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Simmtech invests RM508mil on new 'first in the region' plant in Batu Kawan

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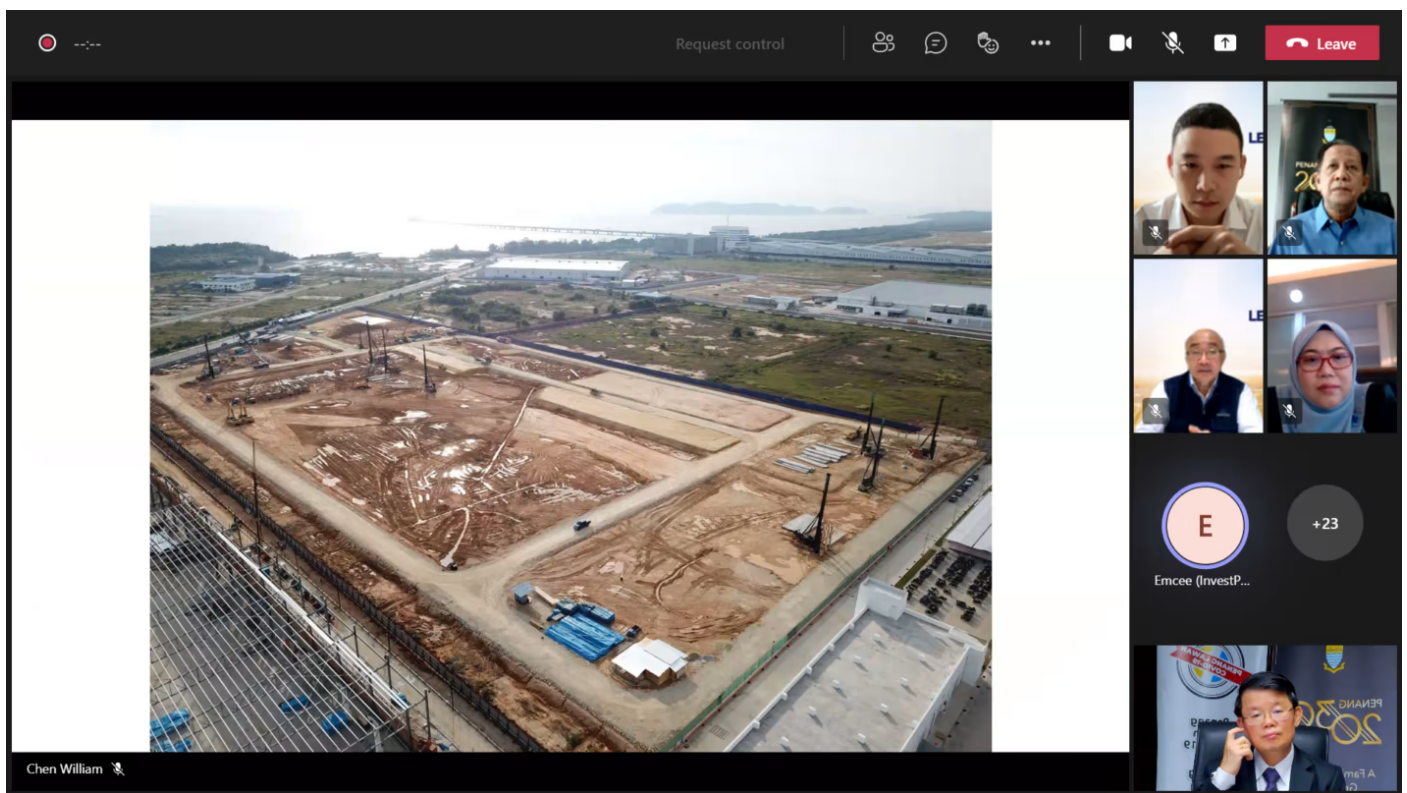


(https://www.buletinmutiara.com/wp-content/uploads/2021/07/DEV_0148-scaled.jpg)

SOUTH KOREAN semiconductor giant, Simmtech Holdings Inc., has chosen Penang as the strategic location to build its 'first in the region' printed circuit board (PCB) and packaging substrate factory.

