

Kelington secures gas system, piping job in China worth RM65m

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October 30, 2017 14:07 pm MYT



KUALA LUMPUR (Oct 30): Integrated engineering solutions provider, Kelington Group Bhd has bagged a RMB102.62 million (RM65.4 million) contract – its single largest contract this year – from China's Chengdu Construction Engineering Corp.

In a filing with Bursa Malaysia today, Kelington said its wholly-owned subsidiary Kelington Engineering (Shanghai) Pte Ltd had on Friday secured a contract from Chengdu Construction Engineering Corp to supply and install bulk gas system and distribution piping for GEXIN (Chengdu) Integrated Circuit Manufacturing, a joint venture company between GlobalFoundries and Chengdu Municipal Government.

The works will commence immediately and are expected to be completed by April next year, and will be funded through internal funds and bank borrowings, it added.

Kelington said the contract is expected to contribute positively to the group's earnings and net assets for the financial years ending Dec 31, 2017 and 2018.

“We are 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,” said chief executive officer Raymond Gan in a separate statement.

Year-to-date, Kelington has secured up to RM246 million worth of new orders, bringing its total outstanding order book to RM271 million.

Kelington shares closed up 5.5 sen or 8.59% at 69.5 sen today, with 11.07 million shares done, bringing a market capitalisation of RM158.89 million.