



UNAUDITED FINANCIAL STATEMENTS FOR HALF YEAR ENDED 30 JUNE 2004

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND HALF YEAR RESULTS

1(a)(i) Income statements for six months ended 30 June 2004

Notes	Group					
	1 Apr 2004 to 30 Jun 2004 US\$'000	1 Apr 2003 to 30 Jun 2003 US\$'000	Change %	1 Jan 2004 to 30 Jun 2004 US\$'000	1 Jan 2003 to 30 Jun 2003 US\$'000	Change %
Sales	38,887	24,936	55.9%	75,053	49,952	50.3%
Cost of sales	(31,296)	(24,673)	-26.8%	(60,680)	(49,395)	-22.8%
Gross profit	7,591	263	2786.3%	14,373	557	2480.4%
Other operating income	280	-	NM	625	2	NM
Operating expenses						
Selling, general and administrative expenses	(2,048)	(225)	-810.2%	(4,252)	(3,199)	-32.9%
Research and development costs	(2,268)	(2,691)	15.7%	(4,312)	(5,210)	17.2%
Other operating expenses	(401)	(1,217)	67.1%	(429)	(1,192)	64.0%
Operating profit/(loss)	3,154	(3,870)	181.5%	6,005	(9,042)	166.4%
Finance income	280	19	1373.7%	381	33	1054.5%
Finance cost	(500)	(704)	29.0%	(1,124)	(1,339)	16.1%
Other non-operating income	229	-	NM	233	-	NM
Profit/(loss) before tax	3,163	(4,555)	169.4%	5,495	(10,348)	153.1%
Taxation	(50)	(26)	-92.3%	13	(46)	128.3%
Net profit/(loss)	3,113	(4,581)	168.0%	5,508	(10,394)	153.0%

	1 Apr 2004 to 30 Jun 2004 US\$'000	1 Apr 2003 to 30 Jun 2003 US\$'000	Change %	1 Jan 2004 to 30 Jun 2004 US\$'000	1 Jan 2003 to 30 Jun 2003 US\$'000	Change %
A. Net profit/(loss) is arrived at after crediting/(charging)						
- Government grant income	259	-	NM	557	-	NM
- Investment income	5	18	-72.2%	19	31	-38.7%
- Interest income	276	1	27500.0%	363	2	18050.0%
- Interest expense	(444)	(676)	34.3%	(984)	(1,311)	24.9%
- Depreciation on fixed assets	(12,498)	(11,854)	-5.4%	(24,203)	(24,256)	0.2%
- Amortisation of interest rate option premium	(56)	(28)	-100.0%	(140)	(28)	-400.0%
- Allowance for doubtful trade receivable	(56)	-	NM	(104)	-	NM
- Allowance for doubtful trade receivable written back	-	1,598	NM	-	425	NM
- Allowance for inventory obsolescence	(50)	(182)	72.5%	(11)	(412)	97.3%
- Inventory obsolescence written off	-	116	NM	-	116	NM
- Net foreign exchange loss	(311)	(80)	-288.8%	(278)	(47)	-491.5%
- Loss on disposal of fixed assets	(7)	-	NM	(7)	-	NM
- Adjustments for over provision of tax in respect of prior years	-	-	NM	89	-	NM

NM - Not meaningful



1(a)(ii) Income statement for three months ended 30 June 2004

	Notes	1 Apr 2004 to 30 Jun 2004 US\$'000	Group 1 Jan 2004 to 31 Mar 2004 US\$'000	Change %
Sales		38,887	36,166	7.5%
Cost of sales		(31,296)	(29,384)	-6.5%
Gross profit		<u>7,591</u>	<u>6,782</u>	11.9%
Other operating income		280	345	-18.8%
Operating expenses				
Selling, general and administrative expenses		(2,048)	(2,204)	7.1%
Research and development costs		(2,268)	(2,044)	-11.0%
Other operating expenses		(401)	(28)	-1332.1%
Operating profit		<u>3,154</u>	<u>2,851</u>	10.6%
Finance income		280	101	177.2%
Finance cost		(500)	(624)	19.9%
Other non-operating income		229	4	5625.0%
Profit before tax		<u>3,163</u>	<u>2,332</u>	35.6%
Taxation		(50)	63	-179.4%
Net profit	A	<u>3,113</u>	<u>2,395</u>	30.0%

