



Systems on Silicon Manufacturing Co. Pte. Ltd.
70 Pasir Ris Industrial Drive 1, Singapore 519527
Tel +65 6248 7000
www.ssmc.com.sg
Company Registration No.199805959G

NEWS RELEASE

For Immediate Release

SSMC (Singapore) Broadens Scope of Semiconductor Services

S\$65 Million planned to fund Research and Process Development Capabilities in Singapore

Singapore, November 6, 2007 – Systems on Silicon Manufacturing Co. Pte. Ltd. (SSMC), a manufacturer of advanced semiconductor wafers, today announced its plan to establish a Research and Development (R&D) center tasked with expanding the company's process technology portfolio. Investing S\$65 million over the next four years, the development center will broaden the scope of SSMC's wafer engineering and manufacturing services.

NXP Semiconductors and TSMC (SSMC's Joint Venture Partners) have expanded the scope of their collaboration, leading to the localization of the process development function. With their combined technical expertise and commercial support, SSMC's R&D center will focus on development of specialized manufacturing process targeted initially to the E-government solutions, automotive, near-field communication, and RF markets. SSMC plans to build upon an industry proven success model taking full advantage of its access to established technical resources in Europe, Taiwan, and North America. Combined with existing capacity expansion plans and a continued commitment to invest in human capital, SSMC's process development team will strengthen the company's ability to compete in the increasingly competitive 200mm foundry market.

Jagadish CV, CEO of SSMC, stated, "As demand for 200mm technologies become increasingly focused on narrow and highly specialized markets, its essential manufacturers build the necessary competencies to reduce both the time-to-market (TTM) and cost associated with bringing new foundry processes into mass production. SSMC is well positioned to leverage existing competencies established over the past six years, adding new capabilities to further enrich the engineering content made available to our end-customers. The creation of a process development center here in Singapore is simply the next step in our journey - *building a highway to the customer.*"

Carlo van den Akker, CEO of NXP Semiconductors Singapore, stated, "NXP is pleased to see SSMC investing in improved capabilities here in Singapore. This decision shows Singapore's attractiveness for world-class talent and will undoubtedly help SSMC to maintain its position as a strong strategic partner for NXP in chip production for this rapidly growing region. Furthermore, every time I visit SSMC's wafer factory, I am impressed by its work-life harmony practices and the high regard for secondary employment conditions such as those for pregnant employees."

C.C. Wei, Senior Vice President at TSMC Operations I and Board Director at SSMC, stated, "SSMC's determination to further strengthen its R&D force offers a great arena for top engineers around the world to demonstrate their talents through research and development of specialized





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technologies. This plan will not only enhance SSMC's competitiveness, but will also give TSMC access to an even wider range of global talent through its relationship with SSMC."

Mr. Lim Swee Nian, Executive Director, Electronics Division, Singapore Economic Development Board, stated, "We are pleased that SSMC will be developing new wafer processing technologies from Singapore. This is significant as it will deepen its capabilities in Singapore, and further enhance the competitiveness of its manufacturing operations. This is also in tandem with Singapore's concerted push towards process R&D. SSMC's project adds value to our industry development and creates meaningful jobs."

About SSMC

Founded in 1998, SSMC is a joint venture of NXP Semiconductors (founded by Philips) and Taiwan Semiconductor Manufacturing Company (TSMC). The company is 61.2 per cent owned by NXP Semiconductors and 38.8 per cent owned by TSMC. The US\$1.44 billion investment project led to the creation of a state-of-the-art wafer fabrication facility in Singapore's Pasir Ris Wafer Fab Park, capable of producing semiconductor wafers with advanced sub-micron process technologies.

For more information on SSMC, please visit www.ssmc.com.sg

About NXP Semiconductors

NXP is a top 10 semiconductor company founded by Philips more than 50 years ago. Headquartered in Europe, the company has 37,000 employees working in more than 20 countries and posted sales of EUR 5 billion in 2006. NXP creates semiconductors, system solutions and software that deliver better sensory experiences in mobile phones, personal media players, TVs, set-top boxes, identification applications, cars and a wide range of other electronic devices. News from NXP is located at www.nxp.com.

About TSMC

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology and the foundry industry's largest portfolio of process-proven libraries, IP, design tools and reference flows. The Company's total installed capacity in 2006 exceeded seven million (8-inch equivalent) wafers, including capacity from two advanced 12-inch GigaFabs, four eight-inch fabs, and one six-inch fab. TSMC also has substantial capacity commitments at its wholly owned subsidiaries, WaferTech and TSMC (Shanghai), and its joint venture fab, SSMC. TSMC is the first foundry to provide 65nm production capabilities. Its corporate headquarters are in Hsinchu, Taiwan. For more information about TSMC please visit <http://www.tsmc.com>.

For further press information, please contact:

SSMC (Singapore)

Ms. Tan Su-Lynn
Senior Executive, Marketing Communications
Tel: +65.6248.7685
Fax: +65.6248.7606
Email: su.lynn.tan@nxp.com

