



UNITED TEST AND ASSEMBLY CENTER LTD

Proposed Acquisition (“Proposed Acquisition”) by United Test and Assembly Center Ltd (“UTAC” or the “Company”) of UltraTera Corporation (“UTC”)

UTC has informed the Board of Directors of UTAC that they have, on 18 November 2004, publicly released their 3rd quarter results for 2004 (“Public Release”) in Taiwan on the Market Observation Post System, which is the official website of the Taiwan Stock Exchange and the GreTai Securities Market.

A copy of the English summary of UTC’s Public Release is attached to this announcement for the information of the shareholders of UTAC.

Based on UTC’s Public Release and UTC’s interim half-year financial results for 2004 (which are set out in the Company’s circular to its shareholders dated 3 November 2004):

	For the 6 month period from 1 January 2004 to 30 June 2004 (NT\$'000)	For the nine month period from 1 January 2004 to 30 September 2004 NT\$'000
Revenues	1,069,499	1,728,214
Net profit/(loss) after tax (“NPAT”)	(388,678) ⁽¹⁾	(112,776) ⁽¹⁾⁽²⁾

Notes:

(1) UTC has explained that such net loss takes into account, the diminution in value of long-term investments of UTC of approximately NT\$438 million as reflected in UTC’s interim half-year financial results.

(2) UTC has explained that this takes into account a gain of approximately NT\$96 million from the sale of equipment.

Based on the above, for the 3-month period from 1 July 2004 to 30 September 2004, the revenues and NPAT of UTC are NT\$658,715,000 and NT\$275,902,000 respectively.

By Order of the Board

Lareina Yap Chu Han
Company Secretary
19 November 2004

UTC**STATEMENT OF OPERATION-Y2004**

UTC
 聯測科技股份有限公司
 UltraTera Corporation

	NT\$000	
	Jan-Sep	%
Operating revenues		
Sales revenue	\$ 164,209	9.5
Sales returns		0.0
Sales allowances	(3,409)	(0.2)
Technological service revenue	1,567,414	90.7
Net operating revenues	<u>1,728,214</u>	<u>100.0</u>
Operating costs		
Cost of sales	(265,964)	(15.4)
Technological service costs	(950,824)	(55.0)
	<u>(1,216,788)</u>	<u>(70.4)</u>
Gross profit(loss)	<u>511,426</u>	<u>29.6</u>
Operating expenses		
Selling expenses	(32,762)	(1.9)
Administrative expenses	(136,426)	(7.9)
Research and development expenses	(121,190)	(7.0)
	<u>(290,378)</u>	<u>(16.8)</u>
Operating Gain	<u>221,048</u>	<u>12.8</u>
Non-operating income		
Interest income	5,030	0.3
Gain on disposal of investments, net	11,283	0.7
Gain on disposal of property, plant and equipment	112,726	6.5
Foreign exchange gain, net	7,017	0.4
Contract termination fees		0.0
Rental income	37,404	2.2
Reversal of provision for short-term investment		0.0
Reversal of provision for inventory market value decline and obsolescence		0.0
Other income	1,246	0.1
	<u>174,706</u>	<u>10.1</u>
Non-operating expenses		
Interest expense	(16,598)	(1.0)
Investment loss, net		0.0
Loss on disposal of property, plant and equipment	(1,059)	(0.1)
Investment loss-under the equity method	(97,042)	(5.6)
Other investment loss	(337,798)	(19.5)
Loss on physical inventory count	()	0.0
Foreign exchange loss, net	()	0.0
Loss on inventory market value decline and obsolescence	(16,158)	(0.9)
Depreciation of idle assets	(10,741)	(0.6)
Other losses	(20,683)	(1.2)
	<u>(500,079)</u>	<u>(28.9)</u>
Loss before income tax	<u>(104,325)</u>	<u>(6.0)</u>
Income Tax	(8,451)	0.0
Net loss	<u>(112,776)</u>	<u>(6.5)</u>

