High Purity), Process Engineering, Advanced Industrial Infrastructure and Industrial Gases, driven by higher project activities in Singapore, Malaysia, Taiwan and Germany.

The Group remains committed to rewarding shareholders and has announced a second interim single-tier dividend of 3.0 sen per ordinary share for the financial year ending 31 December 2026 ("**FY26**"), amounting to RM26.5 million. Including this, total dividends declared for FY26 stood at 6.0 sen per ordinary share or RM52.8 million, equivalent to 73.6% of the Group's 1HFY26 net profit.

Commenting on the Group's financial performance, Mr. Lim Seng Chuan (林成全), Chief Executive Officer of Kelington Group Berhad said, "We are pleased with our continued growth momentum, having secured RM1.23 billion in new orders within the first half of 2026 alone, nearly matching the RM1.25 billion we secured across the twelve months of 2025. This reflects sustained demand across our markets and our continued ability to deliver to the standards our customers expect."

"SEMI forecasts global wafer fab equipment sales to grow 23.2% to USD165.9 billion in 2026, and towards USD229.5 billion by 2028, underscoring the scale of opportunity ahead of us. We are tendering actively across our existing and new markets to capture this, staying disciplined on the projects secured and prioritising those that meet our margin expectations."

As at 30 June 2026, Kelington's outstanding order book stood at RM2.04 billion, providing strong earnings visibility, while its tenderbook of RM7.50 billion reflects a significant pipeline of potential opportunities.

Within the Industrial Gases segment, Kelington continues to pursue new investment opportunities. On 5 August 2026, the Group announced a USD29.3 million, or approximately RM120 million investment, to develop a 300 tonnes per day merchant Air Separation Unit plant in Maharashtra, India. Targeted for completion by the third quarter of 2028, the plant will establish the Group's first industrial gas production platform in India, diversify its revenue base and position Kelington to capture growing demand from Maharashtra's expanding industrial sector.

The Group is also expanding its Sustainable Engineering initiatives, including a broader carbon capture and storage ("CCS") study with PETRONAS CCS Solutions Sdn Bhd to cover a Satellite CO_2 Terminal, while evaluating opportunities in green hydrogen and bio compressed natural gas. These initiatives position Kelington to participate in Malaysia's developing carbon capture and carbon market ecosystem.

For the six-month period under review, Kelington recorded a net profit of RM71.7 million on the back of RM614.8 million of revenue. 1HFY26 net profit margin also improved from 10.8% to 11.7%, supported by the Group's favourable project mix with focus on higher-margin projects.

Advanced Engineering (Ultra High Purity) division continues to be the core business segment, contributing RM401.7 million, or 65.3% of total revenue in 1HFY26. This was followed by Advanced Industrial Infrastructure segment, formerly known as General Contracting, which contributed RM111.2 million (18.1%), Industrial Gases with RM62.8 million (10.2%), Process Engineering with RM36.0 million (5.9%), and finally, Equipment and Materials with RM20.1 million (3.3%).

Geographically, Singapore is the Group's largest market, accounting for 40.7% of total revenue, mainly supported by strong contributions from the Advanced Engineering (Ultra High Purity) segment. Malaysia contributed 33.9%, followed by China at 15.0%, Taiwan at 4.4% and Germany at 2.3%. The remaining 3.7% came from India, the Philippines and other markets.

The Group maintained a strong balance sheet, with a net cash position of RM110.7 million as at 30 June 2026. Total cash stood at RM328.6 million, exceeding total borrowings of RM217.9 million. This healthy financial position provides the Group with the flexibility to fuel future business expansion while continuing to deliver value to shareholders.

As at 30 June 2026, Kelington maintained an outstanding order book of RM2.04 billion, supported by a tenderbook of RM7.50 billion, providing strong earnings visibility moving forward.

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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 https://kelington-group.com

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

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