



UNAUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2004

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) Income statements for the year ended 31 December 2004

	Notes	Group		Change %
		1 Jan 2004 to 31 Dec 2004 US\$'000	1 Jan 2003 to 31 Dec 2003 US\$'000	
Sales		169,613	115,395	47.0%
Cost of sales		(136,612)	(103,723)	-31.7%
Gross profit		<u>33,001</u>	<u>11,672</u>	182.7%
Other operating income		1,336	1,309	2.1%
Operating expenses				
Selling, general and administrative expenses		(8,900)	(6,427)	-38.5%
Research and development costs		(9,773)	(9,726)	-0.5%
Other operating expenses		(766)	(1,601)	52.2%
Operating profit/(loss)		<u>14,898</u>	<u>(4,773)</u>	412.1%
Finance income		586	99	491.9%
Finance cost		(1,881)	(2,891)	34.9%
Profit/(loss) before tax		<u>13,603</u>	<u>(7,565)</u>	279.8%
Taxation		(48)	(25)	-92.0%
Net profit/(loss)	A	<u>13,555</u>	<u>(7,590)</u>	278.6%

		1 Jan 2004 to 31 Dec 2004 US\$'000	1 Jan 2003 to 31 Dec 2003 US\$'000	Change %
A. Net profit/(loss) is arrived at after crediting/(charging)				
- Government grant income		664	1,071	-38.0%
- Investment income		43	94	-54.3%
- Interest income		543	5	NM
- Interest expense		(1,699)	(2,696)	37.0%
- Depreciation on fixed assets		(52,800)	(47,379)	-11.4%
- Amortisation of interest rate option premium		(182)	(195)	6.7%
- Allowance for doubtful non-trade receivable		-	(270)	100.0%
- Allowance for doubtful non-trade receivable written back		100	-	NM
- Allowance for doubtful trade receivable		(110)	-	NM
- Allowance for doubtful trade receivable written back		-	949	-100.0%
- Allowance for inventory obsolescence		(153)	(760)	79.9%
- Net foreign exchange loss		(194)	(154)	-26.0%
- Gain on disposal of fixed assets		49	237	-79.3%
- Adjustments for over provision of tax in respect of prior years		89	49	81.6%

NM - Not meaningful



UNITED TEST AND ASSEMBLY CENTER LTD

1(a)(ii) Income statements for three months ended 31 December 2004

	Notes	Group		Change %
		1 Oct 2004 to 31 Dec 2004 US\$'000	1 Oct 2003 to 31 Dec 2003 US\$'000	
Sales		49,841	35,074	42.1%
Cost of sales		(40,125)	(28,636)	-40.1%
Gross profit		<u>9,716</u>	<u>6,438</u>	50.9%
Other operating income		102	1,071	-90.5%
Operating expenses				
Selling, general and administrative expenses		(2,431)	(2,005)	-21.2%
Research and development costs		(2,764)	(2,219)	-24.6%
Other operating expenses		(126)	(255)	50.6%
Operating profit		<u>4,497</u>	<u>3,030</u>	48.4%
Finance income		75	40	87.5%
Finance cost		(407)	(777)	47.6%
Profit before tax		<u>4,165</u>	<u>2,293</u>	81.6%
Taxation		(28)	38	-173.7%
Net profit	A	<u>4,137</u>	<u>2,331</u>	77.5%

	1 Oct 2004 to 31 Dec 2004 US\$'000	1 Oct 2003 to 31 Dec 2003 US\$'000	Change %
A. Net profit is arrived at after crediting/(charging)			
- Government grant income	53	1,071	-95.1%
- Investment income	17	38	-55.3%
- Interest income	58	2	2800.0%
- Interest expense	(386)	(694)	44.4%
- Depreciation on fixed assets	(15,025)	(11,517)	-30.5%
- Amortisation of interest rate option premium	(21)	(83)	74.7%
- Allowance for doubtful non-trade receivable written back	100	-	NM
- Allowance for doubtful trade receivable	(101)	-	NM
- Allowance for inventory obsolescence	-	(348)	100.0%
- Net foreign exchange loss	(50)	(40)	-25.0%
- Gain/(Loss) on disposal of fixed assets	49	(149)	132.9%
- Adjustments for over provision of tax in respect of prior years	-	49	-100.0%

