

Kelington Group bags RM65.4 million contract

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KUALA LUMPUR: Integrated engineering solutions provider, Kelington Group Bhd has secured a new contract worth RM65.4 million from Chengdu Construction Engineering Corporation (Group).

In a statement today, Kelington said it will supply and install a bulk gas system and distribution piping for a new semiconductor wafer foundry in China owned by GEXIN (Chengdu) Integrated Circuit Manufacturing under the contract.

GEXIN is a joint venture company between GlobalFoundries, a global semiconductor wafer foundry leader headquartered in the United States and the Chengdu Municipal Government in China.

The contract was secured through the Group's wholly-owned subsidiary Kelington Engineering (Shanghai) Co Ltd.

It said works are scheduled to commence immediately and is expected to be completed within six months, ending April 2018.

Kelington chief executive officer Raymond Gan said the company is benefitting from the growth of the semiconductor industry in China which is largely driven by the "Made in China 2025" government initiative to increase China's production of electronics and semiconductor products.

"This new contract adds significant credence to our growing customer profile of high-tech clients who are setting up new plants in China, which include Semiconductor Manufacturing International Corporation (SMIC), Taiwan Semiconductor Manufacturing Company (TSMC) and United Microelectronics Corporation (UMC), to name a few," he said.

Kelington said the contract represents the single largest contract the Group has secured this year.

Year-to-date, Kelington has secured up to RM246 million worth of new orders, bringing the Group's current outstanding order book to RM271 million.