



UNAUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) Income statement for the year ended 31 December 2003

	Notes	Group		Change %
		1 Jan 2003 to 31 Dec 2003 US\$'000	1 Jan 2002 to 31 Dec 2002 US\$'000	
Sales		115,395	88,714	30.1%
Cost of sales		(103,723)	(89,355)	-16.1%
Gross profit/(loss)		11,672	(641)	1920.9%
Other operating income		1,309	0	NM
Operating expenses				
Selling, general and administrative expenses		(6,427)	(7,723)	16.8%
Research and development costs		(9,726)	(9,335)	-4.2%
Fixed assets written off		-	(2,133)	100.0%
Other operating expenses		(1,601)	(262)	-511.1%
Operating loss		(4,773)	(20,094)	76.2%
Finance income		99	58	70.7%
Finance cost		(2,891)	(2,359)	-22.6%
Loss before tax		(7,565)	(22,395)	66.2%
Taxation		(25)	(247)	89.9%
Net loss	A	(7,590)	(22,642)	66.5%
		1 Jan 2003 to 31 Dec 2003 US\$'000	1 Jan 2002 to 31 Dec 2002 US\$'000	Change %
A. Net loss is arrived at after crediting/(charging)				
- Government grant income		1,071	-	NM
- Investment income		94	40	135.0%
- Interest income		5	18	-72.2%
- Interest expense		(2,696)	(2,359)	-14.3%
- Depreciation on fixed assets		(47,379)	(45,749)	-3.6%
- Amortisation of interest rate option premium		(195)	-	NM
- Allowance for doubtful non-trade receivable		(270)	-	NM
- Allowance for doubtful trade receivable		-	(891)	100.0%
- Allowance for doubtful trade receivable written back		949	-	NM
- Allowance for inventory obsolescence		(760)	(425)	-78.8%
- Net foreign exchange loss		(154)	(183)	15.8%
- Gain/(loss) on disposal of fixed assets		237	(44)	638.6%
- Adjustments for over/(under) provision of tax in respect of prior years		49	(209)	123.4%

NM - Not meaningful



UNITED TEST AND ASSEMBLY CENTER LTD

1(a)(ii) Income statement for the three months ended 31 December 2003

	Notes	Group		Change %
		1 Oct 2003 to 31 Dec 2003 US\$'000	1 Oct 2002 to 31 Dec 2002 US\$'000	
Sales		35,074	26,484	32.4%
Cost of sales		(28,636)	(24,157)	-18.5%
Gross profit		<u>6,438</u>	<u>2,327</u>	176.7%
Other operating income		1,071	-	NM
Operating expenses				
SG&A		(2,005)	(1,994)	-0.6%
R&D		(2,219)	(2,324)	4.5%
Fixed assets written off		-	(2,133)	100.0%
Other operating expenses		(255)	(66)	-286.4%
Operating profit/(loss)		<u>3,030</u>	<u>(4,190)</u>	172.3%
Finance income		40	16	150.0%
Finance cost		(777)	(621)	-25.1%
Profit/(loss) before tax		<u>2,293</u>	<u>(4,795)</u>	147.8%
Taxation		38	(3)	1366.7%
Net profit/(loss)	A	<u>2,331</u>	<u>(4,798)</u>	148.6%

	1 Oct 2003 to 31 Dec 2003 US\$'000	1 Oct 2002 to 31 Dec 2002 US\$'000	Change %
A. Net profit/(loss) is arrived at after crediting/(charging)			
- Government grant income	1,071	-	NM
- Investment income	38	12	216.7%
- Interest income	2	4	-50.0%
- Interest expense	(694)	(621)	-11.8%
- Depreciation on fixed assets	(11,517)	(12,223)	5.8%
- Amortisation of interest rate option premium	83	-	NM
- Allowance for doubtful trade receivable	-	(491)	100.0%
- Allowance for inventory obsolescence	(348)	(266)	-30.8%
- Net foreign exchange loss	(40)	(42)	4.8%
- Gain/(loss) on disposal of fixed assets	(149)	(7)	-2028.6%
- Adjustments for over/(under) provision of tax in respect of prior years	49	-	NM

