

Kelington bags contract worth RM114m to build semiconductor manufacturing facility

Surin Murugiah / theedgemarkets.com

June 16, 2022 13:10 pm +08



KUALA LUMPUR (June 16): Kelington Group Bhd (KGB) has secured a contract worth RM114 million to build a semiconductor manufacturing building.

In a bourse filing on Thursday (June 16), KGB said its unit Kelington Technologies Sdn Bhd (KTSB) on June 15 entered into a construction contract with a Franco-Italian multinational electronics and semiconductor manufacturer to design and build a new manufacturing building comprising a manufacturing (plating) area, mechanical and electrical utility plant, and a multistorey carpark for the existing plant in Johor.

KGB said the contract value is worth approximately RM114 million, subject to the actual amount of work carried out, depending on variation orders, scope options and value engineering.

It said the work is scheduled to commence this month and expected to be completed by December 2023.

KGB said the project is expected to contribute positively to its earnings for the financial year ending Dec 31, 2022 (FY22) and FY23.

In a separate statement, KGB chief executive officer Raymond Gan said aside from foreign markets, the firm continues to see abundant opportunities in Malaysia as the country remains a key investment destination for international electronics and electrical corporations.

“Meanwhile, our tender book continues to be elevated as our team is focused on securing more contracts, especially ultra-high purity projects in Singapore which represent a sizeable portion of our tenders.

“Our existing orders, coupled with the anticipated strong order book replenishment, augur well for our financial performance for the remainder of the year,” he said.

Inclusive of the latest contract win, KGB has thus far clinched new orders amounting to RM700 million year-to-date.

This brings KGB’s outstanding order book to RM1.6 billion as at mid-June.

At the midday break, KGB was unchanged at RM1.14, valuing it at RM735.58 million.