

business news

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GEORGE TOWN: Pac Tech Packaging Technologies, a leading supplier in low-cost wafer bumping technology, has set up a new facility in Penang with an initial investment of RM120 million.

The 55,000 sq ft plant at the Bayan Lepas Free Industrial Zone is designed to handle up to 600,000 wafers per year for semiconductor companies within the Pacific rim.

Pac Tech president and chief executive officer Dr Elke Zakei said on Friday that the plant, operated by Malaysian subsidiary Pac Tech Asia Sdn Bhd, will begin manufacturing by the first quarter of next year.

"We expect the Penang facility to contribute about 75% of Pac Tech's total revenue worldwide by 2009," she said at a press conference at the facility's launch by Chief Minister

Lim Guan Eng.

She said Pac Tech Group's worldwide revenue was about RM90 million last year, with the German plant contributing RM75 million.

Also present was InvestPenang executive chairman Datuk Lee Kah Choon.

Founded in 1995, Pac Tech's main plant is in Nauen, Germany, where it has 156 employees. It also

has another facility in Santa Clara, the US, that employs 20 people.

Zakei said the company hopes to have 150 employees in Penang by the end of next year. "The opening of our new Asian facility provides us an opportunity to showcase the most cost-effective source of wafer bumping and back-end processing in the world," Zakei added.

The site includes 40,000 sq ft of re-modelled production space,

including cleanroom area, and is equipped with new generation equipment for 500mm wafers.

The company plans to invest an additional RM40 million over the next two to three years in Penang. About 25% of this amount will be spent on research and development, Zakei said.

Pac Tech also designs and manufactures advanced packaging equipment for "electroless" nickel

under-bump metallisation and solder-jetting using laser heating. The company has made over 50 patents since its inception for products related to wafer bumping, flip-chip and chip scale packaging, and laser bonding technology.

In his speech, Lim noted that last year, German investors pumped close to RM98 million into Penang, second only to US investors who invested RM825 million.

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Company	Price (RM)	Change (RM)	Change (Index)
TNB	6.90	+0.65	+5.22
TM Inter	6.55	+0.60	+4.18
IOICorp	4.34	+0.28	+3.19
Commerz	7.60	+0.50	+3.13
Sime	6.30	+0.25	+2.79
Genting	5.00	+0.24	+1.65
PBBank	9.85	+0.20	+1.31
RHBCap	4.14	+0.28	+1.12
AMMB	2.88	+0.21	+1.06
YTL	5.80	+0.30	+0.91
Others			+24.56
	KLCI	1025.70	+34.04

RM20mil facility in Penang for Pac Tech

US crisis may delay capital market reforms in Asia

WASHINGTON: The American financial crisis is expected to delay capital market reforms in China and other developing Asian economies stunned by the colossal damage unleashed by complex financial contracts on the United States, experts say.

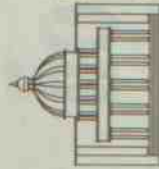
Flush with cash reserves, many developing Asian nations have been prodded by Western financial institutions to deepen their capital markets by introducing sophisticated financial derivatives to hedge against various risks

"I think they are going to say to themselves, 'We were right to resist the opening up of our financial system to Western financial institutions that wanted to add in supposedly more sophisticated products into our market'," he said.

China has not introduced any of the risk-carrying exotic derivative products, such as the unregulated credit default swap contracts, which are at the centre of the current American financial chaos.



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