



Systems on Silicon Manufacturing Co. Pte. Ltd.
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Company Registration No.199805959G

22 November, 2007

Dear Sir/Mdm,

Manufacturing Excellence Award (MAXA) 2007

It is my pleasure to announce that SSMC attained the **MAXA Category Award for Operational Excellence** presented by the Singapore Economic Development Board, together with its partners, McKinsey & Company, and the Singapore-MIT Alliance.

The Manufacturing Excellence Award (MAXA) represents the highest standards in manufacturing innovation and excellence and aims to identify and recognize the most exceptional manufacturing operations based in Singapore. The Award is significant as it demonstrates all of the SSMC 1,350 staff operational effectiveness with best in class quality, safety and costs.

Business Excellence is a never-ending journey and your continued support is vital to realize the key milestones in our business excellence journey. The learning from the various excellence frameworks and assessment feedback is very important for our continuous journey for Excellence.

Yours truly,
Jagadish CV
Chief Executive Officer

Enclosed: Manufacturing Excellence Award 2007 Citation, Award Ceremony and News Clips.



CITATION FOR OPERATIONAL EXCELLENCE AWARD, MAXA 2007

Systems on Silicon Manufacturing Co. Pte Ltd (SSMC)

SSMC is an 8 inch wafer fabrication facility, a joint venture between NXP Semiconductors (formerly Philips Semiconductors) and Taiwan Semiconductor Manufacturing Company. Since beginning its operations in 2000, SSMC has grown rapidly to become one of the top semiconductor foundries in the world in terms of operational measures. The entire process from the start-up of the site to billing of its customers took only 17 months – an incredible time to market for a wafer fab. Today, key products in its portfolio are 8 inch silicon semiconductor wafers capable of line-widths between 0.25 and 0.14 microns.

Much of this rapid growth can be attributed to its well-optimised end-to-end manufacturing system, following the best practices of its mother fabs. In particular, there is a flexible production system which allows for quick adjustments of volume and mix, as well as short-term production scheduling and a clearly defined long-term capacity road map. SSMC's outstanding manufacturing processes are backed by an excellent supplier management system and proactive and effective customer service. This is a crucial part of the company's successful operations.

The company displays a strong performance-driven culture and an excellent continuous improvement infrastructure. Open communication channels ensure that key product indicators are cascaded to each level with well-managed performance dialogues. SSMC also implements personal development plans for all employees with regular reviews.

SSMC recently announced its plan to establish a S\$65 million R&D centre that will expand its process technology portfolio and broaden its wafer engineering and manufacturing services. Currently, SSMC practices true process innovation in rapid time-to-market reduction by simulating potential design issues before prototyping. It can prototype chips for its customers nearly twice as quickly as its competitors.

Through the company's excellent operating system, SSMC has changed the way the world looks at emerging foundry services. Its CMOS (Complementary Metal Oxide Semiconductor) processes, which are capable of producing both standard and customised integrated circuits, have gained recognition from global customers for its cycle time, quality and reliability.

In addition, SSMC strives to reduce the negative impact of its operations on the environment beyond government-mandated requirements. For example, recycled water is used in its manufacturing processes and waste water recycled, significantly reducing the usage of portable water.

The recipient of the 2005 Singapore Quality Award, SSMC has successfully identified market segments where it can leverage Singapore's Intellectual Property protection and secure environment, producing products for the ePassport and electronics payments industries. SSMC displays great potential to become a model fab, lending the company competitive edge.

In recognition of its excellence in operating systems, SSMC is presented with the Operational Excellence Award, MAXA 2007.

News Clip:
The Business Times, Manufacturing Excellence Award Supplement, Pg. 17
Wednesday, November 14, 2007

Identifying role models

THE Singapore Manufacturing Excellence Award, also known as Maxa, represents the highest standards in manufacturing innovation and distinction. Launched in 2006, the award was mooted to lift the sector's profile and to underline the continuing importance of the manufacturing industries to Singapore's economy.

Manufacturing today contributes more than a quarter of Singapore's GDP. Investments in manufacturing not only create production jobs, but also have spillover effects to other segments, such as R&D, financial services, and higher skilled engineering jobs. This explains why the government is committed to doubling the country's manufacturing output to \$300 billion by 2018.

A Maxa winner is characterized as a manufacturing company or an operating unit within a company that continually innovate to be successful in Singapore and to compete globally. They can be homegrown firms, or a local unit of a multinational that has managed to demonstrate success in its operating systems and displayed qualities that will enable sustainability.

The Maxa assessment framework and methodology is developed by the Economic Development Board (EDB), McKinsey & Company and the Singapore-MIT Alliance. It focuses on innovation, operating systems and sustainability, with a three-phase selection process that includes a two-day visit to each short-listed applicant and in-depth interviews with the staff. This year, the award partners have also included recommendations from the Intellectual Property Office of Singapore.

By naming top manufacturing firms, the award partners are creating a platform where manufacturers can benchmark themselves against others in the industry, and role models can be identified and their experiences shared. Only by consistently measuring oneself against the best in the game can one improve and, hopefully, sharpen one's competitive edge against the multitude of participants in a playing field that is increasingly globalised.



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Going the extra mile towards **Manufacturing Excellence**

Winning the MAXA Award 2007 is another important milestone in our journey towards Business Excellence. This is a testimony of the 1,350 staff who are dedicated in achieving the highest levels of performance and manufacturing excellence in the semiconductor industry.

Manufacturing Excellence is our key focus and we will continue to excel in providing best-in-class foundry services to our customers.



Manufacturing Excellence Award Ceremony



Prime Minister Mr. Hsien Loong presenting the MAXA award to Mr. Jagadish CV



SSMC Management Team with MAXA panel of judges



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SSMC Management Team at MAXA Celebration Dinner