NM - Not meaningful



1(b)(i) Balance Sheet

	Group		Company	
	As at 31 Dec 2003 US\$'000	As at 31 Dec 2002 US\$'000	As at 31 Dec 2003 US\$'000	As at 31 Dec 2002 US\$'000
Current Assets				
Cash and cash equivalents	12,485	9,196	8,797	9,115
Receivables	30,033	25,182	30,551	25,218
Inventories	2,996	3,123	2,996	3,123
Other current assets	4,447	2,329	4,368	2,281
	<u>49,961</u>	<u>39,830</u>	<u>46,712</u>	<u>39,737</u>
Non Current Assets				
Investment in subsidiaries	-	-	4,512	4
Fixed assets	159,932	184,021	158,943	183,991
	<u>159,932</u>	<u>184,021</u>	<u>163,455</u>	<u>183,995</u>
Total Assets	<u>209,893</u>	<u>223,851</u>	<u>210,167</u>	<u>223,732</u>
Current Liabilities				
Trade and other payables	30,370	23,322	30,212	23,245
Current tax	211	423	212	398
Borrowings	12,559	11,160	12,559	11,160
	<u>43,140</u>	<u>34,905</u>	<u>42,983</u>	<u>34,803</u>
Non-Current Liabilities				
Borrowings	45,093	67,816	45,093	67,816
Deferred Income	606	-	606	-
	<u>45,699</u>	<u>67,816</u>	<u>45,699</u>	<u>67,816</u>
Total Liabilities	<u>88,839</u>	<u>102,721</u>	<u>88,682</u>	<u>102,619</u>
Net Assets	<u>121,054</u>	<u>121,130</u>	<u>121,485</u>	<u>121,113</u>
Share Capital and Reserves				
Share capital	87,100	81,492	87,100	81,492
Share premium	93,183	91,278	93,183	91,278
Accumulated losses	(59,230)	(51,640)	(58,798)	(51,657)
Foreign currency translation reserve	1	-	-	-
	<u>121,054</u>	<u>121,130</u>	<u>121,485</u>	<u>121,113</u>

**1(b)(ii) Group's borrowing**

	Group	
	As at 31 Dec 2003 US\$'000	As at 31 Dec 2002 US\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Unsecured	5,750	4,750
Secured	6,809	6,410
	<u>12,559</u>	<u>11,160</u>
<u>Amount repayable after one year</u>		
Unsecured	42,000	60,700
Secured	3,093	7,116
	<u>45,093</u>	<u>67,816</u>

Details of any collateral

The borrowings are secured on fixed assets acquired under finance lease contracts with a net book value of US\$22,646,000 (2002: US\$23,661,000)



