

# Kelington bags RM19.3m worth of new contracts

BY ANETTE APPADURAY

KUALA LUMPUR: Kelington Group Bhd has secured two new contracts in China from a global multinational corporation (MNC) semiconductor manufacturer worth RM19.3 million.

In a Bursa Malaysia filing yesterday, the integrated engineering services provider said the contracts were secured via its wholly-owned subsidiary Kelington Engineering (Shanghai) Co Ltd, and that they are for the installation of an ultra-high purity gas delivery system.

The group said the contracts commenced immediately with targeted completion in December. They are expected to contribute

positively to the earnings and net assets of Kelington for the financial year ending Dec 31, 2017.

In a separate statement, Kelington said it had now secured up to RM76.05 million worth of new orders in the first quarter of 2017, bringing its current outstanding order book total to RM239.3 million.

"The contracts are awarded by repeat customers of the group, demonstrating our capabilities in meeting the stringent requirements of global MNCs. We are very encouraged by the support of our customers, and are well positioned for growth in 2017," said the group's chief executive officer Ir Raymond Gan.

"According to industry reports,

China aims to produce 70% of its total consumption of integrated circuits, from approximately 10% now. This augurs well for players like us as we aim to gain a share of the capital expenditure expansion activities of these technology players," he added.

Gan also said that under the "Made in China 2025" initiative, China is aiming to become a superpower in the manufacturing of high technology industries by 2025, with the government increasing its capacity to invest heavily to increase its production of memory chips and semiconductors.

The group said it expects to be positively impacted by the expected capacity expansion in China's electronics market.