

UNITED TEST AND ASSEMBLY CENTER LTD

PROPOSED ACQUISITION BY UNITED TEST AND ASSEMBLY CENTER LTD OF ULTRATERA CORPORATION

1. INTRODUCTION

The Board of Directors of United Test and Assembly Center Ltd ("**Company**" or "**UTAC**") is pleased to announce that the Company has on 13 April 2004 entered into a share swap agreement ("**Agreement**") pursuant to which UTAC has agreed to acquire 100% of the issued shares of common stock of UltraTera Corporation ("**UTC**") in a share swap transaction (the "**Acquisition**"), at an exchange ratio such that shareholders of UTC will receive 1.6 new ordinary shares of par value US\$0.15 each in the capital of UTAC ("**UTAC Share**") for every 1 share of common stock of UTC ("**UTC Share**").

Outstanding options to purchase UTC Shares which have been granted by UTC ("**UTC Options**") will be replaced by UTAC with options to acquire UTAC Shares at a similar exchange ratio.

Citigroup Global Markets is the financial adviser to UTAC on the Acquisition.

2. INFORMATION ON UTC AND ITS SUBSIDIARIES ("**UTC GROUP**")

UTC is a public company incorporated in Republic of China (Taiwan) ("**Taiwan**") which shares were listed on the Emerging Stock Market of the GreTai Securities Market ("**GTSM**") in Taiwan on 14 January 2003. UTC is based in Taiwan and is a leading outsource memory testing house. In 2003, its total sales based on its audited accounts for the financial year ended 31 December 2003 ("**FY2003**") amounted to NT\$2.2 billion (or approximately US\$62.7 million based on an average exchange rate in 2003 of NT\$34.38: US\$1). UTC also achieved high gross margins of 20.1% and EBITDA margins of 65.3% for FY2003. UTC has spent significant resources over the past few years in building up a patent portfolio and working with key customers to enter the memory packaging business. UTC has a strong patent portfolio in key packaging technologies including patents for WBGA packaging, DRAM stack, printing technologies, and NAND Flash Die Stack. UTC is currently working with key industry players such as Hynix and Sandisk, amongst others, to begin providing packaging services in the second and third quarters of 2004. UTC believes that given its strength in the memory test market and the trends towards turnkey solutions and outsourcing of memory packaging, it is well-positioned to grow its business.

UTC currently has an issued and paid-up capital of NT\$4,899,026,000 comprising 489,902,600 UTC Shares. There are outstanding UTC Options to subscribe for up to 27,200,000 UTC Shares which was granted by UTC under the Guidelines for Issuance and Subscription of Employee Stock Options of UTC adopted on 17 November 2003 (the "**UTC Option Plan**").

3. RATIONALE FOR THE ACQUISITION

The Acquisition will combine the two largest independent memory test outsourcing companies globally. For FY2003, UTAC had total revenues of US\$115.4 million and UTC had total revenues of NT\$2,156.9 million (or approximately US\$62.7 million based on an average exchange rate in 2003 of NT\$34.38: US\$1). The benefits of the Acquisition include:

- (1) Customer Fit - As there is limited customer overlap between the two companies, UTAC would benefit from UTC's existing relationships with high-profile customers, such as Hynix and Sandisk.
- (2) Geographic Fit – UTC's operations are in Taiwan, whereas UTAC's operations are primarily in Singapore. The Taiwan base will broaden UTAC's geographical coverage.
- (3) Product Fit – In 2003, 33% of UTAC's revenues were in packaging compared to UTC's 2%. In addition, 48% of UTAC's sales in 2003 were from mixed signal, while UTC has had limited exposure on this business. The Acquisition will allow the enlarged group to grow its packaging business and provide a platform for UTAC to leverage off UTC's customer base for further growth of its mixed signal business.
- (4) Economies of Scale – The enlarged group will be significantly larger and will be a leading independent memory outsource test and assembly group globally, allowing it to take advantage of shared resources in research and development, marketing and manufacturing.
- (5) Strong Patent Portfolio in Packaging – UTC has a strong patent portfolio in packaging technologies, which UTAC can leverage to continue to build its current packaging business.