1(c) Cash flow statement for the year ended 31 December 2003

	Group	
	1 Jan 2003 to 31 Dec 2003 US\$'000	1 Jan 2002 to 31 Dec 2002 US\$'000
Cash flows from operating activities		
Loss before tax	(7,565)	(22,395)
Adjustments for:		
Depreciation of fixed assets	47,379	45,749
Dividend income	(94)	(40)
Fixed assets written off	-	2,133
Interest income	(5)	(18)
Interest expense	2,696	2,359
(Gain) / Loss on disposal of fixed assets	(237)	44
Amortisation of interest rate option premium	195	-
Currency translation difference	1	-
Operating cash flow before working capital change	<u>42,370</u>	<u>27,832</u>
Change in operating assets and liabilities		
Receivables	(4,851)	(13,716)
Inventories	127	(1,281)
Other current assets	(1,811)	(823)
Trade and other payables	6,749	3,481
Cash generated from operations	<u>42,584</u>	<u>15,493</u>
Income tax paid	<u>(237)</u>	<u>(33)</u>
Net cash inflow from operating activities	<u>42,347</u>	<u>15,460</u>
Cash flows from investing activities		
Dividends received	94	40
Interest received	5	18
Payment for fixed assets	(21,392)	(23,501)
Proceeds from disposal of fixed assets	2,486	310
Government grant received	299	-
Repayment of finance lease liabilities	(7,279)	(1,564)
Net cash outflow from investing activities	<u>(25,787)</u>	<u>(24,697)</u>
Cash flows from financing activities		
Interest paid	(3,084)	(2,354)
Proceeds from issues of shares	7,513	30,749
Repayment of from borrowings	(17,700)	(12,550)
Net cash (outflow)/inflow from financing activities	<u>(13,271)</u>	<u>15,845</u>
Net increase in cash and cash equivalents held	3,289	6,608
Cash and cash equivalents at the beginning of the financial year	<u>9,196</u>	<u>2,588</u>
Cash and cash equivalents at the end of the financial year	<u>12,485</u>	<u>9,196</u>

**1(c) Cash flow statement for the three months ended 31 December 2003**

	Group	
	1 Oct 2003 to 31 Dec 2003 US\$'000	1 Oct 2002 to 31 Dec 2002 US\$'000
Cash flows from operating activities		
Gain/(loss) before tax	2,293	(4,795)
Adjustments for:		
Depreciation of fixed assets	11,517	12,223
Dividend income	(38)	(12)
Fixed assets written off	-	2,133
Interest income	(2)	(4)
Interest expense	694	621
Loss on disposal of fixed assets	149	7
Amortisation of interest rate option premium	83	-
Currency translation difference	1	-
Operating cash flow before working capital change	<u>14,697</u>	<u>10,173</u>
Change in operating assets and liabilities		
Receivables	(485)	628
Inventories	12	(215)
Other current assets	(1,270)	263
Trade and other payables	1,853	(375)
Cash generated from operations	<u>14,807</u>	<u>10,474</u>
Income tax (paid)/refund	<u>(140)</u>	<u>10</u>
Net cash inflow from operating activities	<u>14,667</u>	<u>10,484</u>
Cash flows from investing activities		
Dividends received	38	12
Interest received	2	4
Payment for fixed assets	(5,649)	(5,974)
Proceeds from disposal of fixed assets	1,494	300
Government grant received	299	-
Repayment of finance lease liabilities	(1,968)	(1,283)
Net cash outflow from investing activities	<u>(5,784)</u>	<u>(6,941)</u>
Cash flows from financing activities		
Interest paid	(940)	(734)
Proceeds from issues of shares	1,826	-
(Repayment of)/proceeds from borrowings	(18,700)	1,500
Net cash (outflow)/inflow from financing activities	<u>(17,814)</u>	<u>766</u>
Net increase/(decrease) in cash and cash equivalents held	(8,931)	4,309
Cash and cash equivalents at the beginning of the period	<u>21,416</u>	<u>4,887</u>
Cash and cash equivalents at the end of the period	<u>12,485</u>	<u>9,196</u>



1(d)(i) Statement of changes in equity

(a) Consolidated statement of changes in equity for the year ended 31 December 2003

	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Foreign currency</u> <u>translation</u> <u>reserve</u> US\$'000	<u>Accumulated</u> <u>losses</u> US\$'000	<u>Total</u> US\$'000
Balance at 1 January 2003	81,492	91,278	-	(51,640)	121,130
Net Loss for the financial year	-	-	-	(7,590)	(7,590)
Issue of share capital					
- at US\$0.125 par value of US\$0.10 each per share for cash	4,991	1,247	-	-	6,238
- at US\$0.40 par value of US\$0.10 each per share for cash	183	548	-	-	731
- at US\$0.1875 par value of US\$0.15 each per share for cash	434	110	-	-	544
Currency translation difference	-	-	1	-	1
Balance at 31 December 2003	<u>87,100</u>	<u>93,183</u>	<u>1</u>	<u>(59,230)</u>	<u>121,054</u>

