

MemsTech eyes 30% of world market

MEMS Technology Bhd (MemsTech), which is expected to float on the Mesdaq market in August, aims to capture 20% to 30% of the world silicon microphone market in two years.

Director Ooi Boon Leong said the company was the only independent micro electro-mechanical systems (MEMS) technology provider in the Asia-Pacific – and probably one of only two independent commercially viable MEMS-based companies in the world – to design, manufacture, assemble, package and test MEMS products.

Ooi said after the signing of an underwriting agreement in Kuala Lumpur yesterday that the company had already invested about RM50mil in capital expenditure (capex) for MEMS facilities and expertise since its inception in 2001.

MEMS technology has a diverse range of applications: as pressure sensors, accelerometers, microphones, and thermopiles in motor vehicles, in health and life sciences products, consumer electronics, industrial and aerospace navigation systems, scientific analytical instruments and in the telecommunications industry.



MemsTech chairman Datuk Ahmad Kabeer Mohamed Nagoor (right) exchanging documents with CIMB executive director Robert Cheim

To date, MemsTech's entire output had been exported to the United States and Asian countries, Ooi said, adding that its full potential was yet to be fully realised.

"Phone manufacturers are beginning to migrate from the current electrets condenser microphone to silicon microphone due to improved quality and higher cost efficiencies at mass production level," he said.

Ooi said the market for silicon microphones was huge given that there was a microphone in each of the more than 1.65 billion handphones, hands-free sets and walkie-talkies sold worldwide annually.

He added that MemsTech would leverage on its patented silicon microphone technology as the opportunities arose.

MemsTech started to turn profitable lately, registering a pre-tax profit of RM3.83mil for the six months ended Jan 31, 2004, compared with pre-tax losses of RM710,000 in the financial year ended July 31, 2003, and RM7.47mil in 2002.

The flotation would involve a public issue of 80.3 million 10 sen shares at 62 sen apiece.

Of the total, 1.5 million shares would be for public subscription, about 34 million shares for application by AKN Technology Bhd shareholders on the basis of one new MemsTech share for every three AKN shares held, and the balance placed out to identified investors.

Ooi said the RM50mil to be raised from the flotation would be used for capital expenditure, research and development, and the cost of shifting its packaging operations from wholly-owned SenzPak (Singapore) Pte Ltd to SenzPak (M) Sdn Bhd.