Simmtech's Phase One investment in Penang, through its subsidiary Sustio Sdn Bhd, is US\$120 million (RM508 million).

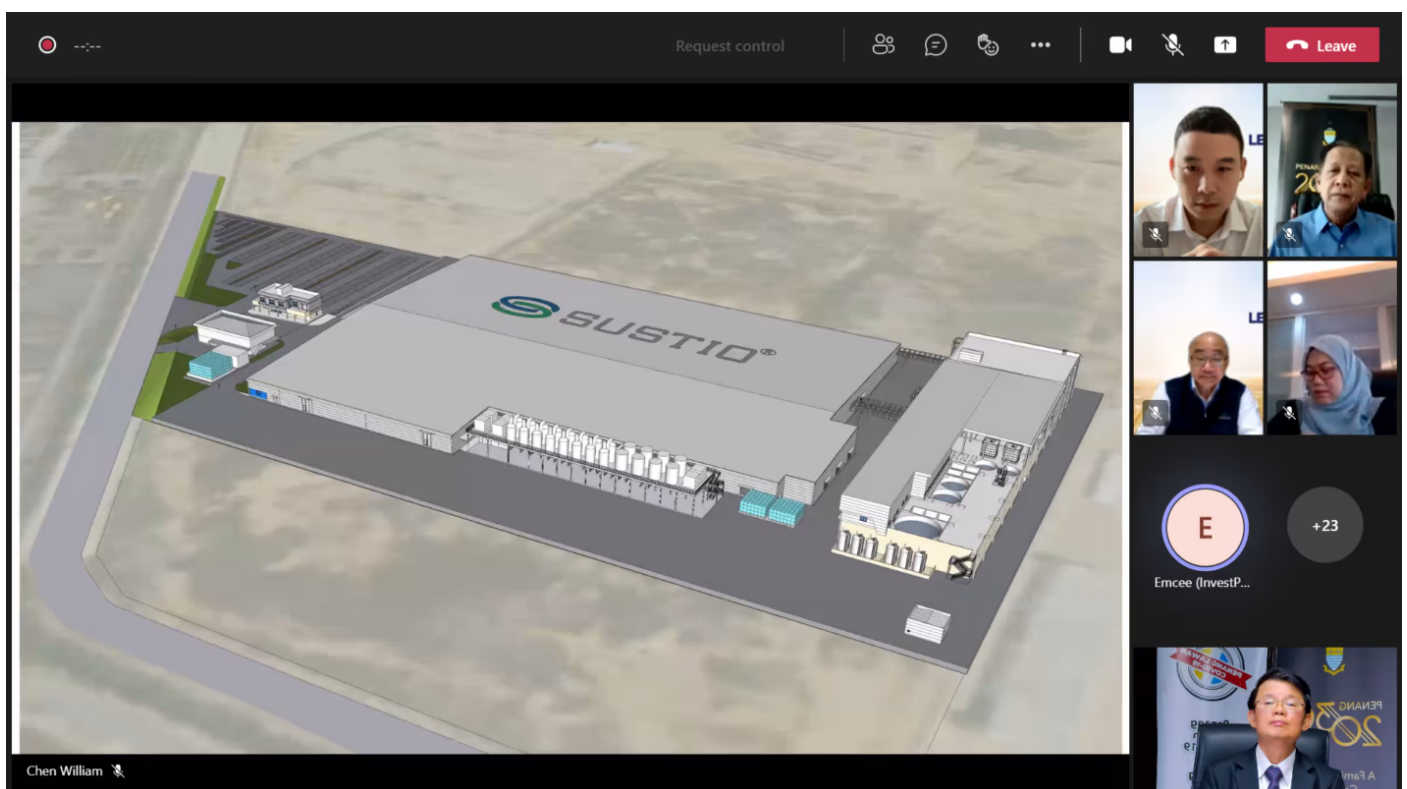
Simmtech Southeast Asia managing director Jeffery Chun said the construction of the factory on an 18-acre site in Batu Kawan, Penang, was currently ongoing.