4. ACQUISITION TRANSACTION

4.1 The Consideration

The Acquisition involves, *inter alia*, the Company acquiring the entire issued shares of common stock of UTC free from all liens, charges and encumbrances and with all rights and benefits attaching thereto with effect from completion.

The consideration for the Acquisition, which was arrived at on a willing-buyer willing-seller basis after taking into account the expected respective contributions of both companies to the enlarged group after the completion of the Acquisition, amounts to S\$794,112,518 (the "**Purchase Consideration**"), based on the number of new UTAC Shares to be issued as consideration for the Acquisition and the volume weighted average price of UTAC Shares transacted on 12 April 2004 of S\$1.0131 (the "**UTAC Average Price**") (Source: Bloomberg).

The Purchase Consideration is to be satisfied by the issue and allotment of an aggregate of 783,844,160 new UTAC Shares (the "**Consideration Shares**"), which represents approximately 48.3% of the Enlarged Capital of UTAC (as defined below).

"**Enlarged Capital of UTAC**" means the enlarged capital of UTAC immediately after the completion of the Acquisition and the issue of the Consideration Shares and assuming that

none of the outstanding options granted by UTAC pursuant to the 2000 Equity Incentive Plan and the UTAC Employee Share Option Scheme 2003 (collectively known as "UTAC Options") and none of the UTC Options have been exercised).

Each UTC shareholder who would otherwise be entitled to a fraction of a Consideration Share (after aggregating all fractional entitlements that would otherwise be received by such UTC shareholder), shall upon the completion of the Acquisition receive from UTAC a cash amount (in NT\$ rounded to the nearest dollar) or cash equivalents, without interest, equal to the product of such fraction, multiplied by the UTAC Average Price.

It is intended that after the completion of the Acquisition, UTC will be delisted from the Emerging Stock Market of the GTSM.

4.2 New UTAC Options to replace existing UTC Options

New UTAC options will be issued to replace the existing UTC Options granted pursuant to the UTC Option Plan (the "UTAC Replacement Options") at an exchange ratio of 1.6 UTAC Shares for every existing UTC Share. Based on the outstanding UTC Options to subscribe for up to 27,200,000 UTC Shares as at the date of this announcement, UTAC Replacement Options to subscribe for up to 43,520,000 UTAC Shares will be issued.

The exercise price for each UTAC Replacement Option (the "Exercise Price") shall be US\$0.21, being the US Dollar equivalent of the original exercise price of NT\$11.30 (based on the exchange rate as of 12 April 2004 of NT\$32.89:US\$1) divided by 1.6.

The UTAC Replacement Options shall be set forth and governed by the relevant option agreement executed by each holder of a UTAC Replacement Option with the Company in accordance with the corporate policies or standards of the Company and taking into account the relevant legal, statutory and regulatory requirements, including without limitation, those that may be imposed by the Singapore Exchange Securities Trading Limited ("SGX-ST").

4.3 Conditions Precedent

The Acquisition is subject to and conditional upon, *inter alia*:

- (a) the approval of UTAC shareholders at an extraordinary general meeting ("EGM") to be convened;
- (b) the approval of UTC shareholders at a general meeting to be convened;
- (c) the approval by the SGX-ST for the listing of the Consideration Shares and new UTAC Shares to be issued pursuant to the exercise of the UTAC Replacement Options;
- (d) the approval of Taiwan's Fair Trade Commission for the combination of UTAC and UTC (if necessary);
- (e) the approval of the Investment Commission of the Taiwan Ministry of Economic Affairs of the Acquisition as a foreign investment transaction;
- (f) the approval of the Taiwan Securities and Futures Commission of the Ministry of Finance for the revocation of UTC's "public company" status;
- (g) the approval of the GTSM for the delisting of UTC from the Emerging Stock Market of the GTSM; and
- (h) no occurrence prior to the completion of the Acquisition which could reasonably be expected to have a material adverse effect on the business, assets, liabilities, condition

(financial and other), results of operations or prospects of UTAC and its subsidiaries (the "UTAC Group") or the UTC Group.