NM - Not meaningful



UNITED TEST AND ASSEMBLY CENTER LTD

1(a)(iii) Income statements for three months ended 31 December 2004

	Notes	Group		Change %
		1 Oct 2004 to 31 Dec 2004 US\$'000	1 Jul 2004 to 30 Sep 2004 US\$'000	
Sales		49,841	44,280	12.6%
Cost of sales		(40,125)	(35,368)	-13.5%
Gross profit		9,716	8,912	9.0%
Other operating income		102	200	-49.0%
Operating expenses				
Selling, general and administrative expenses		(2,431)	(2,217)	-9.7%
Research and development costs		(2,764)	(2,697)	-2.5%
Other operating expenses		(126)	(34)	-270.6%
Operating profit		4,497	4,164	8.0%
Finance income		75	129	-41.9%
Finance cost		(407)	(350)	-16.3%
Profit before tax		4,165	3,943	5.6%
Taxation		(28)	(33)	15.2%
Net profit	A	4,137	3,910	5.8%

	1 Oct 2004 to 31 Dec 2004 US\$'000	1 Jul 2004 to 30 Sep 2004 US\$'000	Change %
A. Net profit is arrived at after crediting/(charging)			
- Government grant income	53	54	-1.9%
- Investment income	17	7	142.9%
- Interest income	58	122	-52.5%
- Interest expense	(386)	(329)	-17.3%
- Depreciation on fixed assets	(15,025)	(13,572)	-10.7%
- Amortisation of interest rate option premium	(21)	(21)	0.0%
- Allowance for doubtful non-trade receivable written back	100	-	NM
- Allowance for doubtful trade receivable	(101)	-	NM
- Allowance for doubtful trade receivable written back	-	95	-100.0%
- Allowance for inventory obsolescence	-	(152)	100.0%
- Allowance for inventory obsolescence written back	10	-	NM
- Net foreign exchange gain/(loss)	(50)	134	-137.3%
- Gain on disposal of fixed assets	49	10	390.0%

NM - Not meaningful



UNITED TEST AND ASSEMBLY CENTER LTD

1(b)(i) Balance Sheet

	Group		Company	
	As at 31 Dec 2004 US\$'000	As at 31 Dec 2003 US\$'000	As at 31 Dec 2004 US\$'000	As at 31 Dec 2003 US\$'000
Current Assets				
Cash and cash equivalents	28,494	12,485	25,894	8,797
Receivables	45,090	30,033	53,305	30,551
Inventories	5,432	2,996	5,508	2,996
Other current assets	3,795	4,447	3,547	4,368
	<u>82,811</u>	<u>49,961</u>	<u>88,254</u>	<u>46,712</u>
Non-Current Assets				
Investment in subsidiaries	-	-	15,001	4,512
Fixed assets	252,149	159,932	234,338	158,943
	<u>252,149</u>	<u>159,932</u>	<u>249,339</u>	<u>163,455</u>
Total Assets	<u>334,960</u>	<u>209,893</u>	<u>337,593</u>	<u>210,167</u>
Current Liabilities				
Trade and other payables	51,545	30,370	51,009	30,212
Current tax	169	211	169	212
Borrowings	14,202	12,559	14,202	12,559
	<u>65,916</u>	<u>43,140</u>	<u>65,380</u>	<u>42,983</u>
Non-Current Liabilities				
Borrowings	12,070	45,093	12,070	45,093
Deferred Income	663	606	663	606
	<u>12,733</u>	<u>45,699</u>	<u>12,733</u>	<u>45,699</u>
Total Liabilities	<u>78,649</u>	<u>88,839</u>	<u>78,113</u>	<u>88,682</u>
Net Assets	<u>256,311</u>	<u>121,054</u>	<u>259,480</u>	<u>121,485</u>
Share Capital and Reserves				
Share capital	126,600	87,100	126,600	87,100
Share premium	175,387	93,183	175,387	93,183
Accumulated losses	(45,675)	(59,230)	(42,507)	(58,798)
Foreign currency translation reserve	(1)	1	-	-
	<u>256,311</u>	<u>121,054</u>	<u>259,480</u>	<u>121,485</u>