(a) Consolidated statement of changes in equity for the year ended 31 December 2002

	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Foreign currency</u> <u>translation</u> <u>reserve</u> US\$'000	<u>Accumulated</u> <u>losses</u> US\$'000	<u>Total</u> US\$'000
Balance at 1 January 2002	142,021	-	-	(28,998)	113,023
Net Loss for the financial year	-	-	-	(22,642)	(22,642)
Capital reduction	(142,021)	-	-	-	(142,021)
Issue of share capital	81,492	91,384	-	-	172,876
Expenses for issue of new shares	-	(106)	-	-	(106)
Balance at 31 December 2002	<u>81,492</u>	<u>91,278</u>	<u>-</u>	<u>(51,640)</u>	<u>121,130</u>



1(d)(i) Statement of changes in equity

(b) Statement of changes in equity for the year ended 31 December 2003 - Company

	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Foreign currency</u> <u>translation</u> <u>reserve</u> US\$'000	<u>Accumulated</u> <u>losses</u> US\$'000	<u>Total</u> US\$'000
Balance at 1 January 2003	81,492	91,278	-	(51,657)	121,113
Net Loss for the financial year	-	-	-	(7,141)	(7,141)
Issue of share capital					
- at US\$0.125 par value of US\$0.10 each per share for cash	4,991	1,247	-	-	6,238
- at US\$0.40 par value of US\$0.10 each per share for cash	183	548	-	-	731
- at US\$0.1875 par value of US\$0.15 each per share for cash	434	110	-	-	544
Balance at 31 December 2003	<u>87,100</u>	<u>93,183</u>	<u>-</u>	<u>(58,798)</u>	<u>121,485</u>

(b) Statement of changes in equity for the year ended 31 December 2002 - Company

	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Foreign currency</u> <u>translation</u> <u>reserve</u> US\$'000	<u>Accumulated</u> <u>losses</u> US\$'000	<u>Total</u> US\$'000
Balance at 1 January 2002	142,021	-	-	(28,966)	113,055
Net Loss for the financial year	-	-	-	(22,691)	(22,691)
Capital reduction	(142,021)	-	-	-	(142,021)
Issue of share capital	81,492	91,384	-	-	172,876
Expenses for issue of new shares	-	(106)	-	-	(106)
Balance at 31 December 2002	<u>81,492</u>	<u>91,278</u>	<u>-</u>	<u>(51,657)</u>	<u>121,113</u>



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

Details of movement in the Company's share capital for the financial year are as follows:

	Shares	US\$'000
(a) Authorised		
Balance at the beginning of the financial year		
- ordinary shares of US\$0.10 each	6,000,000,000	600,000
<u>Share consolidation</u>		
- consolidation of every 3 ordinary shares of US\$0.10 each into 1 ordinary shares of US\$0.30 each	(4,000,000,000)	-
<u>Share division</u>		
- subsequent division of 1 ordinary shares of US\$0.30 each into 2 ordinary shares of US\$0.15 each	2,000,000,000	-
Balance at the end of the financial year		
- ordinary shares of US\$0.15 each	<u>4,000,000,000</u>	<u>600,000</u>
(b) Issued and fully paid		
Balance at the beginning of the financial year		
- ordinary shares of US\$0.10 each	814,920,789	81,492
Issued during the financial year before share consolidation and share division		
- ordinary shares of US\$0.10 each at a premium of US\$0.025 per share pursuant to the exercise of share option	4,530,125	453
- ordinary shares of US\$0.10 each at a premium of US\$0.30 per share pursuant to the exercise share option	1,828,210	183
- ordinary shares of US\$0.10 each at a premium of US\$0.025 per share pursuant to a non-renounceable rights issue	45,376,446	4,538
	<u>51,734,781</u>	<u>5,174</u>
	866,655,570	86,666
<u>Share consolidation</u>		
- consolidation of every 3 ordinary shares of US\$0.10 each into 1 ordinary shares of US\$0.30 each and	(577,770,380)	-
<u>Share division</u>		
- subsequent division of 1 ordinary shares of US\$0.30 each into 2 ordinary shares of US\$0.15 each	288,885,190	-
Issued during the financial year after share consolidation and share division		
- ordinary shares of US\$0.15 each at a premium of US\$0.0375 per share pursuant to the one-off share purchase plan	2,896,512	434
Balance at the end of the financial year		
- ordinary shares of US\$0.15 each	<u>580,666,892</u>	<u>87,100</u>