		1 Apr 2004 to 30 Jun 2004 US\$'000	1 Jan 2004 to 31 Mar 2004 US\$'000	Change %
A. Net profit is arrived at after crediting/(charging)				
- Government grant income		259	298	-13.1%
- Investment income		5	14	-64.3%
- Interest income		276	87	217.2%
- Interest expense		(444)	(540)	17.8%
- Depreciation on fixed assets		(12,498)	(11,705)	-6.8%
- Amortisation of interest rate option premium		(56)	(84)	33.3%
- Allowance for doubtful trade receivable		(56)	(48)	-16.7%
- Allowance for inventory obsolescence		(50)	-	NM
- Allowance for inventory obsolescence written back		-	39	NM
- Net foreign exchange gain/(loss)		(311)	33	-1042.4%
- Loss on disposal of fixed assets		(7)	-	NM
- Adjustments for over provision of tax in respect of prior years		-	89	-100.0%

NM - Not meaningful



UNITED TEST AND ASSEMBLY CENTER LTD

1(b)(i) Balance Sheet

	Group		Company	
	As at 30 Jun 2004 US\$'000	As at 31 Dec 2003 US\$'000	As at 30 Jun 2004 US\$'000	As at 31 Dec 2003 US\$'000
<b>Current Assets</b>				
Cash and cash equivalents	88,870	12,485	86,759	8,797
Receivables	34,378	30,033	41,621	30,551
Inventories	2,895	2,996	2,922	2,996
Other current assets	2,618	4,447	2,523	4,368
	<u>128,761</u>	<u>49,961</u>	<u>133,825</u>	<u>46,712</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries	-	-	4,553	4,512
Fixed assets	225,938	159,932	217,833	158,943
	<u>225,938</u>	<u>159,932</u>	<u>222,386</u>	<u>163,455</u>
<b>Total Assets</b>	<u>354,699</u>	<u>209,893</u>	<u>356,211</u>	<u>210,167</u>
<b>Current Liabilities</b>				
Trade and other payables	79,728	30,370	79,507	30,212
Current tax	126	211	126	212
Borrowings	6,964	12,559	6,964	12,559
	<u>86,818</u>	<u>43,140</u>	<u>86,597</u>	<u>42,983</u>
<b>Non-Current Liabilities</b>				
Borrowings	19,231	45,093	19,231	45,093
Deferred Income	770	606	770	606
	<u>20,001</u>	<u>45,699</u>	<u>20,001</u>	<u>45,699</u>
<b>Total Liabilities</b>	<u>106,819</u>	<u>88,839</u>	<u>106,598</u>	<u>88,682</u>
<b>Net Assets</b>	<u>247,880</u>	<u>121,054</u>	<u>249,613</u>	<u>121,485</u>
<b>Share Capital and Reserves</b>				
Share capital	126,273	87,100	126,273	87,100
Share premium	175,324	93,183	175,324	93,183
Accumulated losses	(53,722)	(59,230)	(51,984)	(58,798)
Foreign currency translation reserve	5	1	-	-
	<u>247,880</u>	<u>121,054</u>	<u>249,613</u>	<u>121,485</u>



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

	Group	
	As at 30 Jun 2004 US\$'000	As at 31 Dec 2003 US\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Unsecured	-	5,750
Secured	6,964	6,809
	<u>6,964</u>	<u>12,559</u>
<u>Amount repayable after one year</u>		
Unsecured	15,000	42,000
Secured	4,231	3,093
	<u>19,231</u>	<u>45,093</u>

**Details of any collateral**

The borrowings are secured on fixed assets acquired under finance lease contracts with a net book value of US\$26,155,000 (31 December 2003: US\$22,646,000)



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1(c) Cash flow statement for six months ended 30 June 2004