1(b)(ii) Group's borrowing

	Group	
	As at 31 Dec 2004 US\$'000	As at 31 Dec 2003 US\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Unsecured	8,600	5,750
Secured	5,602	6,809
	<u>14,202</u>	<u>12,559</u>
<u>Amount repayable after one year</u>		
Unsecured	9,178	42,000
Secured	2,892	3,093
	<u>12,070</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\$14,786,000 (31 December 2003: US\$22,646,000)



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1(c) Cash flow statement for the year ended 31 December 2004

	Group		Group	
	1 Jan 2004 to 31 Dec 2004 US\$'000	1 Jan 2003 to 31 Dec 2003 US\$'000	1 Oct 2004 to 31 Dec 2004 US\$'000	1 Oct 2003 to 31 Dec 2003 US\$'000
Cash flows from operating activities				
Profit/(loss) before tax	13,603	(7,565)	4,165	2,293
Adjustments for:				
Depreciation of fixed assets	52,800	47,379	15,025	11,517
Government grant income	(477)	(1,071)	-	(1,071)
Amortisation of deferred government grant income	(187)	-	(53)	-
Dividend income	(43)	(94)	(17)	(38)
Interest income	(543)	(5)	(58)	(2)
Interest expense	1,699	2,696	386	694
(Gain)/Loss on disposal of fixed assets	(49)	(237)	(49)	149
Amortisation of interest rate option premium	182	195	21	83
Foreign currency exchange loss	194	154	50	40
Operating cash flow before working capital change	<u>67,179</u>	<u>41,452</u>	<u>19,470</u>	<u>13,665</u>
Change in operating assets and liabilities				
Receivables	(15,057)	(4,851)	(12,117)	(485)
Inventories	(2,436)	127	(2,052)	12
Other current assets	770	(1,288)	1,387	(747)
Trade and other payables	10,673	6,595	5,243	1,813
Currency translation difference	(2)	1	(5)	1
Cash generated from operations	<u>61,127</u>	<u>42,036</u>	<u>11,926</u>	<u>14,259</u>
Government grant received	1,003	548	-	548
Income tax paid	(81)	(237)	(9)	(140)
Net cash inflow from operating activities	<u>62,049</u>	<u>42,347</u>	<u>11,917</u>	<u>14,667</u>
Cash flows from investing activities				
Dividends received	43	94	17	38
Interest received	542	5	81	2
Payment for fixed assets	(127,955)	(21,392)	(16,748)	(5,649)
Proceeds from disposal of fixed assets	12	2,486	5	1,494
Government grant received	551	299	-	299
Repayment of finance lease liabilities	(8,998)	(7,279)	(1,675)	(1,968)
Net cash outflow from investing activities	<u>(135,805)</u>	<u>(25,787)</u>	<u>(18,320)</u>	<u>(5,784)</u>
Cash flows from financing activities				
Interest paid	(1,784)	(3,084)	(386)	(940)
Proceeds from issues of shares	121,704	7,513	289	1,826
Repayment of borrowings	(29,972)	(17,700)	(3,222)	(18,700)
Net cash inflow/(outflow) from financing activities	<u>89,948</u>	<u>(13,271)</u>	<u>(3,319)</u>	<u>(17,814)</u>
Net increase/(decrease) in cash and cash equivalents held	16,192	3,289	(9,722)	(8,931)
Effect of exchange rate changes on cash and cash equivalents	(183)	-	9	-
Cash and cash equivalents at the beginning of the financial period	<u>12,485</u>	<u>9,196</u>	<u>38,207</u>	<u>21,416</u>
Cash and cash equivalents at the end of the financial period	<u>28,494</u>	<u>12,485</u>	<u>28,494</u>	<u>12,485</u>



