

## **MemsTech aims to be a leader**

By CHONG POOI KOON

SEMICONDUCTOR firm MEMS Technology Bhd (MemsTech) is bullish on the potential of micro-electro-mechanical systems (MEMS) and aims to be a major world player in this area.

MEMS-based products include pressure sensors, accelerometers, thermopiles, binary lenses, thermopile arrays and microphones. These have potential uses in medical, telecommunications, consumer electronics and automotive industries.

"Today, MEMS is a technology identified by the Government for clustering promotion and it is also the hottest segment in the semiconductor industry," chairman Datuk Ahmad Kabeer Nagoor said after signing an underwriting agreement with Commerce International Merchant Bankers Bhd (CIMB) in Kuala Lumpur yesterday.

CIMB is the adviser, sponsor, underwriter and placement agent for MemsTech's initial public offering.

The company is en route to a listing on the Mesdaq Market of Bursa Malaysia Bhd in early August, with the listing prospectus to be issued in early July.

MemsTech director Ooi Boon Leong said one of the MEMS-based products — the silicon microphone — is a better alternative to the current type of microphone used in handphones and hands-free kits, and it expects to capture up to 30 per cent of that market worldwide in two years.

"The world is switching from the electrets condenser microphone to silicon microphone for its enhanced quality at comparable costs.

"We are one of the very few, if not the only company involved in MEMS in Asia Pacific," Ooi said.

MemsTech is a member of the AKN Group by virtue of them having the common major shareholders.

After the listing, MemsTech will be 38 per cent-owned by AKN Equity Venture Sdn Bhd — a private company controlled by Ahmad Kabeer, who is also the executive chairman for AKN Group.

"AKN Group is probably the most successful technology investor in Malaysia. The flagship company AKN Technology Bhd was the first direct material supplier to the semiconductor industry with over RM600 million market capitalisation now," Ahmad Kabeer said.

In conjunction with the listing, MemsTech will issue 80.3 million shares of 10 sen each at 62 sen apiece, of which 45 million shares will be privately placed out, 33.8 million shares allocated for existing AKN Technology's shareholders, while 1.5 million shares available for public application.

AKN Technology's shareholders are entitled to apply for MemsTech's shares on the basis of one new MemsTech share for every three AKN Technology shares held.

MemsTech is expected to use the RM50 million from the exercise for capital expenditure and research and development.

"AKN is an acknowledged value creator, if you had invested RM10,000 in AKN Technology when we were first listed in 1998, it would have grown to RM40,000 today despite the Asian crisis," Ahmad Kabeer said.