	Group			
	1 Apr 2004 to 30 Jun 2004 US\$'000	1 Apr 2003 to 30 Jun 2003 US\$'000	1 Jan 2004 to 30 Jun 2004 US\$'000	1 Jan 2003 to 30 Jun 2003 US\$'000
Cash flows from operating activities				
Profit/(loss) before tax	3,163	(4,555)	5,495	(10,348)
Adjustments for:				
Depreciation of fixed assets	12,498	11,854	24,203	24,256
Government grant income	(208)	-	(477)	-
Amortisation of deferred government grant income	(51)	-	(80)	-
Dividend income	(5)	(18)	(19)	(31)
Interest income	(276)	(1)	(363)	(2)
Interest expense	444	676	984	1,311
Loss on disposal of fixed assets	7	-	7	-
Amortisation of interest rate option premium	56	28	140	28
Foreign currency exchange loss	311	80	278	47
Operating cash flow before working capital change	<u>15,939</u>	<u>8,064</u>	<u>30,168</u>	<u>15,261</u>
Change in operating assets and liabilities				
Receivables	(4,925)	(498)	(4,345)	(3,760)
Inventories	414	(19)	101	264
Other current assets	(730)	(245)	891	(658)
Trade and other payables	1,699	4,865	4,932	5,244
Currency translation difference	5	-	4	-
Cash generated from operations	<u>12,402</u>	<u>12,167</u>	<u>31,751</u>	<u>16,351</u>
Government grant received	208	-	1,003	-
Income tax paid	-	(30)	(72)	(85)
Net cash inflow from operating activities	<u>12,610</u>	<u>12,137</u>	<u>32,682</u>	<u>16,266</u>
Cash flows from investing activities				
Dividends received	5	18	19	31
Interest received	288	1	328	2
Payment for fixed assets	(21,463)	(6,958)	(39,835)	(12,867)
Proceeds from disposal of fixed assets	-	6	-	6
Government grant received	111	-	551	-
Repayment of finance lease liabilities	(2,483)	(1,770)	(4,497)	(3,259)
Net cash outflow from investing activities	<u>(23,542)</u>	<u>(8,703)</u>	<u>(43,434)</u>	<u>(16,087)</u>
Cash flows from financing activities				
Interest paid	(453)	(710)	(1,074)	(1,378)
Proceeds from issues of shares	451	0	121,314	3
Repayment of borrowings	(25,000)	(750)	(32,750)	(2,250)
Net cash inflow/(outflow) from financing activities	<u>(25,002)</u>	<u>(1,460)</u>	<u>87,490</u>	<u>(3,625)</u>
Net increase/(decrease) in cash and cash equivalents held	(35,934)	1,974	76,738	(3,446)
Effect of exchange rate changes on cash and cash equivalents	(353)	-	(353)	-
Cash and cash equivalents at the beginning of the financial period	<u>125,157</u>	<u>3,776</u>	<u>12,485</u>	<u>9,196</u>
Cash and cash equivalents at the end of the financial period	<u>88,870</u>	<u>5,750</u>	<u>88,870</u>	<u>5,750</u>



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

(a) Consolidated statement of changes in equity for the quarter ended 30 June 2004

	<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 Apr 2004	125,924	175,222	-	(56,835)	244,311
Net profit for the financial period	-	-	-	3,113	3,113
Issue of share capital	349	87	-	-	436
Expenses for issue of new shares written back	-	15	-	-	15
Currency translation difference	-	-	5	-	5
<b>Balance at 30 June 2004</b>	<b>126,273</b>	<b>175,324</b>	<b>5</b>	<b>(53,722)</b>	<b>247,880</b>

(a) Consolidated statement of changes in equity for the quarter ended 30 June 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 April 2003	81,494	91,279	-	(57,453)	115,320
Net loss for the financial period	-	-	-	(4,581)	(4,581)
<b>Balance at 30 June 2003</b>	<b>81,494</b>	<b>91,279</b>	<b>-</b>	<b>(62,034)</b>	<b>110,739</b>

(b) Statement of changes in equity for the quarter ended 30 June 2004 - 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 Apr 2004	125,924	175,222	-	(55,967)	245,179
Net profit for the financial period	-	-	-	3,983	3,983
Issue of share capital	349	87	-	-	436
Expenses for issue of new shares written back	-	15	-	-	15
<b>Balance at 30 June 2004</b>	<b>126,273</b>	<b>175,324</b>	<b>-</b>	<b>(51,984)</b>	<b>249,613</b>

(b) Statement of changes in equity for the quarter ended 30 June 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 April 2003	81,494	91,279	-	(57,480)	115,293
Net loss for the financial period	-	-	-	(4,526)	(4,526)
<b>Balance at 30 June 2003</b>	<b>81,494</b>	<b>91,279</b>	<b>-</b>	<b>(62,006)</b>	<b>110,767</b>