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

(a) Consolidated statement of changes in equity for the year ended 31 December 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 January 2004	87,100	93,183	1	(59,230)	121,054
Net profit for the financial period	-	-	-	13,555	13,555
Issue of share capital	39,500	86,463	-	-	125,963
Expenses for issue of new shares	-	(4,259)	-	-	(4,259)
Currency translation difference	-	-	(2)	-	(2)
Balance at 31 December 2004	<u>126,600</u>	<u>175,387</u>	<u>(1)</u>	<u>(45,675)</u>	<u>256,311</u>

(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 period	-	-	-	(7,590)	(7,590)
Issue of share capital	5,608	1,905	-	-	7,513
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>

(b) Statement of changes in equity for the year ended 31 December 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 January 2004	87,100	93,183	-	(58,798)	121,485
Net profit for the financial period	-	-	-	16,291	16,291
Issue of share capital	39,500	86,463	-	-	125,963
Expenses for issue of new shares written back	-	(4,259)	-	-	(4,259)
Balance at 31 December 2004	<u>126,600</u>	<u>175,387</u>	<u>-</u>	<u>(42,507)</u>	<u>259,480</u>

(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 period	-	-	-	(7,141)	(7,141)
Issue of share capital	5,608	1,905	-	-	7,513
Balance at 31 December 2003	<u>87,100</u>	<u>93,183</u>	<u>-</u>	<u>(58,798)</u>	<u>121,485</u>



UNITED TEST AND ASSEMBLY CENTER LTD

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

(c) Consolidated statement of changes in equity for the quarter ended 31 December 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 October 2004	126,369	175,329	4	(49,812)	251,890
Net profit for the financial period	-	-	-	4,137	4,137
Issue of share capital	231	58	-	-	289
Currency translation difference	-	-	(5)	-	(5)
Balance at 31 December 2004	126,600	175,387	(1)	(45,675)	256,311

(c) Consolidated statement of changes in equity for the quarter 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 October 2003	86,042	92,415	-	(61,561)	116,896
Net profit for the financial period	-	-	-	2,331	2,331
Issue of share capital	1,058	768	-	-	1,826
Currency translation difference	-	-	1	-	1
Balance at 31 December 2003	87,100	93,183	1	(59,230)	121,055

(d) Statement of changes in equity for the quarter ended 31 December 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 October 2004	126,369	175,329	-	(48,010)	253,688
Net profit for the financial period	-	-	-	5,503	5,503
Issue of share capital	231	58	-	-	289
Balance at 31 December 2004	126,600	175,387	-	(42,507)	259,480

(d) Statement of changes in equity for the quarter 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 October 2003	86,042	92,415	-	(61,411)	117,046
Net profit for the financial period	-	-	-	2,613	2,613
Issue of share capital	1,058	768	-	-	1,826
Balance at 31 December 2003	87,100	93,183	-	(58,798)	121,485



- 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) <u>Authorised</u>		
Ordinary shares of US\$0.15 each	4,000,000,000	600,000
(b) <u>Issued and fully paid</u>		
Balance as at 1 October 2004		
- ordinary shares of US\$0.15 each	842,458,290	126,369
- ordinary shares of US\$0.15 each at a premium of US\$0.0375 per share pursuant to the exercise of share option	1,540,244	231
- ordinary shares of US\$0.15 each at a premium of US\$0.45 per share pursuant to the exercise of share option	3	0
Balance at the end of the financial period		
- ordinary shares of US\$0.15 each	843,998,537	126,600

