

Kelington secures semiconductor project in Germany




BUSINESS

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Kelington Group Bhd chief executive officer Ir. Raymond Gan

PETALING JAYA: Kelington Group Bhd , via its wholly-owned subsidiary Kelington Engineering (Germany) GmbH (KEGG), has accepted a letter of intent (LOI) for a semiconductor hook-up project in Dresden, Germany.

Based on the estimated scope for the first phase, the integrated engineering solutions provider said the total contract value is estimated at a minimum of 30 million euros (approximately RM146mil) with the potential to increase to 50 million euros (approximately RM244mil), subject to the final configuration to be determined by the client.

“The LOI establishes a framework for detailed discussions on KEGG to provide hook-up services for key process systems involving 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 KEGG to undertake follow-on work as this semiconductor wafer fabrication plant (wafer fab) expands, without the need for renegotiation on core pricing terms.”

Kelington said the LOI marks the company’s major entry into the European market.

“This milestone represents a significant step in our European expansion and strengthens our 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,” Kelington chief executive officer Ir. Raymond Gan said in a statement.

As at March 31, Kelington's outstanding order book stood at RM1.43bil, backed by a RM4bil tender pipeline as at April 30.