MK ELECTRON AND MICROBONDS ANNOUNCE STRATEGIC ALLIANCE FOR X-WIRE™ TECHNOLOGY

SEOUL, Korea & **TORONTO**, Canada, July 11, 2005 - MK Electron Company, LTD, a Korean-based venture company *(KOSDAQ: MKE, 033160*), specializing in the manufacturing and global distribution of core semiconductor materials (e.g. gold bonding wire, solder ball, sputtering target and evaporate material) and Microbonds Inc., a private Canadian company that has developed a pioneering insulated bonding wire technology (X-Wire™) today announced a definitive agreement to launch a line of insulated gold bonding wires.

The agreement provides for the parties to work in close co-operation to ensure a strong supply of MKE branded X-Wire for accelerating the global demand for advanced packaging solutions.

"At MKE, we are dedicated to bring to market proven and superior products that address the interconnect needs of the semiconductor marketplace," said K. R. Song, President and CEO of MKE. "As a leader in the global market for bare gold bonding wire, MKE recognizes the compelling value proposition X-Wire™ Technology represents for the market. By being first to align our research, development, production and distribution capabilities with Microbonds, we are committing to being a leader in next-generation interconnect solutions for our industry."

"We are pleased to have reached this milestone in the development of our company and in particular to be partnering with MKE," added Craig Geier, President & CEO of Microbonds. "MKE is a market leader in Korea and globally, and our X-Wire™ Technology lines up very well with the MKE customer and product family".

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The parties expect to launch the commercial availability of MKE X-Wire™ by the end of the second quarter of 2005.

About X-Wire Technology

Microbonds' X-Wire Technology consists of a special proprietary coating applied to bare gold bonding wires; the assembly processes and procedures required to utilize insulated bond wire in the existing industry infrastructure (X-Process™), and a number of special packaging designs enabled by X-Wire (marketed as X-Pax™). This proven technology enables bonding wires to touch without causing an electrical short, facilitating the design of the some of the highest performance-to-cost packages in the industry. For example, the relaxed design rules now allow designers the flexibility to cross bond wires, achieve new geometries through area array wire bonding, reduce substrate layers through direct to ball bonding, as well as a number of other new designs that can decrease the size of the package, increase the electrical performance, and reduce the overall cost of the package.

The global market for bare gold bonding wire reached $1 Billion US in 2003 and is widely projected to grow at approximately 10% per year over the next 5 years as the demand for more complex microchips accelerates.

The continued advancement in the development of smaller and more powerful microchips at the wafer level are driving the need for more advanced packaging technologies that address the performance, size and cost demands of the industry. Corresponding advances at the packaging level connecting the wafer to the device have not kept pace with the advances in geometry and speed at the wafer level. In particular, bump based technologies (i.e. Flip-Chip), long expected to address interconnect bottlenecks, has been slow to penetrate the market due to its prohibitive cost and more rigid manufacturing processes. However, many wire bonding package designs cannot physically accommodate certain packing geometries without yield and performance issues related to wire sagging and thinner and longer bond wires. The result is a potential bottleneck for IC packaging level inter-connects with adverse performance, size and cost implications.

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Insulated gold bonding wires enable a number of material performance and cost objectives to be achieved over the use of bare gold bonding wire and alternative packaging technologies. These product characteristics of Microbonds X-Wire Technology address interconnect limitations and bottlenecks with a unique and superior performance to cost ratio.

About MK Electron Co. Ltd.

MKE (KOSDAQ; MKE, 033160), headquartered in Yongin, Korea, has been developing and manufacturing core semiconductor materials such as Gold Bonding Wire, Sputtering Target, Evaporate materials and Solder Ball, etc since 1982. MKE is now a global market leader, thanks to the unique manufacturing know-how and the patented technologies it has developed during the past 23 years. For more information, see www.mke.co.kr

About Microbonds

Microbonds, Inc. is a pioneer in the development of unique microchip-interconnect solutions for use in the design and assembly of microelectronic devices. The company's X-Wire technology enables the development of faster, smaller and cheaper microchips while improving manufacturing reliability. Founded in 1999 by IBM-trained engineers, the company's approach is proven through testing with major IC companies. Microbonds is a privately held company funded by a leading Canadian VC, Whitecap Venture Partners and group of private global angel investors. For more information, see www.microbonds.com

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