

NEWS RELEASE

UNISEM (M) BERHAD ACQUIRES ATLANTIC TECHNOLOGY HOLDINGS (UK) LIMITED

KUALA LUMPUR 3 December 2003 - Unisem (M) Berhad ("Unisem") has entered into a conditional sale and purchase agreement to acquire the entire issued and paid-up share capital of Atlantic Technology Holdings (UK) Limited ("Atlantic"), a leading European independent mixed-signal and RF test and assembly service provider. The total consideration is USD18,000,000 (the "Consideration") of which USD12,000,000 will be paid by way of issuance of 4,686,536 new shares in Unisem at RM9.73 per share (based on the 30 day weighted average trading price immediately preceding the signing of the agreement), representing approximately 3% of Unisem's enlarged share capital. The remainder of the Consideration, USD6,000,000, will be paid in cash.

The acquisition of Atlantic is expected to further strengthen Unisem's position in the market and enable Unisem to offer high-end turnkey solutions to its customers. In particular, the acquisition will (a) add cutting edge mixed signal and RF testing service capabilities to Unisem's product offering, (b) further expand Unisem's packaging portfolio by the addition of higher-end array packaging products, (c) enhance Unisem's end-market revenue and customer mix, (d) improve Unisem's geographical market share and reach and (e) bring on board a strong management team with significant experience in the semiconductor assembly and test industry.

Atlantic is recognised as one of Europe's leading independent mixed-signal and RF semiconductor test service providers. Atlantic's test capabilities include high frequency mixed signal and RF applications ranging from 2.5Ghz to 6.0Ghz. The company was recognised in 2001 by Teradyne as a leader in the wireless and mixed signal test subcontracting business. With these capabilities, Unisem will be strongly positioned to benefit from the fast growing and complex mixed signal and RF test market.

The acquisition will furthermore benefit Unisem by adding advanced packaging solutions to its existing portfolio, including advanced array packages (BGAs, LGAs), broader QFN ranges, QFPs and MCMs.

Atlantic's existing customer base, including blue chip European Integrated Device Manufacturers ("IDMs") as well as leading European fabless design houses, will contribute to a further diversification of Unisem's revenue mix and geographical reach. Atlantic's operations in Wales will continue to focus on higher end assembly and test services as well as the development of advanced test solutions. By offering its advanced and cost competitive solutions to European IDMs and fabless design houses, Unisem believes it is well positioned to make further inroads in the European semiconductor market.

Unisem strongly believes Atlantic is the right acquisition at the right time. By leveraging Atlantic's technology capabilities and experienced management team with Unisem's larger and more cost competitive platform, Unisem believes the right infrastructure is put in place to benefit from the recovery in the semiconductor industry and the continuing trend in outsourcing of assembly and test services, by being able to offer a wide range of competitive turnkey solutions to its customers.

John Chia Sin Tet, Chairman of Unisem stated, "We are confident that Unisem will be able to leverage on Atlantic's technical capabilities and expertise to enhance our service and product offerings. We believe with the technical capabilities of Atlantic coupled with the ample production capacity of Unisem, we will be able to respond swiftly to an expected increase in our existing and

future customers' demand. We are looking forward to 2004. With the industry poised for an upswing, we have put in place the necessary infrastructure, people and strategy to optimise our returns."

The acquisition of Atlantic is expected to be completed by April 2004 subject to receipt of approvals from Unisem's shareholders, Securities Commission, Bank Negara Malaysia, Foreign Investment Committee and Kuala Lumpur Stock Exchange. ING Bank N.V. is acting as adviser to Unisem for this acquisition and Macquarie Securities Limited is acting as adviser to the shareholders of Atlantic.

About Unisem

Unisem was incorporated in 1989 and commenced operations in 1992 as an independent IC packaging and test house. Unisem provides full turnkey solutions to its customers in wafer probing, packaging and testing of ICs, tape and reel, and dropship services. Since its commencement, Unisem has invested approximately RM850 million in land, buildings, plant and machinery in its main production facilities in Ipoh, Malaysia. The factories have a total built-up of approximately 570,000 square feet and are erected on a 15-acre site. Unisem has a current staff strength of approximately 3,200.

About Atlantic

Atlantic originated from a management buyout of ASAT (HK)'s European operations in July 1999. Atlantic is jointly owned by blue-chip European venture capitalists and the management. It is the largest independent mixed-signal and RF test and assembly player in Europe and has a diversified mix of blue chip IDM and fabless customers. Its facilities in Wales have a total area of 130,000 sq.ft, including 59,000 sq.ft of production area and a 17,850 sq.ft class 1k clean room. It has a total of 250 employees and has a close working relationship with the National Assembly in Wales. Atlantic has an experienced management team which includes Jeffrey Baloun and Mohamed Djadoudi, each of whom has over 20 years of experience in the semiconductor industry, specialising in assembly and test-manufacturing operations.