

## **Masteel carbon capture innovation drives sustainable steel growth**

- *Collaboration with Kelington and UTAR to develop new carbon capture technology*

**Petaling Jaya, Malaysia, 6 May 2025 - Malaysia Steel Works (KL) Bhd (Masteel; the Group; 马来西亚钢厂 (吉隆坡) 有限公司; Bloomberg: MSW MK; Reuters: MSWK.KL) signed a Memorandum of Understanding (MoU) with Ace Gases Marketing Sdn. Bhd. (Ace Gases), a wholly-owned subsidiary of Kelington Group Berhad (Kelington) and Universiti Tunku Abdul Rahman (UTAR) to deploy innovative Carbon Capture, Utilization, and Storage (CCUS) technologies to embed new green innovations into Masteel's ultra-low carbon steel production facility.**

The parties will jointly conduct a feasibility study to identify optimal CO<sub>2</sub> capture technologies for steel manufacturing, and explore utilization or storage options for captured CO<sub>2</sub>. The study will enable Masteel to further minimise its carbon footprint and meet industry demand for sustainable steel.

Masteel is partnering with Kelington and UTAR to conduct the study. Masteel will provide operational insights and plant infrastructure. Kelington, via Ace Gases will provide technical expertise in CO<sub>2</sub> capturing and storage solutions. UTAR will bring academic research and analytical capabilities on carbon utilization from the CO<sub>2</sub> capture at site.

“As we transition into a low carbon economy, Masteel is implementing latest technologies to meet the rising demand for green steel.

This collaboration on CCUS technology reflects our proactive approach to addressing the challenges presented by climate change, ensuring long-term sustainability of our operations.

We are focused on enhancing operational excellence, driving innovation, and ensuring long-term competitiveness, all while creating greater value for our clients and industry partners. Masteel is fully committed to progressing toward its goal of being the first Malaysian steel mill to achieve net zero emission before 2050.”

***Dato' Sri Tai Hean Leng (“拿督斯里戴贤龙”),  
Executive Vice Chairman of Malaysia Steel Works (KL) Bhd***

“This collaboration reinforces our commitment to advancing sustainability and innovation across key industrial sectors and strengthens our position as an industry leader in carbon capture solutions.

By combining Kelington Group’s technical expertise with Masteel’s operational scale and UTAR’s research capabilities, we aim to develop scalable carbon solutions that can support Malaysia’s decarbonisation goals.

It also allows us to extend our proven capabilities in gas recovery and carbon management into the steel industry, supporting broader efforts to reduce emissions across the nation’s manufacturing landscape.”

***Ir. Raymond Gan (“顏漢慶”),  
Chief Executive Officer of Kelington Group Berhad***

Kelington has demonstrated its CCUS capabilities through successful projects in Kerteh, Terengganu, where waste gas from a petrochemical facility is converted into high-purity CO<sub>2</sub> for industrial use. This proven track record reinforces Kelington’s ability to adapt its carbon utilisation solutions for other high-emission sectors such as steel manufacturing. Complementing this, Ace Gases offers total turnkey solutions encompassing the build, ownership and operation of liquid CO<sub>2</sub> (LCO<sub>2</sub>) capture plants, and manages the delivery of captured LCO<sub>2</sub> to suitable sequestration sites, enabling CO<sub>2</sub> emitters to focus on their core operations while emissions management is handled by Ace Gases.

Demand for low-carbon steel is accelerating, driven by stricter environmental regulations and growing corporate sustainability. Malaysia has committed to a 45% reduction in greenhouse gas (GHG) emissions by 2030 and achieving net-zero emissions by 2050, creating a supportive policy environment.

“Masteel is committed to responsible and sustainable growth. Our green steel strategy aligns with Malaysia’s vision for a sustainable future, contributing to efforts to achieve its climate targets of a 45% GHG reduction by 2030 and net-zero emissions by 2050”, said Dato’ Sri Tai Hean Leng.

Masteel is the first Malaysian steel mill in the FTSE4Good Bursa Malaysia Index, with a 4-star ESG rating and Platinum Sustainability Rating from RAM Sustainability Sdn Bhd. Masteel has also made substantial investments in upgrading its facilities, including approximately RM300 million in recent years that resulted in class-leading carbon intensity reduction achievements.

Masteel’s early adoption of CCUS technology will enable the company to advance decarbonization in the construction and steel industries and participate in the Voluntary Carbon Market (VCM) through the generation and trading of Verified Carbon Units (VCUs).

In future phases, the study will focus on optimizing Masteel’s energy use and operational efficiency, while exploring opportunities to monetize captured CO<sub>2</sub>, including through the trading of VCUs.



### **About Masteel**

Malaysia Steel Works (KL) Bhd, listed on the Main Market of Bursa Malaysia Securities Berhad, is one of the top five integrated steel companies in Malaysia. It is involved in the manufacturing of high-tensile deformed steel bars, mild steel round bars and steel billets.

Masteel's products adhere to stringent local and international standards, including SIRIM (MS 144:2014 & MS 146:2014), ISO 50001:2018 (Energy Management System), ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health and Safety Management Standard), the Australasian Certification Authority for Reinforcing Steels Ltd (ACRS), and the UK Certification Authority for Reinforcing Steels (CARES).

Masteel has 68 domestic dealers and exports its steel products to Australia, Papua New Guinea, Indonesia, Singapore, Vietnam, Philippines, Turkey, and China.

### **About Ace Gases Marketing Sdn. Bhd.**

Ace Gases Marketing Sdn. Bhd. is a wholly owned subsidiary of Kelington Group Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad. Ace Gases specialises in industrial gas production, advanced engineering solutions, and has extensive technical expertise capturing CO<sub>2</sub> in Kerteh from a natural gas processing plant, making it one of the largest CO<sub>2</sub> producers in the Asia Pacific region. Ace Gases is uniquely positioned to support CO<sub>2</sub> sequestration and utilisation initiatives by contributing to the development of scalable decarbonization solutions for hard-to-abate industries.

### **About Universiti Tunku Abdul Rahman (UTAR)**

Universiti Tunku Abdul Rahman (UTAR) is highly reputed as one of the fastest growing private higher education institutions in the country since its inception in 2002. From only 411 students, the University's enrolment has now reached about 20,000 students with campuses located in Kampar, Perak and Bandar Sungai Long, Selangor. UTAR has graduated over 89,000 students since its inaugural convocation in 2005. The University currently offers more than 140 academic programmes from Foundation Studies to Bachelor's, Master's, and PhD degrees in the fields of Accounting, Business and Economics, Actuarial Science, Mathematics and Process Management, Agriculture and Food Science, Arts, Social Sciences and Education, Creative Industries and Design, Engineering and Built Environment, Information and Communication Technology, Life and Physical Sciences, and Medicine and Health Sciences. For more information, visit [www.utar.edu.my](http://www.utar.edu.my) or call 05-468 8888 (Kampar Campus), 03-9086 0288 (Sungai Long Campus).