Share options

(a) Options granted/exercised

During the financial period, 1,540,247 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 31 December 2004, there were unexercised options for 1,991,194, 20,600,000 and 30,721,307 of unissued ordinary shares of US\$0.15 each at exercise price of US\$0.60, S\$0.59 and US\$0.1875 respectively. As at 31 December 2003, there were unexercised options for 12,097,860 and 46,885,083 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 Jan 2004 to 31 Dec 2004	1 Jan 2003 to 31 Dec 2003	1 Oct 2004 to 31 Dec 2004	1 Oct 2003 to 31 Dec 2003
Basic earning /(loss) per share (cents)	<u>1.66</u>	<u>(1.37)</u>	<u>0.49</u>	<u>0.41</u>
Diluted earning/(loss) per share (cents)	<u>1.63</u>	<u>(1.37)</u>	<u>0.48</u>	<u>0.41</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 31 Dec 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>30.37</u>	<u>20.86</u>
- Company	<u>30.74</u>	<u>20.92</u>



8 Review of the performance of the group.

There was a 47.0% increase in revenue to \$169.6 million in FY04 from \$115.4 million in FY03 due to higher sales from both test and assembly services. Revenue from test service amounted to \$95.9 million in FY04 or 56.6% of total revenue and revenue from assembly services in FY04 amounted to \$73.7 million or 43.4%. The company's assembly service business segment includes revenue from module assembly which started in 3Q04.

FY04 revenue from mixed-signal segment amounted to \$93.5 million or 55.1% of total revenues compared to FY03 revenue of \$55.2 million or 47.8% of total revenue; while FY04 revenue from memory segment amounted to \$76.1 million or 44.9% of total revenue compared to \$60.2 million or 52.2% in FY03.

The Company increased gross profit by 182.7% to \$33.0 million in FY04 from \$11.7 million in FY03 as a result of addition of new customers, loading increase from existing customers and new exposure to product segments such as the digital audio products.

Depreciation expense within the cost of sales increased to \$47.8 million in FY04 compared to \$42.8 million in FY03 due 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 labor costs increased inline with revenue increase in FY04.

Other operating income in FY04 of \$1.3 million was mainly due to Research Incentive Scheme for Companies (RISC) grant received from the Economic Development Board (EDB) for certain research and development ("R&D") projects compared to FY03 other operating income of \$1.3 million where \$1.1 million was RISC grant received from EDB and \$0.2 million was due to gain on disposal of fixed assets.

Selling, General and Administration expenses in FY04 increased to \$8.9 million compared to \$6.4 million in FY03 in line with the increase in sales. R&D expenses remained at the same level with \$9.8 million in FY04 and \$9.7 million in FY03. Other operating expenses in FY04 reduced by \$0.8 million to \$0.8 million compared to \$1.6 million in FY03 due to \$1.1 million customer's claim in respect of services provided in FY03.

The finance income in FY04 increased by \$0.5 million to \$0.6 million compared to \$0.1 million in FY03 due to higher fixed deposit in bank. The finance cost in FY04 decreased by \$1.0 million to \$1.9 million compared to \$2.9 million in FY03 due to lower bank loan taken in FY04.

Net profit for FY04 increased by 279.8% to \$13.6 million from a loss of \$7.6 million in FY03. Earnings per ordinary share was 1.66 cents in FY04 compared to loss per ordinary share of 1.37 cents in FY03.

Sequentially for the October to December fourth quarter ended 31 December 2004, revenue rose by 12.6% to \$49.8 million from \$44.3 million in 3Q04*. Revenue from test services accounted for \$25.8 million or 51.8% of the total revenue while revenue from assembly services was \$24.0 million or 48.2%.

* Note: Revenue in 3Q04 has been adjusted from \$42.8 million to \$44.3 million due to adjustment in revenue recognition with respect to a full turnkey product which also included amount due to third party vendors. Gross profit and consequently net profit for 3Q04 has not been affected.

Capital expenditure for equipment delivered in 4Q04 was \$16.3 million principally for new capabilities and production equipment. The total capex for equipment delivered for FY04 was



\$144.0 million while capex committed for FY04 was \$149.8 million. As at 31 December 2004 the company had 252 wirebonders and 163 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 4Q04 exceeded the previous guidance provided in the announcement on 28 October 2004. The group had guided a 4Q04 over 3Q04 quarterly sequential revenue growth of 5-10% but is announcing a sequential revenue growth of 12.6%.

