

Kelington has RM170m orders in bag, confident of more

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Shah Alam: Kelington Group Bhd's prospects of securing more jobs to design and build piping for gas and chemicals for clean room laboratories in Asia are bright, having already secured some RM170 million in orders.

"Our RM170 million order book should keep us busy until mid-2012. We expect good growth in orders in the second quarter as we are now receiving many enquiries," Kelington chairman and chief executive officer Raymond Gan Hung Keng told Business Times in an interview here.

"We usually bill progressively when we finish the jobs," he said, adding that the turnaround time for each project is relatively fast, about three to six months before a new one kicks in.

Kelington was listed on the ACE Market of Bursa Malaysia in November 2009. It designs and installs ultra-high purity gas and chemical delivery systems, which are used in clean room facilities of the electrical and electronics industry.

At clean rooms, high pressured gas and chemical are used to etch circuits on microchips in wafer fabrication, the manufacture of liquid crystal displays, light emitting diodes and solar cells in devices like mobile phones, plasma televisions, laptops and computers.

Its shareholders at a meeting last week approved Kelington's transfer to Bursa Malaysia's Main Market after Armed Forces Pension Fund or Lembaga Tabung Angkatan Tentera (LTAT) emerged as a substantial shareholder with 12.64 per cent stake.



Kelington chief operating officer Steven Ong Weng Leong, who was also at the interview, said the company's migration to the Main Market will lead to greater liquidity in its shares.

It will help raise the company's profile among existing and potential clients.

"LTAT is now a substantial shareholder in our company and they have stated their intention of staying with us for the long run. We're seriously looking at embarking into synergistic ventures concerning green technology in the mid-term," Ong added.

Meanwhile, Gan said Kelington has no dividend policy as yet but it has been dishing out three sen a share since its listing two years ago.

"We've recently seen more institutional investors knocking on our doors since we announced our intention to migrate to the Main Board," he noted.