(i) On 22 July 2003, the Company offered shares to shareholders in a non-renounceable rights issue, and offered shares to employees, pursuant to which aggregate of 45,376,446 shares, amounting to US\$5,672,056, all fully paid up, were issued.

(ii) On 16 December 2003, the Company received the eligibility-to-list from the Singapore Exchange Securities Trading Limited (the "Exchange") and pursuant to Article 9 of the Articles of Association of the Company, the share capital of the Company was consolidated by the consolidation of every three ordinary shares of par value US\$0.10 each to one ordinary share of par value of US\$0.30 and the sub-division of every one such ordinary share of par value US\$0.30 into two ordinary shares of par value US\$0.15 each.

Share options

(a) Option granted/exercised

During the financial year, 37,100,000 (24,733,334 options after adjustment for share consolidation and share division) options were granted under the Equity Plan (hereinafter called the "2003 Options") to 374 employees and 11 directors of the Group.

Statutory information regarding the 2003 Options is as follows:

- (i) The exercise price of the options is US\$0.1875 per ordinary share of US\$0.15 each;
- (ii) The options are vested at the rate of 25% at the end of the first anniversary of the grant date and $\frac{1}{48}$ of the total amount of the grant on the first day of each month thereafter. These options were exercisable over a period not exceeding ten years from the date of grant.
- (iii) The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in a share issue by any other company in the Group.

During the financial year, 6,358,335 (4,238,890 shares of par value of US\$0.15 after adjustment for share consolidation and share division) shares of the Company of par value US\$0.10 were allotted and issued by virtue of the exercise of options.

(b) Options outstanding

The share options outstanding at 31 December 2003 and its related exercise price have been adjusted to take into account share consolidation and share division. The options on ordinary shares of the Company outstanding as at 31 December 2003 under the Equity Plan are as follows:

Date of grant	Balance at 1.1.2003	Expiry dates	Exercise price	Options granted during the financial year	Options cancelled during the financial year	Options exercised during the financial year	Balance at 31.12.2003
15.11.2000	10,653,333	15.11.2004	US\$0.60	-	(546,666)	-	10,106,667
1.2.2001	23,333	1.2.2005	US\$0.60	-	(13,333)	-	10,000
1.4.2001	3,200,000	1.4.2005	US\$0.60	-	-	(1,218,807)	1,981,193
10.1.2002	18,280,000	10.1.2009	US\$0.1875	-	(650,834)	(2,474,583)	15,154,583
10.1.2002	200,000	9.1.2007	US\$0.1875	-	-	-	200,000
31.7.2002	8,380,000	30.7.2012	US\$0.1875	-	(673,333)	(545,500)	7,161,167
31.7.2002	233,333	30.7.2007	US\$0.1875	-	-	-	233,333
1.10.2003	-	30.9.2008	US\$0.1875	466,667	-	-	466,667
1.10.2003	-	30.9.2013	US\$0.1875	24,266,667	(597,334)	-	23,669,333

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualification or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Not applicable.