UTAC has also exceeded the forecast for FY04 revenue and profit before tax that it provided in its IPO prospectus. The group had forecasted for a FY04 revenue of \$155.2 million but has surpassed this forecast by achieving \$169.6 million. The group had forecasted for a FY04 profit before tax of \$5.6 million but has exceeded this forecast by achieving \$13.6 million.

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.

UTAC continues to gain new customers while adding new product wins within our core memory and mixed-signal segments. This is inline with the global outsourcing trend for semiconductor test and assembly services. The management expects demands for both memory and certain segments of mixed-signal segments to remain healthy in 1Q05, particularly due to increasing demand for memory and digital consumer electronics. Barring unforeseen circumstances, the Board of Directors expects to post sequential revenue growth of 0% to 5% in 1Q05 over 4Q04.

Capital expenditure for equipment delivered in FY04 was \$144.0 million. Consequently, fixed asset depreciation increased to \$52.8 million from \$47.4 million in FY03 due to charges for new equipment purchased for business expansion.

Shareholders of UTAC and UltraTera Corporation ("UTC") of Taiwan have approved the proposed merger in respective Extraordinary General Meetings held in Singapore in November 2004 and Taiwan in October 2004. The companies are in the final stages of merger, awaiting the approval from Taiwan's regulatory authorities. The UTAC Board of Directors expects the official completion by 1Q05.

The management expects to see a healthy growth for FY05 over FY04. Several factors will affect the growth and profitability of FY05 in addition to the integration of business from UTC. The transition from DDR to DDRII memory has begun and is expect to gain momentum in 2H04. The digital consumer segment will see positive impact from products such as audio decoders for MP3 and DVD chips in DVD recorders. The group's communications market segment will be affected by factors such as when and whether the inventory correction will end, and the take-up rate of new communications products such as 3G phones and smartphones. To support this growth, we have budgeted capital expenditure of up to \$100 million for this year.



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:

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

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.

	1 Jan 2004 to 31 Dec 2004		1 Jan 2003 to 31 Dec 2003	
	US\$'000	%	US\$'000	%
Revenue By Business Activity				
Test	95,918	56.6%	76,923	66.7%
Assembly	73,695	43.4%	38,472	33.3%
Total	<u>169,613</u>	100.0%	<u>115,395</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:

	1 Jan 2004 to 31 Dec 2004		1 Jan 2003 to 31 Dec 2003	
	US\$'000	%	US\$'000	%
Revenue By Geographical Region				
Taiwan	49,601	29.2%	44,598	38.6%
United States	73,843	43.5%	43,608	37.8%
Japan	5,766	3.4%	3,537	3.1%
Europe	27,419	16.2%	13,696	11.9%
Rest of Asia	12,984	7.7%	9,956	8.6%
Total	<u>169,613</u>	100.0%	<u>115,395</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 test revenue increased by 24.7% to \$95.9 million in FY04 from \$76.9 million driven largely by a 64.9% increase in mix-signal test revenue and increased loading from both our existing and new customers.

Our assembly revenue increased by 91.6% to \$73.7 million in FY04 from \$38.5 million in FY03 as we continued to capture more full turnkey services to customers that may have initially only used our test services.

Revenue by Geographical Region

We have been successful in targeting the United States and Europe market which resulted in an increase in revenue contribution from the United States by 69.3% to \$73.8 million in FY04 compared to \$43.6 million in FY03; and from Europe by 100.2% to \$27.4 million in FY04 compared to \$13.7 million in FY03.



15 A breakdown of sales.

	Group		
	FY04 US\$'000	FY03 US\$'000	Change %
(a) Sales reported for first half year	<u>75,492</u>	<u>49,952</u>	51.1%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	<u>5,508</u>	<u>(10,394)</u>	153.0%
(c) Sales reported for second half year	<u>94,121</u>	<u>65,443</u>	43.8%
(b) Operating profit after tax before deducting minority interests reported for second half year	<u>8,047</u>	<u>2,804</u>	187.0%

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
31 January 2005**