5. COMMON SHAREHOLDERS AND DIRECTORS AND CHANGE IN SHAREHOLDING STRUCTURE

Details on the common shareholders and directors of UTAC and UTC and the shareholding structure of UTAC pre-Acquisition and post-Acquisition are set out in the Appendix.

Under Taiwanese laws, a shareholder of UTC has a right to dissent to the Acquisition ("UTC Dissenting Shareholder"). In such an event, the UTC Shares held by a UTC Dissenting Shareholder shall be repurchased by UTC in accordance with Taiwanese laws. Any UTC Shares held by a UTC Dissenting Shareholder which has not been repurchased prior to completion of the Agreement shall be exchanged for UTAC Shares in accordance with the same exchange ratio and subject to purchase by UTC or its third party designee in accordance with Taiwanese laws after completion. The shareholding details in this Announcement (including the percentages) are therefore subject to change.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Shaw Shung-Ho is a non-executive Director of UTAC and a director of UTC. He does not hold any shares in UTAC but holds shares in UTC (directly and through his spouse and children) amounting to 0.25% of the issued share capital of UTC. Mr Shaw is an employee of AsiaVest Partners TCW/YFY (Taiwan Ltd) ("AsiaVest"). AsiaVest manages on a discretionary basis Taiwan Special Opportunities Fund II and Taiwan Special Opportunities Fund III, both of which holds UTAC Shares. Taiwan Special Opportunities Fund II is a common shareholder of UTAC and UTC.

Mr Lee Kheng Nam, a non-executive director of UTAC, is also a director of Cresciendo Investment Limited ("Cresciendo") and Vertex Investment (II) Ltd ("VI(II)"). Cresciendo is a subsidiary of Vertex Venture Holdings Ltd, a shareholder of UTAC, which also has an interest in VI(II). VI(II) is a common shareholder of UTAC and UTC.

Mr Yasutaka Shida is a non-executive Director of UTAC. He is the representative of Advantest (Singapore) Pte Ltd. Advantest (Singapore) Pte Ltd is a shareholder of UTAC. Advantest Corporation, the holding company of Advantest (Singapore) Pte Ltd, holds 3.85% of the issued share capital of UTC.

Save as disclosed in this Announcement, none of the Directors or substantial shareholders of UTAC has any interest, direct or indirect, in the Acquisition.

7. UTC FINANCIALS

FY2003	(NT\$'000,000)	(US\$'000,000) ⁽²⁾
Key Income Statement Data⁽¹⁾		
Revenues	2,156.9	62.7
EBITDA	1,409.4	41.0
EBIT	47.3	1.4
Net Income	(8.6)	(0.3)
EBITDA Margin	65.3%	-
EBIT Margin	2.2%	-
Net Income Margin	(0.4)%	-
Key Balance Sheet Data⁽¹⁾		
	(NT\$'000,000)	(US\$'000,000) ⁽³⁾
Total Assets	6,949.1	204.5
Gross Debt	990.1	29.1
Cash	342.6	10.1
Net Debt	647.5	19.1
Stockholders' Equity	5,519.1	162.4

Notes:

- (1) Based on UTC's audited financial statements for FY2003 prepared in accordance with Taiwan GAAP
(2) Based on the average exchange rate in 2003 of NT\$34.38:US\$1
(3) Based on the year-end exchange rate in 2003 of NT\$33.99:US\$1

8. FINANCIAL EFFECTS

Assumptions. The pro forma financial effect of the Acquisition are for illustration purposes only and do not reflect the future financial results or position of the enlarged group after the completion of the Acquisition. It is also not necessarily indicative of results of the operations or related effects on the financial position that could have been attained had the enlarged group actually existed at an earlier date.

The pro forma FY2003 financial numbers are based on the audited financial statements of UTAC and UTC for FY2003. No adjustments have been made in the pro forma financials for any differences in the accounting standards, principles and practices used by the two companies in the preparation of these financials, nor for the effects of purchase price allocation, including fair valuation of identifiable assets and liabilities at the date of Acquisition and the corresponding depreciation, amortisation and other effects on the financial results of the post-Acquisition enlarged group.