UTRATERA CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30 2004



NT\$000

	2004
<u>Cash flows from operating activities:</u>	
Net loss	(112,776)
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation	666,920
Amortization	39,132
(Reversal of provision)provision for loss on market value decline of marketable securities	292
Provision for loss on obsolescence and market value decline of inventories	16,158
Long-term investment loss accounted for under the equity method	97,042
(Gain)loss on disposal of investments	(11,283)
Dividend Income of long-term investments under the cost method	1,493
Loss on impairment of long-term investments	337,506
(Gain)loss on disposal of property, plant and equipment	(111,667)
Changes in assets and liabilities:	
Notes of receivable	1,111
Accounts receivable	78,593
Other receivables	(97,203)
Inventories	40,359
Prepayments	2,571
Deferred income tax assets	8,430
Notes payable	(8,445)
Account payable	25,982
Accrued expenses	20,844
Other payables	3,958
Forward exchange payable	(14)
Receipts in advance	(64,751)
Accrued pension payable	3,551
Net cash provided by operating activities	937,803
<u>Cash flows from investing activities:</u>	
Increase in time deposits pledged, net	
Increase in marketable securities	(297,164)
Increase in long-term investment	
Proceeds from disposal of long-term investment	173,514
Acquisition of property, plant and equipment	(965,285)
Proceeds from disposal of property, plant and equipment	233,006
Increase in deposits-out, net	25
Increase in deferred charges	(910)
Net cash used in investing activities	(856,814)

UTRATERA CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30 2004



NT\$000

	2004
<u>Cash flows from financing activities:</u>	
Decrease in short-term loans, net	(112,313)
Decrease in commercial paper payable, net	(175,161)
Income Tax	(237,143)
Proceeds from long-term loans	309,944
Proceeds from lease payable	
Increase in deposits-in, net	1,747
Acquisition of treasury stock	
Disposal of treasury stock	83,518
Net cash provided by financing activities	(129,408)
Net increase in cash and cash equivalents	(48,419)
Cash and cash equivalents at the beginning of year	188,475
Cash and cash equivalents at the end of year	140,056
<u>Supplemental disclosures of cash flow information</u>	
Cash paid for interest	16,566

UTC BALANCE SHEET

UTC
聯測科技股份有限公司
UltraTera Corporation

NT\$000

	2004.9.30	%
Current Assets		
Cash and Cash Equivalents	140,056	2.2
Marketable Securities	458,258	7.1
Note Receivable	6,804	0.1
Account Receivables		
- third parties	498,464	7.7
- related parties	0	0.0
Other Receivables	129,336	2.0
Inventories	69,007	1.1
Prepayments	18,518	0.3
Deferred income tax assets	117,436	1.8
Subtotal	1,437,879	22.3
Funds and Long-term Investments		
Long-term investment	1,140,840	17.7
Allowance for loss on decline in value of long-term investr	(286,021)	(4.4)
Subtotal	854,819	13.3
Other financial instrument aasset- non-current	10,446	0.2
Property, Plant and Equipment		
Cost		
Land	175,629	2.7
Buildings	838,648	13.0
Machinery and Equipment	8,435,748	131.0
Transportation Equipment	9,298	0.1
Furniture and Fixtures	76,454	1.2
Leasehold improvements	158,250	2.5
Other Equipment	41,306	0.6
	9,735,333	151.2
Accumulated Depreciation	(6,697,477)	(104.0)
Prepayments	397,317	6.2
Subtotal	3,435,173	53.4
Intangible Assets		
Patents	4,200	0.1
Other intangible assets	93,455	1.5
Subtotal	97,655	1.5
Other Assets		
Assets leased to others	149,297	2.3
Idle Assets	128,402	2.0
Deposits-out	35,206	0.5
Deferred Charges	60,418	0.9
Deferred income tax assets	229,228	3.6
Subtotal	602,551	9.4
Total Assets	6,438,523	100.0

	2004.9.30	%
Current Liabilities		
Short-term Loans	50,000	0.8
Commercial paper payable	298,920	4.6
Accounts Payable	43,570	0.7
Accrued Expense	137,209	2.1
Payable-machinery&equipment	178,606	2.8
Other Payables	11,795	0.2
Current portion of long-term liabilities	163,966	2.5
Subtotal	884,066	13.7
Long-term Liabilities	262,536	4.1
Other Liabilities		
Accrued pension payable	24,554	0.4
Deposits-in	10,662	0.2
Subtotal	35,216	0.5
Total Liabilities	1,181,818	18.4
Stockholders' Equity		
Common Stock	4,899,026	76.1
Capital reserve		
Paid in capital in excess of		
par value on issued common stock	863,115	13.4
treasury stock	3,189	0.0
Retained Earnings		
Accumulated deficit	(121,392)	(1.9)
Unrealized loss on long-term investments	(286,021)	(4.4)
Treasury stock	(101,212)	(1.6)
Subtotal	5,256,705	81.6
Total Liabilities and Stockholders' Equity	6,438,523	100.0