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USD10 million investment in Rakon a potential game-changer

Taiwanese company Siward Crystal Technology Company Limited (“Siward”) is to invest USD10 million in NZX-listed Rakon Limited (“Rakon”), a transaction Rakon Managing Director Brent Robinson says could be a game-changer for both companies.

Siward, which is listed on the Taiwan Stock Exchange (TWSE), will purchase 38 million new fully paid ordinary Rakon shares at a price of around NZD0.37 per share, giving it an after placement stake of 16.6 percent in the Auckland-headquartered global technology company.

Mr Robinson says the new investment will allow Rakon to reduce its debt levels and establishes a strategic partnership with a well-established and highly successful crystal manufacturer.

“Siward’s manufacturing scale and expertise is a perfect complement to Rakon’s leading-edge technology,” Mr Robinson said.

“This partnership will give both companies a broader range of products and alternative channels into new and existing markets.”

Mr Robinson said Siward’s highly efficient manufacturing operations coupled with Rakon’s leading technology will enable each company to offer its customers new levels of value. In addition to the investment, the companies have signed a Technology Deed that will enable technology collaboration between the parties.

Siward President Tseng Jung Meng says his company is looking forward to the new relationship.

“We are excited by the investment into Rakon and the potential opportunities a strategic partnership with Rakon will generate”.

As part of the agreement Siward will take up one new appointment to the Board of Rakon. Mr Robinson says the addition of Siward to the Board brings valuable connections and industry expertise from one of the renowned centres of the frequency control industry. Rakon is also continuing with its search for another New Zealand based director and expects to be able to announce something in early 2017.

The subscription date for the settlement and placement of shares is 15 February 2017.

-Ends-

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About Rakon

Rakon is a global high technology company and a world leader in its field. The company designs and manufactures advanced frequency control and timing solutions for telecommunications, global positioning and space and defence applications. Rakon products are found at the forefront of communications where speed and reliability are paramount. The company's products create extremely accurate electric signals which are used to generate radio waves and synchronise time in the most demanding communication applications. Rakon has four manufacturing plants including two joint venture plants and has five research and development centres. Customer support centres are located in ten offices worldwide.

Rakon is proud of its New Zealand heritage; it was founded in Auckland in 1967. It is a public company listed on the New Zealand stock exchange, NZSX, ticker code RAK.

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About Siward

Siward was formed in 1988 and is one of the world leading manufacturers of crystals and oscillators for mass production requirements. The company has a diverse range from synthetic quartz through to crystals, Voltage Controlled Crystal Oscillators (VCXOs), Temperature Compensated Crystal Oscillators (TCXOs), Voltage-Controlled TCXOs and modules.

Applications include mobile communications, tablet pcs, GPS, computer clocks, DSC and AV machinery.

Siward satisfies customers' needs globally with operations across Taiwan, China, Japan, Singapore, the United States and Europe.

Siward is a publicly listed company on the Taiwan Stock Exchange (TWSE).