

Headline **Foreign firm. to lease Mimos wafer fab**
Date **26. Nov 2007** Language **ENGLISH**
Media Title **The Edge Financial Daily** Page No **9**
Section **Home Business** Article Size **254** cm2
Circulation **0** Frequency **Daily**
Readership **0** Color **Full Color**



Foreign firm to lease Mimos wafer fab

by **Sharmila Ganapathy**

KUALA LUMPUR: A foreign firm will likely be stepping in soon to lease Mimos Bhd's wafer fab, with plans to leverage on the facility to further grow its operations.

Sources told *The Edge Financial Daily* that the foreign firm was "Asian, but based in the US". Both organisations were in "very advanced talks", said the sources.

"Mimos will still be managing the wafer fab. They will be leasing it to the foreign firm, which will be the anchor company for the fab," a source said.

It is learnt that Mimos is expected to lease its fab for more than five years. However, the terms of the deal have yet to be finalised, and is also subject to approval of the Ministry of Finance (MoF).

Mimos was currently preparing a proposal for the ministry, said the sources. "Following approvals from the MoF, the pact between Mimos and the foreign firm will likely be sealed in the first quarter of 2008," the source said.

Mimos Bhd chief executive officer Datuk Abdul Wahab Abdullah could not be reached for comment.

According to the sources, the foreign firm plans to use the fab to grow its current business, and will bring in its own people to do research and development and product design in Malaysia.

In a related development, the sources said Mimos' divestment plans for its subsidiaries and associate companies would go on

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as planned.

It is learnt that Mimos is still awaiting direction from the Ministry of Finance, following its submission of proposals to the ministry. Mimos's PC subsidiary Mimos Smart Computing Sdn Bhd and iVest have been identified for divestment.

"The MoF will provide direction on which steps to pursue, for example to merge the companies or to sell it off," the source said, adding that the divestment exercise was due to be completed by the first quarter of 2008 following MoF's approval.

"Some of these companies have local takers, those which are not making money will be shut down," said the source. The divestment exercise is part of Mimos' bigger plan under the government's mandate that it focuses on R&D.

A government-backed research institute, Mimos recently completed a corporate restructuring exercise steered by Wahab, who was appointed its president and CEO in July 2006.