

[News](#)[Business](#)[Sport](#)[Metro](#)[Tech](#)[Lifestyle](#)[Opinion](#)[Videos](#)[Property](#)[Jobs](#)

Business News

[Home](#) > [Business](#) > [Business News](#)

Wednesday, 29 March 2017

Kelington gets letter of award for onsite gas supply



PETALING JAYA: Integrated engineering solutions provider [Kelington Group Bhd](#) has bagged a letter of award from one of the largest photovoltaic manufacturers in Malaysia for the onsite supply of nitrogen gas.

In a filing with Bursa Malaysia yesterday, the company said the contract was awarded to its subsidiary, Ace Gases Marketing Sdn Bhd.

"Under the contract, Kelington will set up an onsite generator to produce nitrogen gas at the client's manufacturing plant in the Klang Valley.

"In return, the client will pay a fixed facility fee amounting to approximately RM20mil over a period of 10 years," said Kelington.

In a statement, Kelington chief executive officer Raymond Gan said the award was the company's first industrial gas supply contract.

"This new business is long-term in nature and will add a stable and recurring income stream to the group.

"It will enhance our earnings visibility, providing sustainable returns to our shareholders."

Under the group's business model in growing this division, Gan said industrial gases can be supplied on-site via gas generators or high-pressure gas cylinders.

"This business has attractive future prospects, as it can be widely applied across manufacturers in the electronic, plantation, oil and gas, and food and beverage sectors."

Kelington provides end-to-end engineering solutions ranging from system design to fabrication and installation of equipment to testing and maintenance.

Gan said that the new venture was synergistic to Kelington's core business, as the company would be able to leverage on its strong client network of electronic manufacturers, which it had built up over the last 16 years.

TAGS / KEYWORDS:

[Kelington](#) , [contract](#) , [gas](#)