The pro forma goodwill arising on consolidation (approximately US\$313,400,000) and the corresponding pro forma amortisation charge (US\$31,340,000) included in the pro forma results for illustration purposes have been computed based on the UTAC Average Price of S\$1.0131 assuming that all the UTC shareholders accept the share swap resulting in 783,844,160 new UTAC Shares being issued on completion of the Acquisition, and without making any adjustments for purchase price allocation nor differences in accounting standards, principles and practices. The goodwill that will be recorded in the enlarged group after the completion of the Acquisition will take into account these adjustments, and will be based on the UTAC share

price prevailing on the date the last substantive condition of the Acquisition is met, and on the actual number of new UTAC Shares to be issued. In addition, a tentative goodwill useful life of 10 years have been used for illustrative purposes. The Directors and management of UTAC are still in the process of assessing the useful life and the actual useful life eventually adopted by the enlarged group may vary from that used for the purposes of determining the pro forma financial effects of the Acquisition.

In view of the above, the effect on the results and net tangible asset ("NTA") of the enlarged group had the Acquisition taken place on 1 January 2003 and 31 December 2003 respectively as assumed below, could be materially different from the pro forma financials disclosed herein.

The Directors of UTAC note that the accounting for business combinations is still evolving. The International Accounting Standards Board had, on 31 March 2004, issued IFRS 3 Business Combinations that superseded IAS 22 Business Combinations, and revised IAS 36 Impairment of Assets and IAS 38 Intangible Assets. The new/revised accounting standards, amongst other things, require goodwill to be carried on the balance sheet of an acquirer at cost without amortization but instead be subjected to annual impairment review. For purchase price allocation, the revised standards also prohibit the recognition of liabilities for terminating or reducing the activities of the acquiree after the Acquisition, require the recognition of contingent liabilities of the acquiree and clarifies the criteria for the recognition of intangibles, which are required to be amortised over their estimated useful lives. In Singapore, the Council for Corporate Disclosure and Governance has issued an Exposure Draft on this matter for comments in December 2002, but has yet to confirm if IFRS 3 and the revised IAS 36 and IAS 38 will be adopted in Singapore without modification. Accordingly, the pro forma financials do not take into account the effects of IFRS 3.

Net Tangible Assets. For illustrative purposes only and subject to the assumptions above, the pro forma financial effect of the Acquisition on the NTA per UTAC Share as at 31 December 2003 (assuming that the Acquisition had taken place on 31 December 2003) is as follows:

	As at 31 December 2003	
	Before the Acquisition	(Pro forma) After the Acquisition
NTA (US\$ in millions)	240.8	386.3
Number of UTAC Shares (in millions)	833.7	1,617.5
NTA per UTAC Share (US\$ in cents)	28.9	23.9

Note: NTA as at 31 December 2003 above includes the net proceeds from UTAC's Initial Public Offering in January 2004 ("IPO") and the number of UTAC Shares includes new UTAC Shares issued pursuant to the IPO.

Loss per UTAC Share. For illustrative purposes only and subject to the above assumptions, the pro forma financial effect of the Acquisition on the loss per UTAC Share ("EPS") for FY2003 (assuming that the Acquisition had taken place on 1 January 2003) is as follows:

	For FY2003	
	Before the Acquisition	(Pro forma) After the Acquisition
Losses attributable to shareholders (US\$ in millions)	(7.6)	(7.8)
Number of UTAC Shares (In millions)	554.0	1,337.8
Loss Per UTAC Share (US\$ in cents)		
- pre-goodwill	(1.37)	(0.59)
- post-goodwill	N.A.	(2.93)

Note: The loss per UTAC Share for FY2003 is computed using weighted average number of UTAC Shares in issue during 2003 and assuming that the new UTAC Shares to be issued pursuant to the Acquisition were issued on 1 January 2003 on a pro forma basis. The loss per UTAC Share figures above exclude the net proceeds and the new UTAC Shares issued pursuant to the IPO. No adjustment has been made for the assumed conversion of the UTAC Options in the above illustration as the exercise of the UTAC Options would have anti-dilutive effect on the loss per UTAC Share.

