

SIMMTECH to Fast Track USD50 Million Expansion of Subsidiary's Production Line in Penang to 2023

PENANG, MALAYSIA, December 13, 2022 /EINPresswire.com/ -- SUSTIO Sdn. Bhd., a Malaysia-based subsidiary of the semiconductor packaging substrate and HDI Printed Circuit Board (PCB) global leading manufacturer, SIMMTECH, is set to expand its production line in Penang. The second phase of investment, valued at USD50 million, is expected to be completed by the first quarter of 2023. The expansion project will double the HDI PCB production capacity while creating an additional of 400 full-time jobs for Malaysians. Simultaneously, SUSTIO will also be working with local companies to enhance its localisation programme which will further thrive the country's semiconductor ecosystem.



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The Chief Minister of Penang, the Right Honourable Mr. Chow Kon Yeow said, “It is heartening to witness a growing number of investors deepening their roots in Penang. Having announced its presence in mid-2021 and today, an expansion plan, the continued confidence of SUSTIO reaffirms the competent platform in Penang for industry players to thrive. SUSTIO's expansion not only brings positive spillovers in building local capacities in the PCB and substrate industry, but also plays a pivotal role in stimulating the competitiveness of the semiconductor material cluster in Penang, all of which will strengthen the state's position in the semiconductor sector.”

Commenting on SIMMTECH's momentous milestone, YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of International Trade and Industry (MITI) said, “SIMMTECH's fast-

tracked expansion of their subsidiary's operation in Malaysia proves that the country continues to be a preferred destination for high-value investments, due to our industry's strategic position in the global E&E value chain, as well as the availability of skilled Malaysian talent in this sector. This expansion project also supports the country's New Investment Policy (NIP), whose aims include nurturing innovative, high impact and high-tech investments that help create more higher-paying jobs, which is key to the country's long-term socio-economic upliftment and sustainable growth."

Datuk Wira Arham Abdul Rahman, Chief Executive Officer of the [Malaysian Investment Development Authority](#) (MIDA), said, "This expansion project is a testament to SUSTIO's strong confidence in Malaysia, as a preferred investment hub, manifesting the rising trajectory of our economic recovery and the bright prospects for even more robust growth. Leveraging on the country's comprehensive electrical and electronics (E&E) ecosystem, the capability of our local talent, as well as our matured semiconductor supply chain will definitely support SUSTIO's long-term growth and provide vital building blocks for the company to expand in the region. We anticipate that SUSTIO's project will have a ripple effect on job creation as well as the development of our local supply chain capabilities to meet the rapidly changing requirements of our E&E industry segments while encouraging innovation in emerging fields. Thus, MIDA remains committed to growing our E&E and semiconductor industries, working hand-in-hand with our strategic investors such as SUSTIO."

Mr. Jeffery Chun, Managing Director of SIMMTECH SE ASIA, expressed, "This decision on SUSTIO expansion shows SIMMTECH management team's strong and determined pledge to invest in Malaysia. The successful opening of the first Malaysia factory in Batu Kawan, which is the rising global semiconductor hub, gave SUSTIO a clear mandate to continue its expansion."

As outlined in SIMMTECH's initial business plan, the company's second phase of expansion is to be carried out over a period of five years. However, acknowledging Malaysia's business and manufacturing ecosystem's competitive edge and reputation as the ideal destination for global and regional business expansions, SIMMTECH has decided to advance its future investment plan to 2023.

Earlier this year, SIMMTECH invested USD150 million to complete the SUSTIO's 18-acre manufacturing site, currently hiring over 1,200 full-time local talents. The company has already started mass production after successfully achieving the major customers' new site qualification programme.

MIDA and the state of Penang have been supportive of SUSTIO's investment, providing the best possible facilitation services on administrative guidance and support to strengthen the strategic collaboration with the company. The governments welcomed SUSTIO's expansion and its continued trust in leveraging Penang's established foothold as the Silicon Valley of the East.

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