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

(c) Consolidated statement of changes in equity for the half year ended 30 June 2004

	<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
<b>Balance at 1 Jan 2004</b>	87,100	93,183	1	(59,230)	121,054
Net profit for the financial period	-	-	-	5,508	5,508
Issue of share capital	39,173	86,381	-	-	125,554
Expenses for issue of new shares	-	(4,240)	-	-	(4,240)
Currency translation difference	-	-	4	-	4
<b>Balance at 30 June 2004</b>	<u>126,273</u>	<u>175,324</u>	<u>5</u>	<u>(53,722)</u>	<u>247,880</u>

(c) Consolidated statement of changes in equity for the half year ended 30 June 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
<b>Balance at 1 Jan 2003</b>	81,492	91,278	-	(51,640)	121,130
Net loss for the financial period	-	-	-	(10,394)	(10,394)
Issue of share capital	2	1	-	-	3
<b>Balance at 30 June 2003</b>	<u>81,494</u>	<u>91,279</u>	<u>-</u>	<u>(62,034)</u>	<u>110,739</u>

(d) Statement of changes in equity for the half year ended 30 June 2004 - 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
<b>Balance at 1 Jan 2004</b>	87,100	93,183	-	(58,798)	121,485
Net profit for the financial period	-	-	-	6,814	6,814
Issue of share capital	39,173	86,381	-	-	125,554
Expenses for issue of new shares	-	(4,240)	-	-	(4,240)
<b>Balance at 30 June 2004</b>	<u>126,273</u>	<u>175,324</u>	<u>-</u>	<u>(51,984)</u>	<u>249,613</u>

(d) Statement of changes in equity for the half year ended 30 June 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
<b>Balance at 1 Jan 2003</b>	81,492	91,278	-	(51,657)	121,113
Net loss for the financial period	-	-	-	(10,349)	(10,349)
Issue of share capital	2	1	-	-	3
<b>Balance at 30 June 2003</b>	<u>81,494</u>	<u>91,279</u>	<u>-</u>	<u>(62,006)</u>	<u>110,767</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 period are as follows:

	Shares	US\$'000
(a) <b><u>Authorised</u></b>		
Ordinary shares of US\$0.15 each	4,000,000,000	600,000
(b) <b><u>Issued and fully paid</u></b>		
Balance as at 1 April 2004		
- ordinary shares of US\$0.15 each	839,494,377	125,924
- ordinary shares of US\$0.15 each at a premium of US\$0.0375 per share pursuant to the exercise of share option	2,323,641	349
Balance at the end of the financial period		
- ordinary shares of US\$0.15 each	841,818,018	126,273

### **Share options**

- (a) Option granted/exercised

During the financial period, 2,323,641 shares of the Company of par value of US\$0.15 were allotted and issued by virtue of the exercise of options.

- (b) Options outstanding

As at 30 June 2004, there were unexercised options for 11,863,719 and 38,250,340 of unissued ordinary shares of US\$0.15 each at exercise price of US\$0.60 and US\$0.1875 respectively. As at 30 June 2003, there were unexercised options for 13,789,996 and 26,596,654 of unissued ordinary shares of US\$0.15 each at exercise price of US\$0.60 and US\$0.1875 respectively.

- 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 Apr 2004 to 30 Jun 2004	1 Apr 2003 to 30 Jun 2003	1 Jan 2004 to 30 Jun 2004	1 Jan 2003 to 30 Jun 2003
Basic earning /(loss) per share (cents)	<u>0.37</u>	<u>(0.84)</u>	<u>0.70</u>	<u>(1.91)</u>
Diluted earning/(loss) per share (cents)	<u>0.36</u>	<u>(0.84)</u>	<u>0.68</u>	<u>(1.91)</u>

**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 30 Jun 2004	As at 31 Dec 2003
Net asset value per ordinary share based on issued share capital as at the end of the reporting period (cents)		
- Group	<u>29.45</u>	<u>20.86</u>
- Company	<u>29.65</u>	<u>20.92</u>



**8 Review of the performance of the group.**

Revenue rose 55.9% to \$38.9 million in 2Q04 from \$24.9 million in 2Q03 due to higher sales from both assembly and test businesses. Revenue from assembly business for 2Q04 amounted to \$15.8 million or 40.5% of total revenue, and test revenue at \$23.1 million, or 59.5% of total revenue. Revenue increased by 7.5% from \$36.2 million compared to 1Q04.