9. PROJECTIONS FOR FINANCIAL YEAR ENDING 31 DECEMBER 2004 ("FY2004")

In the Prospectus dated 28 January 2004 issued by UTAC in connection with its IPO (the "UTAC Prospectus"), a profit projection was made for the financial year ending 31 December 2004 (please refer to pages 80 to 84 of the UTAC Prospectus). Barring any unforeseen circumstances, the Directors of the Company still expects to achieve the profit projection for FY2004 in respect of the UTAC Group as disclosed therein.

In the event that the Acquisition is completed before 31 December 2004, the financial results of the UTAC Group will need to take into account the financial performance and position of the UTC Group and also the accounting treatment for the Acquisition.

According to management projections made by the Board of Directors of UTC which have been filed with the GTSM on 12 April 2004 and published on the Market Observation Post System of the Taiwan Stock Exchange Inc. and the GTSM (website: <http://newmops.tse.com.tw>), UTC is projected to make a profit before taxation of NT\$967 million and revenue of NT\$3.73 billion (or approximately US\$29.4 million and US\$113.4 million respectively based on the exchange rate as of 12 April 2004 of NT\$32.89: US\$1) for FY2004.

The projection, which included a provision for diminution in value of long-term investment of NT\$351.4 million (or approximately US\$10.7 million based on the exchange rate as of 12 April 2004 of NT\$32.89:US\$1) is made based on UTC as a standalone entity for FY2004. Based on the UTC announcement regarding its FY2004 projection, (a) assuming the provision of NT\$351.4 million in the long term investments of UTC is excluded and (b) without making any adjustments for goodwill amortisation, purchase price allocation, differences in accounting standards, principles and practices, and timing of the completion of the Acquisition, the impact on the EPS of UTAC would be accretive.

10. FURTHER INFORMATION

10.1 Sale of UTC's Shareholding in the Company

As at the date of this announcement, UTC has an interest in an aggregate of 36,533,333 UTAC Shares, representing 4.35% of the current issued share capital of the Company.

Following the completion of the Acquisition, UTC will have an interest in an aggregate of 66,199,618 UTAC Shares representing 4.08% of the Enlarged Capital of UTAC. UTC will become a wholly-owned subsidiary of the Company. Under the Companies Act (Chapter 50 of Singapore), UTC cannot be a member of a company which is its holding company. Accordingly, following the completion of the Acquisition, UTC shall have no right to vote at meetings of the Company or any class of members thereof and UTC shall, within 12 months or such longer period as the Singapore courts may allow after becoming a subsidiary of the Company, dispose of all its UTAC Shares.

10.2 Major Transaction

The Acquisition is expected to be classified as a "Major Transaction" under Rule 1013 of the SGX-ST Listing Manual.

Based on the audited consolidated financial statements of UTAC and the audited financial statements of UTC for FY2003, UTAC had a net loss of US\$7.6 million and UTC had a net loss of NT\$8.6 million (or approximately US\$0.3 million based on an average exchange rate in 2003 of NT\$34.38: US\$1).

The Purchase Consideration of S\$794,112,518 represents approximately 93.4% of the market capitalisation of the Company of approximately S\$850,500,194 (calculated based on the volume weighted average price of UTAC Shares transacted on 12 April 2004 of S\$1.0131).

Based on the exchange ratio, the Consideration Shares to be issued by UTAC in consideration of the Acquisition amounts to 783,844,160 new UTAC Shares and represents approximately 93.4% of the issued share capital of UTAC as at the date of this Announcement.

UTAC will convene an EGM to seek the approval of the shareholders of UTAC for the Acquisition and the proposed issue of new UTAC Shares and all other matters necessary to effect the Acquisition by the shareholders of UTAC at the EGM.

10.3 Appointment to the Board of Directors of UTAC

Upon completion of the Acquisition, it is contemplated that three new directors will be appointed to the Board of Directors of UTAC. Mr Charles Chen Chih Yuan will remain as Chairman of the Company while Mr Lee Joon Chung will remain as President and Chief Executive Officer of the Company. The current 12 members of the Board of Directors of UTAC will remain on the Board.

