

16 FEB 2001

AIC-MANUFACTURE

AIC SIGNS AGREEMENTS WITH TWO FOREIGN FIRMS

CYBERJAYA, Feb 16 (Bernama) -- AIC Corporation Bhd expects a revenue of between RM200 million and RM300 million from a sub-contract with National Semiconductor International BV over the next five years.

The company, which is involved in making integrated circuit chips, also expects between RM15 million and RM20 million annually from a joint venture with Klettern Pte Ltd of Germany, its president Mohamad Ariff Puteh told reporters here today.

AIC through AIC Semiconductor Sdn Bhd, today signed a sub-contract agreement with National Semiconductor to undertake assembly and testing services of the Moulded Dual In-Line Package (MDIP) range of semiconductors products.

Another joint-venture agreement with Klettern, where AIC holds 51 percent stake, will involve system integration for smart card solutions, including manufacture of modules for customers throughout Asia.

For the subcontract, National Semiconductor warrants the quantity to be about 104 million units for the first six months, while for the smart card line, AIC has an annual production of 40 million modules per annum.

Prime Minister Datuk Seri Dr Mahathir Mohamad witnessed the signing of the agreements which included a memorandum of agreement with Universiti Telekom Sdn Bhd via Multimedia University.

Dr Mahathir also witnessed the virtual opening of AIC Semiconductor's second plant in Kulim.

In his speech, AIC's executive chairman Datuk Sarip Hamid said that the company had invested RM20 million to set up the new plant, in addition to RM180 million for its existing plant.

Meanwhile, Ariff said that National Semiconductor will take up 40 percent of the new plant's capacity by August and the balance is to cater for other clients.

He said that the new Kulim plant will be able to produce 10 million chips per week.

As for sales of its semiconductor products, Ariff said that the increase will not be phenomenal this time. He expects sales to increase by 15-20 percent compared with over 35 percent last year.

As for the establishment of a collaboration and strategic relationship with Multimedia University, AIC will contribute RM400,000 per annum for a period of five years for the formation of an AIC Professorship Chair of Microelectronics at the MMU's faculty of engineering. -- BERNAMA

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