6 Earning per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1 Jan 2003 to 31 Dec 2003	1 Jan 2002 to 31 Dec 2002
Basic / diluted loss per share (cents)	<u>(1.37)</u>	<u>(4.54) *</u>

* The comparative figures have been adjusted for share consolidation and share division during the financial year.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and immediately preceding financial year.

	As at 31 Dec 2003	As at 31 Dec 2002
Net asset value per ordinary share based on issued share capital as at the end of the reporting period (cents)		
- Group	<u>20.86</u>	<u>22.30 *</u>
- Company	<u>20.92</u>	<u>22.29 *</u>

* The comparative figures have been adjusted for share consolidation and share division during the financial year.

8 Review of the performance of the group.

Turnover rose 30.1% to \$115.4 million in FY2003 from \$88.7 million in FY2002 due to higher sales from both assembly and test businesses. Revenue from assembly business for FY2003 amount to \$38.5 million or 33.3% of total revenue, and test revenue at \$76.9 million for FY2003, or 66.7% of total revenue.

Revenue growth in FY2003 is driven mainly by growth in the mixed-signal segment, which recorded a revenue growth of 113% over FY2002. This is in line with UTAC's efforts to provide a comprehensive offering of test services and to complement its strategy to target the fast-growth broadband, mobile and wireless segment, which uses mixed-signal semiconductors extensively.

We secured new customers for both businesses and expanded our service offerings to assembly of new packages and testing of new product applications. Better gross profits of \$11.7 million were achieved, turning around from gross loss of \$0.6 million in FY2002. This was due mainly to higher utilisation rates and the implementation of various cost reduction programmes such as material cost and overhead reduction programmes.



For the fourth quarter ended 31 December 2003, turnover rose 32.4% to \$35.1 million from \$26.5 million in 4Q02. Revenues from test accounted for \$21.8 million, or 62.2% of the total revenues, and revenues from assembly were \$13.3 million, or 37.8%. Gross profit achieved was \$6.4 million in 4Q03 as compared to \$2.3 million in 4Q02.

Depreciation expense increased to \$42.8 million compared to \$40.8 million in FY2002 due mainly to the purchase of new machinery and equipment to cater for the increasing orders from our existing and new customers. Other components of the cost of sales such as overhead, raw materials and labour costs also increased following the increase in our revenue in FY2003.

Other operating income of \$1.3 million in FY2003 includes \$1.1 million Research Incentive Scheme for Companies (RISC) grant received from the Economic Development Board (EDB) for certain research & development projects and \$0.2 million gain on disposal of fixed assets.

Operating expenses in FY2003 decreased by \$1.7 million to \$17.8 million in FY2003 due to better economies of scale from higher turnover in FY2003 and lower selling general and administrative ("SG&A") expenses and no fixed assets written off amid higher research and development ("R&D") expenses and other operating expenses. SG&A expenses for FY2003 were \$6.4 million compared to \$7.7 million in FY2002 primarily due to \$1.0 million write back of bad debt provisions. R&D expenses were \$9.7 million in FY2003 compared to \$9.3 million as we increased our R&D team to augment our R&D efforts on the development of advanced packages such as CSP, BGA and Multi-Chip packages. The increase in other operating expenses from \$0.3 million in FY2002 to \$1.6 million in FY2003 is primarily due to \$1.1 million for customer's claim in respect of services provided.

Net loss for FY2003 narrowed significantly to \$7.6 million compared to net loss of \$22.6 million in FY2002. Loss per ordinary share was 1.37 cents in FY2003 compared to loss per ordinary share of 4.54 cents in FY2002

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

2003 Actual vs Forecast

	FY2003 Actual	FY 2003 Forecast
Revenue	115.4	115.2
EBITDA*	42.6	42.5
EBITDA margin	36.9	36.9
Loss before tax	(7.6)	(7.6)

Our actual performance is in line with our forecast.

* EBITDA is computed as operating profit/(loss) plus depreciation and fixed assets written off/impairment of fixed assets.



- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Despite seasonal downturns during first quarters, we expect revenue for 1Q04 to be between 0% to 5% higher than 4Q03. Building on the performance in FY2003, UTAC anticipate a strong growth in FY2004 on the back of gathering momentum for the semiconductor industry. Research firm Gartner earlier this month revised up its estimate on the growth of the global outsourced assembly and test revenue to 35.5%.

For UTAC, FY2004 will be a year of implementing next generation test capabilities, expanding production capacities in Singapore as well as in the new operation in Shanghai, China. Capital expenditure for FY2004 is expected to be at about \$80 million and we are confident that these developments will propel UTAC to the next level of accelerated growth.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

- 11 Dividend**

Not applicable.

- 12 If no dividend has been declared/recommended, a statement to that effect.**

No dividends have been paid, declared or recommended since the end of the Company's preceding financial year.



PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or half year results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Primary reporting format – business segment

The Group's primary format for reporting segment information is business segment. The Group's revenues arise from two main business segments :

- Assembly services for semiconductors which include assembly of a broad range of leadframe and array packages.
- Testing services for semiconductors which comprise mainly wafer probing and final testing.

The Group's expenses, assets and resources are primarily monitored by management on an entity level basis and consequently the group results, liabilities, capital expenditure and the depreciation of assets for the financial year cannot be allocated on a reasonable basis to a segment.

Revenue By Business Activity	1 Jan 2003 to 31 Dec 2003		1 Jan 2002 to 31 Dec 2002	
	US\$'000	%	US\$'000	%
Test	76,923	66.7%	58,344	65.8%
Assembly	38,472	33.3%	30,370	34.2%
Total	<u>115,395</u>	100.0%	<u>88,714</u>	100.0%

Secondary reporting format – geographical segment

The Group has no significant foreign operations. Singapore is the home country of the Group and most of the assets of the Group are located in Singapore. The Group's geographical segmentation of sales is based on the country in which the customers are headquartered. The Group's sales are generated from the following geographical locations:

Revenue By Geographical Region	1 Jan 2003 to 31 Dec 2003		1 Jan 2002 to 31 Dec 2002	
	US\$'000	%	US\$'000	%
Taiwan	44,598	38.6%	48,820	55.0%
United States	43,608	37.8%	18,866	21.3%
Japan	3,537	3.1%	1,188	1.3%
Europe	13,696	11.9%	14,068	15.9%
Rest of Asia	9,956	8.6%	5,772	6.5%
Total	<u>115,395</u>	100.0%	<u>88,714</u>	100.0%



14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue by Business Activity

Our growth of 31.9% in test revenue from US\$58.3 million in FY2002 to US\$76.9 million in FY2003 was contributed mainly by a 73.2% increase in mixed-signal test revenue. This was driven largely by the increase loading from our existing customers. Our revenue from memory test also increased by 9.0% due mainly to the strengthening of the average market price for test services in the first few months of FY2003.

Our assembly revenue increased by 26.6% from US\$30.4 million in FY2002 to US\$38.5 million in FY2003 as we continued to expand our assembly services to existing and new customers which have initially only used our test services.

Revenue by Geographical Region

We have been successful in targeting the US. market with our mixed-signal assembly and test services and have secured new businesses and customers, particularly from the fabless semiconductor companies. This has resulted in an increase in revenue contribution from United States from 21.3% in FY2002 to 37.8% in FY2003.

15 A breakdown of sales.

	Group		
	FY03 US\$'000	FY02 US\$'000	Change %
(a) Sales reported for first half year	49,952	35,930	39.0%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	(10,394)	(13,916)	25.3%
(c) Sales reported for second half year	65,443	52,784	24.0%
(b) Operating profit/loss after tax before deducting minority interests reported for second half year	2,804	(8,726)	132.1%

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

BY ORDER OF THE BOARD

**Lareina Yap Chu Han
Company Secretary
27 February 2004**