10.4 Appointment of an Independent Financial Adviser

The Company has appointed ANZ Singapore Limited as the independent financial adviser to advise the Board of Directors of UTAC on the Acquisition.

10.5 Circular to shareholders

A circular containing, *inter alia*, details of the Acquisition and a notice convening the EGM of UTAC will be despatched to shareholders of UTAC in due course.

10.6 Documents for Inspection

A copy of the Agreement is available for inspection during normal business hours at the office of UTAC at 5 Serangoon North Avenue 5, Singapore 554916, for a period of three months commencing from the date of this announcement.

10.7 Caveat

It should be noted that the Acquisition is subject to certain conditions precedent being fulfilled or satisfied including those set out above in paragraph 4.3 of this Announcement. Such approvals, consents, and/or waivers are beyond the control of the Company and UTC and there is no assurance that all such approvals, consents and/or waivers will be granted by the relevant authorities or that all other conditions precedents will be fulfilled or satisfied.

By order of the Board

LAREINA YAP CHU HAN
Company Secretary
13 April 2004

APPENDIX – COMMON SHAREHOLDERS AND DIRECTORS AND CHANGE IN SHAREHOLDING

1. As at the date of this announcement and based on the latest available information, the details of (a) common shareholders and directors of UTAC and UTC (b) the number of shares held in UTAC and UTC respectively and (c) the entitlement to UTAC Shares pursuant to the Acquisition are as follows:

Shareholders	Investment in UTAC		Investment in UTC		No of new UTAC Shares entitled pursuant to Acquisition
	Number of UTAC Shares	%	Number of UTC Shares	%	
Solomon Technology and Affiliates					
Solomon Technology Corp.	3,475,328	0.41%	27,148,366	5.54%	43,437,386
Moredol Investment Corp. ⁽¹⁾			27,648,040	5.64%	44,236,864
Darly Investment Corp. ⁽¹⁾			36,117,548	7.37%	57,788,077
Moretek Investment Corp. ⁽¹⁾			30,511,290	6.23%	48,818,064
Solomon Smartnet Corp. ⁽¹⁾			609,000	0.12%	974,400
Solomon Sensor-tech Corporation ⁽²⁾			2,638,500	0.54%	4,221,600
TM Technology Inc. ⁽³⁾			4,877,992	1.00%	7,804,787
Subtotal	3,475,328	0.41%	129,550,736	26.44%	207,281,178
Entities managed by AsiaVest Partners, TCW / YFY (Taiwan) Ltd					
Taiwan Special Opportunities Fund			14,758,100	3.01%	23,612,960
Taiwan Special Opportunities Fund II	49,371,418	5.88%	6,380,000	1.30%	10,208,000
Taiwan Special Opportunities Fund III	35,800,000	4.26%			
Subtotal	85,171,418	10.15%	21,138,100	4.31%	33,820,960
Tsai Chung Che & Related					
Tsai Chung Che ⁽³⁾			3,332,078	0.68%	5,331,325
Tsai Hwang Yen Mei ⁽³⁾			12,739,859	2.60%	20,383,774
Tsai Hsien Chon ⁽³⁾			1,160,000	0.24%	1,856,000
Tsai Hsien Wei ⁽⁴⁾			1,160,000	0.24%	1,856,000
Tsai Hsien Tsong ⁽⁴⁾			1,160,000	0.24%	1,856,000
Sirustech Co. ⁽⁵⁾			3,480,000	0.71%	5,568,000
M & Vactek Corporation ⁽⁶⁾	4,693,056	0.56%			
Scientek Corp. ⁽⁷⁾			17,413,138	3.55%	27,861,021
Scientek Holding (B.V.I.) Corp ⁽⁷⁾	14,020,229	1.67%			
Subtotal	18,713,285	2.23%	40,445,075	8.26%	64,712,120
Advantest					
Advantest Corporation			18,850,000	3.85%	30,160,000
Advantest (Singapore) Pte Ltd. ⁽⁸⁾	16,937,947	2.02%			
Subtotal	16,937,947	2.02%	18,850,000	3.85%	30,160,000
Entities controlled or managed by Vertex⁽⁹⁾					
Crescendo Investments Limited	36,796,196	4.38%			
Vertex Investment International (I) Inc.	1,234,118	0.15%			
Vertex Investment (II) Ltd.	10,943,014	1.30%	1,109,250	0.23%	1,774,800
Vertex Asia Limited	10,943,014	1.30%	1,386,200	0.28%	2,217,920
HWH Investment Pte. Ltd ⁽¹⁰⁾			276,950	0.06%	443,120
Subtotal	59,916,342	7.14%	2,772,400	0.57%	4,435,840