A screengrab of the construction site in Batu Kawan.

"We have spent many years looking for the right location to expand our business. We are now operating in our home country Korea, as well as in China and Japan.

"Our future factory in Penang will enable us to bring our products closer to our customers in this region.



The artist's impression of the plant in Batu Kawan.

"The construction works are scheduled to complete by early next year. We hope to begin operating and making shipments from our new factory by the first half of next year," he said in his speech during the investment announcement held virtually today.

Chun said Penang has a very well-established electronics industry ecosystem.

"We are able to access the resources and local businesses here. The state is full of great talents, and it has a strong customer base. Penang also has a dynamic and growing semiconductor industry.

"That was why we chose to invest in Penang," he said.

Chun added the company recognised the current challenging pandemic period.

"We are in close communication with the local and Federal authorities, following the standard operating procedures (SOPs).

"However, we do not see major delays in our construction project," he said.

He revealed that the Covid-19 pandemic brought more opportunities to the semiconductor market.

"There are increasing demands for data storages with the increase in online data transactions during this trying period.

"There are more demands for computer chips and mobile chips. This is a great period for the semiconductor industry as a whole," he said.

Chun thanked InvestPenang, Malaysian Investment Development Authority (Mida), the Penang and Federal Governments for their care and support.

InvestPenang chief executive officer Datuk Loo Lee Lian said Simmtech was the first major Korean investor in Penang.

"We have some smaller Korean companies in Penang, and this is our first major Korean company.

"We are very excited to welcome it to Penang," she said.

Chief Minister Chow Kon Yeow said that investors in Penang would have a pleasant journey when making their decision to invest in the state.



Chow delivers his speech.

"This is the role played by InvestPenang and Mida Penang in facilitating the investors. Some factories can be set up within 10 months if facilitation and agency approvals have been obtained.

"Within a year or so, we can see the investors begin producing and exporting. I believe that this time frame is important to investors, so we hope that the state and Malaysia will maintain this performance to attract investors," he said.

On the Simmtech's investment in Batu Kawan, Chow said the new facility could create 1,200 high-value jobs in engineering, manufacturing, and quality management.

"I am hopeful that with Simmtech's arrival, this is the beginning of a new chapter with Korea – one of the prominent countries in the global technology sphere.

"The Penang government has placed emphasis on attracting companies with strong commitments in developing cutting-edge technologies and sustainable investing. Those commitments are part of our efforts to cement Penang's position as a hub for advanced manufacturing.

"I am pleased that Penang's well-developed ecosystem is recognised by leaders across the semiconductor value chain.

"In addition to Simmtech, Penang has witnessed a number of global heavyweights announcing new investments as well as expansions of existing facilities in the state over the past two years.

"Simmtech's Sustio project will bring Penang's industry to greater heights and further integrate Penang into the global semiconductor supply chain.

"We take this opportunity to express our appreciation to the Federal Government, particularly the Ministry of International Trade and Industry (Miti) and Mida, for their synergistic efforts together with InvestPenang in bringing in this strategic investment.

"Penang will stay committed to providing continuous support and facilitation to ensure smooth project implementation on the ground," Chow said.

Chow said that Penang continues to be the country's leading Electrical and Electronics (E&E) hub and a key pillar of Malaysia's external trade.

"In 2020, Penang recorded a commendable RM310 billion of exports and RM110 billion of trade surplus; contributed 32% and 60% of the country's said total, respectively.

"Notably, Penang's E&E exports were valued at RM231 billion in 2020, which formed more than half of the country's total," he said.

Chow added that Penang recorded outstanding investment performances for 2019 and 2020, having clocked up a total of RM31 billion manufacturing investments for the said period; among which 47% is contributed by E&E products, representing 35% of the country's total in E&E.

