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## PM opens RM78m AIC Semiconductor plant

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday officially opened the RM78 million plant of AIC Semiconductor Sdn Bhd at the Kulim High Tech Park in Kulim, Kedah.

AIC Semiconductor, which is a subsidiary of AIC Corporation Bhd, is an 80:20 joint venture between Malaysians and Americans.

AIC Corporation owns 10 per cent, its subsidiary AIC Technology Sdn Bhd has 55 per cent, Atmel Corporation USA has 20 per cent and another local company Sierra Way Sdn Bhd holds the remaining 15 per cent.

Speaking at the opening of the plant, AIC Corporation executive chairman Sarip Hamid said the setting up of the plant was a testimony to the company's commitment to become one of the region's leading assembly and test facilities for integrated circuit packages.

The plant is equipped with state-of-the-art equipment and has the capacity to produce six million 32-lead PLCC chips a week. It started its commercial production last October, and is currently producing 2.5 million chips a week.

It is expected to reach full capacity in the first quarter of 1999.

The plant assembles and tests chips while its sister company, AIC Microelectronics does design work.

Recently, AIC bought Singapore's Nucleus Electronics Pte Ltd which has become its distribution arm.

"We are building our capability in IC designs and system solution designs to high-end assembly and test of ICs and finally, distribution of ICs in the Asean region and beyond."

Sarip said AIC would pump in another RM90 million to RM100 million in the next six to 12 months into AIC Semiconductor.

In another development, Sarip said the Government's investment arm, Khazanah Nasional Berhad, had agreed to take up a 25 per cent stake in AIC Technology through issue of new shares.

The details, however, are being worked out.

AIC Corporation spokesman Raymond Fam, who was also present at the event, said AIC Semiconductor employs 450 workers and it produces entirely for Atmel at present.

Meanwhile, after the opening ceremony, Dr Mahathir witnessed the signing of two loan agreements between AIC Semiconductor and Maybank International (Labuan) Ltd for a term loan of US\$12 million (RM48 million) and another loan of RM15 million.

Three joint venture agreements were also signed. One was between AIC Corporation and Rural Radio Services of United Kingdom for the manufacture and supply of rural digital telecommunication systems by AIC for the UK company.

Another was between AIC Multiventures (M) Sdn Bhd and Mohamd Saad Aldrees and Sons of Saudi Arabia for the manufacture and supply of global positioning system by AIC Multiventures for the Saudi company for use in vehicles in that country.

The third joint venture agreement was between Khazanah and Lockheed Martin Corporation of the United States. Khazanah will provide facilities, expertise and labour for the US company to manufacture a range of electronic components and help the US company get a foothold in the Asian region.

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