Shaw Shung-Ho & Family					
Shaw Shung-Ho ⁽¹¹⁾			439,025	0.09%	702,440
Liao Shu-Pi Shaw ⁽¹¹⁾			581,128	0.12%	929,805
Hsiao Shih-Hua ⁽¹¹⁾			96,280	0.02%	154,048
Hsiao Fang-Yi ⁽¹¹⁾			96,280	0.02%	154,048
Subtotal			<u>0</u>	<u>0.00%</u>	<u>1,212,713</u>
					<u>0.25%</u>
					<u>1,940,341</u>
UTC			36,533,333	4.35%	18,541,428
					3.78%
					29,666,285

Notes:

- (1) 100% owned by Solomon Technology Corp.
- (2) 60.47% owned by Solomon Technology Corp.
- (3) The Chairman of TM Technology Inc. is also Chairman of Solomon Technology Corp. Solomon Smartnet Corp., Moredol Investment Corp., Moretek Investment Corp. and Solomon Technology Corp. together hold 5.16% of TM Technology Inc.
- (4) Tsai Chung Che is President and Director of UTC. Tsai Hwang Yen Mei, Tsai Hsien Chon, Tsai Hsien Wei and Tsai Hsien Tsong are Tsai Chung Che's spouse, elder son, second son and third son, respectively.
- (5) The company is owned by Tsai Chung Che.
- (6) The company is controlled by Tsai Chung Che, though he is not Chairman of the said company.
- (7) Tsai Chung Che is founder and Chairman of the company.
- (8) Advantest (Singapore) Pte Ltd. is a wholly-owned subsidiary of Advantest Corporation.
- (9) Temasek Holdings (Private) Limited directly and indirectly owns 100% of Singapore Technologies Pte Ltd ("STPL") and STPL owns 100% of Ellensburg Holding Pte Ltd ("EHP"), which in turn owns 100% of Vertex Venture Holdings Ltd ("VVH"). VVH and EHP together own 100% of Cresciendo Investments Limited ("Cresciendo") with VVH holding 64.63% and EHP 35.27% interest in Cresciendo. Both VVH and EHP are deemed to be interested in Cresciendo's shareholding in UTAC. Temasek and STPL are in turn also deemed to be interested in Cresciendo's shareholding in UTAC. VVH has an equity interest of approximately 27%, 48% and 100% in Vertex Asia Limited ("VAL"), Vertex Investment (II) Ltd ("VI(II)") and Vertex Investment International (I) Inc ("VII(I)") respectively and is thus deemed to be interested in their respective shareholdings in UTAC. In turn, Temasek, STPL and EHP are deemed to be interested in VVH's deemed interest in UTAC through VAL, VI(II) and VII(I). VAL and VI(II) are discretionary funds managed by Vertex Management (II) Pte Ltd, which is a wholly-owned subsidiary of Vickers Capital Limited, which is in turn, wholly-owned by VVH. Lee Kheng Nam, a non-executive Director of UTAC, is a non-executive director of VI(II) and Vertex Management (II) Pte Ltd.
- (10) HWH Investment Pte. Ltd is owned by GIC but managed by Vertex.
- (11) Shaw Shung-Ho, a non-executive director of UTAC, is employed by AsiaVest Partners, TCW/YFY (Taiwan) Ltd. He is also director of UTC. Liao Shu-Pi, Hsiao Shih-Hua and Hsiao Fang-Yi are Shaw Shung-Ho's spouse, son and daughter, respectively.

