

NEWS RELEASE

UNISEM (M) BERHAD SETTING UP OF A SEMICONDUCTOR MANUFACTURING FACILITY IN CHINA

KUALA LUMPUR 13 August 2004, Unisem (M) Berhad (“Unisem”) wishes to announce that the Company had on 12 August 2004 reached an agreement-in-principle with the Management Committee of Chengdu Hi-tech Zone for Unisem to set up a semiconductor manufacturing facility to carry out packaging and testing of semiconductor devices, marketing and provision of related services in the Chengdu Export and Processing West Zone, Sichuan, the People’s Republic of China.

A wholly owned subsidiary will be incorporated in China to facilitate this investment.

With the setting up of a new semiconductor manufacturing base in Chengdu Export and Processing West Zone, the Unisem Group will be able to position itself in a fast expanding China market. Unisem is exploring China as an exciting new opportunity; the growing domestic market combined with China’s role as manufacturer to the world. The potential is tremendous to create a springboard for growth.

Positioning in China can improve Unisem’s scope of geographical diversification, especially when coupled with existing operations in Wales. Aligning with the customer is increasingly important in this competitive industry environment. Unisem will continue to service its customers in a more competitive manufacturing environment.

With a substantial and long term investment in Chengdu coupled with the excellent operating and manufacturing environment, Unisem intends to make the Chengdu facility our overseas flagship facility.