



Media Release

(all figures in US\$ unless otherwise stated)

UTAC To Be Preferred Partner For Nine Chinese Fabless Companies

SINGAPORE, 8 April 2005 – Singapore Exchange-listed, **United Test and Assembly Center Ltd** (“**UTAC**” – SGX: UTAC), has entered into memoranda of understanding with nine China-based fabless companies to be their preferred provider for test and assembly services in Singapore and Shanghai.

The leading semiconductor test and assembly services provider said the strategic alliance with the chip design companies will complement its expansion plan in China, which is expected to become a formidable force in the global semiconductor market within the next several years. The growth is particularly strong for China-designed chips with China’s fabless sector set to grow at a compound annual rate of 32 percent, more than quadrupling from \$288 million in 2003 to \$1.2 billion by 2008 according to iSuppli. iSuppli also estimated that China had 468 IC design companies.

The companies participating in the strategic alliance are Sanguine Microelectronics Corporation, Chiphomer Technology Ltd, Wearnes Semiconductor, SourceCore Technology Inc, Teralane Semiconductor Ltd, Fremont Micro Devices Ltd, LiteMagic Ltd, Advanced Microsystems Technology Ltd and Inspired Motion Ltd. They are part of Silicon Federation Inc. (“SFI”), a consortium of semiconductor companies based in China.

The companies’ designs can be found in chips made for a broad range of uses including telecommunication, consumer electronics, radio frequency identification (“RFID”), graphic displays and may be produced in advanced configurations such as system-on-chip (“SoC”). Many of the managing directors and chief officers were educated in leading universities such as UC Berkeley and University of Illinois and were senior executives in various leading technology multinational companies. Chips designed by these companies are in various stages of manufacturing – from prototyping to volume production.

“We are pleased to find a solid supporter and partner in UTAC,” said Professor Ko Ping Keung, Chairman of SFI and Wearnes Semiconductor, who has been involved in incubating and funding these companies. “Chip design is heavy on intellectual capital but companies typically do not have the capital resources to engage directly in production. UTAC’s involvement at the early design stages will help us improve our

联合科技(股份)有限公司
United Test And Assembly Center Ltd
5 Serangoon North Ave 5 Singapore 554916
Tel (65) 6481-0033 Fax (65) 6551-1155 www.utac.com.sg





products for manufacturability. This will significantly shorten our time-to-market and reduce product development costs.”

Professor Ko was also Dean of the Hong Kong University of Science and Technology.

Mr Lee Joon Chung, President and CEO of UTAC, said: “The growth potential of the fabless sector in China is enormous. We have all seen the strong rise of semiconductor production in China over the last few years. In the next few years, we will start to see the rise of fabless IC design companies in China. UTAC is happy to be the preferred service provider to these fast-growing fabless companies and will devote resources to fully support their expansion needs. We see great opportunities in these companies. We believe that this alliance is a win-win strategy for all of us in China and beyond.”

More information about the participating companies can be found on their respective websites:

Sanguine Microelectronics Corporation	www.sanguine.com.cn
Chiphomer Technology Ltd	www.chiphomer.com
Wearnes Semiconductor	www.wtchina.com.cn
SourceCore Technology Inc	www.sourcecore.com
Teralane Semiconductor Ltd	www.tlsemi.com
Fremont Micro Devices Ltd	www.fmdevice.com
LiteMagic Ltd	www.lite-magic.com
Advanced Microsystems Technology Ltd	www.amtsemi.com
Inspired Motion Ltd	<i>website under construction</i>

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About United Test and Assembly Center Ltd (UTAC)

Established in 1997 and listed on the Main Board of the Singapore Exchange on 9 February 2004, UTAC is a leading independent provider of semiconductor assembly and testing services to its customers, which comprise Integrated Device Manufacturers ("IDMs"), fabless companies and wafer foundries. UTAC provides wafer probing and final testing services on a diverse selection of test platforms for a range of semiconductors including memory, logic, mixed-signal and radio-frequency ICs. Besides testing services, UTAC also provides assembly services for a broad range of leadframe and array packages.

The completion of its merger with UltraTera Corporation of Taiwan, announced on 31 March 2005, will transform UTAC into a global top five test service and independent memory full-turnkey service provider, with extended product offerings, capacities and strengthened presence in the three key global semiconductor manufacturing nodes.

Headquartered in Singapore where it houses its manufacturing, test engineering and package design facilities, UTAC has established a global network of sales offices in the United States, Italy and Japan. It also has wholly-owned subsidiaries in China and Taiwan to provide wafer probing and testing services. For more information, visit www.utac.com.sg.

For further information, please contact:

UTAC

Josephine Lim
Manager, Corporate Communications
Email : josephine_lim@utac.com.sg
Tel: (65) 6551-1511
Fax: (65) 6483-8172

Issued on behalf of the Company by
WeR1 Consultants Pte Ltd
29 Scotts Road, Singapore 228224
Tel: (65) 6737 4844, Fax: (65) 6737 4944
Lai Kwok Kin, laikin@wer1.net, HP: (65) 9819 2153

联合科技(股份)有限公司
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5 Serangoon North Ave 5 Singapore 554916
Tel (65) 6481-0033 Fax (65) 6551-1155 www.utac.com.sg