2. It is anticipated that immediately upon completion of the Acquisition, the shareholdings of the common shareholders and directors of UTAC and UTC will be as follows:

Shareholders	Total Shareholdings In UTAC post-Acquisition	
	No. of UTAC Shares	% of the Enlarged Capital of UTAC ⁽¹²⁾
Solomon Technology and Affiliates		
Solomon Technology Corp.	46,912,714	2.89%
Moredol Investment Corp. ⁽¹⁾	44,236,864	2.73%
Dery Investment Corp. ⁽¹⁾	57,788,077	3.56%
Moretek Investment Corp. ⁽¹⁾	48,818,064	3.01%
Solomon Smartnet Corp. ⁽¹⁾	974,400	0.06%
Solomon Sensor-tech Corporation ⁽⁴⁾	4,221,600	0.26%
TM Technology Inc. ⁽²⁾	7,804,787	0.48%
Subtotal	210,756,506	12.98%
Entities managed by AsiaVest Partners, TCW / YFY (Taiwan) Ltd		
Taiwan Special Opportunities Fund	23,612,960	1.45%
Taiwan Special Opportunities Fund II	59,579,418	3.67%
Taiwan Special Opportunities Fund III	35,800,000	2.21%
Subtotal	118,992,378	7.33%
Tsai Chung Che & Related		
Tsai Chung Che ⁽⁴⁾	5,331,325	0.33%
Tsai Hwang Yen Mei ⁽⁴⁾	20,383,774	1.26%
Tsai Hsien Chon ⁽⁴⁾	1,856,000	0.11%
Tsai Hsien Wei ⁽⁴⁾	1,856,000	0.11%
Tsai Hsien Tsong ⁽⁴⁾	1,856,000	0.11%
Sirustech Co. ⁽⁵⁾	5,568,000	0.34%
M & Vactek Corporation ⁽⁶⁾	4,693,056	0.29%
Scientek Corp. ⁽⁷⁾	27,861,021	1.72%
Scientek Holding (B.V.I.) Corp ⁽⁷⁾	14,020,229	0.86%
Subtotal	83,425,405	5.14%
Advantest		
Advantest Corporation	30,160,000	1.86%
Advantest (Singapore) Pte Ltd. ⁽⁸⁾	16,937,947	1.04%
Subtotal	47,097,947	2.90%
Entities controlled or managed by Vertex⁽⁹⁾		
Cresciendo Investments Limited	36,796,196	2.27%
Vertex Investment International (I) Inc.	1,234,118	0.08%
Vertex Investment (II) Ltd.	12,717,814	0.78%
Vertex Asia Limited	13,160,934	0.81%
HWH Investment Pte. Ltd ⁽¹⁰⁾	443,120	0.03%
Subtotal	64,352,182	3.96%
Shaw Shung-Ho & Family		
Shaw Shung-Ho ⁽¹¹⁾	702,440	0.04%
Liao Shu-Pi Shaw ⁽¹¹⁾	929,805	0.06%
Hsiao Shih-Hua ⁽¹¹⁾	154,048	0.01%
Hsiao Fang-Yi ⁽¹¹⁾	154,048	0.01%
Subtotal	1,940,341	0.12%
UTC	66,199,618	4.08%

Notes:

For Notes (1) to (11), please refer to paragraph 1 of the Appendix.

- (12) **"Enlarged Capital of UTAC"** means the enlarged capital of UTAC immediately after the completion of the Acquisition and the issue of the Consideration Shares and assuming that none of the outstanding options granted by UTAC pursuant to the 2000 Equity Incentive Plan and the UTAC Employee Share Option Scheme 2003 and none of the outstanding options granted by UTC under the Guidelines for Issuance and Subscription of Employee Stock Options of UTC adopted on 17 November 2003 have been exercised).

As at 12 April 2004, there were 52,838,786 UTAC options outstanding pursuant to the 2000 Equity Incentive Plan which are exercisable at either US\$0.1875 or US\$0.60 and will expire at various times between 15 November 2004 and 30 September 2013. As at 12 April 2004, UTC had outstanding stock options to subscribe for up to 27,200,000 UTC Shares which are exercisable at NTS11.30 and will expire in 2011.