Revenue growth in 2Q04 was driven mainly by growth in the mixed-signal segment, which recorded a revenue growth of 76.2% over 2Q03 and 19.1% over 1Q04. 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. The Group's mixed signal and memory revenues each accounted for 60.0% and 40.0% of total revenues in 2Q04 respectively.

Gross profits of \$7.6 million or 19.5% of revenue, were achieved in 2Q04, compared to gross profit of \$0.3 million in 2Q03 due principally to higher revenue resulting in cost savings from economies of scale and higher utilisation.

Depreciation expense was \$11.6 million in 2Q04 compared to \$10.6 million in 2Q03 and \$10.8 million in 1Q04. The increase compared to 2Q03 and 1Q04 was due to additional depreciation from purchase of new equipment to cater for increased revenue. Other components of the cost of sales such as overheads, raw materials and labor costs also increased in line with the increase in revenue in 2Q04 as compared to 2Q03 and 1Q04.

Other operating income of \$0.3 million in 2Q04 relate mainly to the Research Incentive Scheme for Companies (RISC) grant received from The Economic Development Board (EDB) for certain research and development projects ("R&D"). This remained the same compared to 1Q04's other operating income of \$0.3 million, also related to RISC grant from EDB.

Operating expenses for 2Q04 were \$4.7 million compared to \$4.1 million in 2Q03 and \$4.3 million in 1Q04. Selling general and administrative ("SG&A") expenses for 2Q04 were \$2.0 million or 5.3% of revenue compared to \$0.2 million or 0.9% of revenue in 2Q03. 2Q03 SG&A expenses included \$1.6 million write back of provision for doubtful debts; without this write back, SG&A expenses would be \$1.8 million or 7.3% of revenue. SG&A expenses in 2Q04 were 7.1% lower than 1Q04 SG&A expenses of \$2.2 million or 6.1% of revenue.

R&D expenses for 2Q04 was \$2.3 million or 5.8% of revenue compared to \$2.7 million or 10.8% of revenue in 2Q03 due to lower depreciation and engineering expenses relating to engineering projects resulted from the company's effort to consolidate package types. Compared to \$2.0 million or 5.7% of revenue in 1Q04, higher due to increase in engineering expenses.

Net profit for 2Q04 was \$3.1 million, an improvement of \$7.7 million compared to 2Q03 net loss of \$4.6 million and 30.0% higher compared to 1Q04 net profit of \$2.4 million.

Capital expenditures for equipment delivered in 1H04 were \$95.5 million principally for new capabilities and production equipment. As of 30 June 2004 the company had 220 wirebonders and 120 testers.



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

The group's performance in 2Q04 is in line with the previous guidance provided in the announcement on 27 April 2004.

**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.**

The Company anticipates continued strong growth in FY2004, as the global outsourcing trend for test and assembly businesses and the semiconductor up-cycle momentum remains intact.

With a combination of new customers and increasing orders of some existing customers in both the memory and mixed-signal segments, the Company expects 2H04 to be better than 1H04. Barring unforeseen circumstances, the Company expects new customers and increasing orders to register growth of 10-15% in 3Q04 over 2Q04 revenues.

In order to meet the demand, the Company is increasing its capital expenditure to \$140 million for the full FY2004. Capital expenditure for equipment delivered in 1H04 totalled \$95.5 million.

On 30 June 2004, UTAC announced that it would be re-negotiating its proposed acquisition of UltraTera Corporation ("UTC") of Taiwan on a revised exchange ratio in favor of UTAC as it came to the Company's attention that UTC will not be able to achieve its earlier business projection for financial year ending 31 December 2004.

Both companies are committed to jointly create the world's fifth largest test-centric company and third largest independent memory service provider with operations in Singapore, China and Taiwan.

In a separate announcement on 29 July 2004, UTAC announced that it has reached a new re-negotiated agreement with UTC to revise the purchase consideration downwards to \$245.4 million in a share-swap transaction. The acquisition is expected to complete by January 2005.

*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.

**BY ORDER OF THE BOARD**

**Lareina Yap Chu Han  
Company Secretary  
29 July 2004**