

Kelington makes key entry into European market with hook-up job in Germany

By [Diyana Isamudin](#) - August 4, 2025 @ 7:26pm



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KUALA LUMPUR: Kelington Group Bhd's subsidiary Kelington Engineering (Germany) GmbH has accepted a contract for a semiconductor hook-up project in Germany, marking the company's major entry into the European market.

Based on the estimated scope for the first phase, the total contract value is estimated at a minimum of 30 million euros (about RM146 million).

Kelington said this may increase to 50 million euros (RM244 million), subject to the final configuration to be determined by the client.

The letter of intent establishes a framework for detailed discussions on Kelington Engineering to provide hook-up services in Dresden, Germany for key process systems.

This involves specialty gases, chemicals, slurry, bulk gases, process vacuum and ultra-pure water (UPW).

It also sets out the agreed unit pricing structure and price adjustment clauses, which will remain in effect until 2027.

"This long-term arrangement positions Kelington Engineering to undertake follow-on work as this semiconductor wafer fabrication plant expands, without the need for renegotiation on core pricing terms," the company said.

The project will commence immediately and is expected to be completed over the next two to three years.

Kelington chief executive officer Raymond Gan said the contract reflects the company's European expansion and strengthens its position as a trusted global engineering solutions provider.

"The end-user is a long-standing client we have supported on multiple projects in Malaysia and we are proud to extend this partnership into Europe," he added.

A semiconductor hook-up involves the installation and integration of utility and process systems in a wafer fab manufacturing smart power chips.

As demand rises for advanced technologies such as artificial intelligence (AI), the Internet of Things, electric vehicles, industrial automation and renewable energy, these chips have become essential in powering intelligent systems.

Gan said that the European Chips Act, which is accelerating local semiconductor production, presents strong growth prospects for the region.

"As countries prioritise supply chain resilience amid rising geopolitical risks, this structural shift supports long-term industry growth.

"This milestone paves the way to secure additional work packages and firmly establish our presence in Europe, which we view as a key growth platform for Kelington in the years ahead," he added.