

Kelington secures RM413 mil worth of new contracts over past two months

By Emir Zainul / theedgemalaysia.com

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KUALA LUMPUR (Sept 9): Kelington Group Bhd (KL:**KGB** **ASK EDGE**) said it has secured new contracts totalling RM413 million over the past two months, bringing its total value of contracts secured year-to-date to RM977 million.

While it did not clarify the specific contracts, the integrated engineering solutions provider said the majority of the projects were awarded in Malaysia and China, involving ultra-high purity (UHP), process engineering, and general contracting services.

The group said none of the projects individually met the materiality threshold for a Bursa Malaysia announcement, and therefore separate disclosures were not required.

Kelington chief executive officer Raymond Gan said China continues to be a major growth driver for the group as the country is set to establish 18 new semiconductor fabrication plants (fab) in 2024.

"Global semiconductor fab capacity is expected to expand significantly, driven by the rising demand for artificial intelligence (AI) processing and cloud computing.

"This is fuelling the race to develop high-performance chips, which presents even greater opportunities for Kelington to participate in cutting-edge projects," he said in a statement.

Gan added that Kelington is also exploring new opportunities in places such as Germany and Hong Kong. "These expansions will open new revenue streams and diversify our global portfolio, positioning the group for broader international growth," he said.

Kelington currently serves a wide range of customer segments, including the semiconductor, electronic, and petrochemicals industries, and with established operations across key markets such as Malaysia, China, and Singapore.

Notably, Kelington's net profit for the financial year ended Dec 31, 2023 (FY2023) surpassed the RM100 million mark for the first time in the company's history, after it reported a record-high quarterly net profit of RM35.73 million in the fourth quarter of FY2023. The full-year net profit totalled RM106 million.

For the first half of FY2024, Kelington's net profit jumped 46% to RM51.49 million from RM35.25 million in the same period of FY2023, despite revenue falling 10% to RM660.49 million from RM733.84 million previously.

The company declared total dividends of four sen per share for the six-month period, compared with 1.5 sen per share in the previous half year.

Shares of Kelington closed up six sen or 2.14% at RM2.86 on Monday, valuing the company at RM1.97 billion.

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Edited By S Kanagaraju