



## **Media Release**

(all figures in US\$ unless otherwise stated)

# **UTAC Launches 2<sup>nd</sup> Singapore Facility; To Invest Additional S\$500 Million in Singapore To Support Thriving Demand**

- Minister Mr Lim Swee Say opens 376,000 square foot plant in Ang Mo Kio to augment current 400,000 square foot facility, alleviating floor space constraints on growth
- To invest additional S\$500 million over the next 5 years in Singapore, potentially generating more than 1,000 additional jobs
- Expanded capacity driven by broad-based customer demand

**SINGAPORE, 20 April 2006** – United Test and Assembly Center Ltd (“UTAC” – SGX: UTAC), a leading independent global provider of semiconductor assembly and test services, opened today its second production facility in Singapore, and announced it would invest about S\$500 million in the next 5 years in the country to meet increased demand for test and assembly services for semiconductors. The opening ceremony was officiated by Mr Lim Swee Say, Minister in the Prime Minister’s Office of the Republic of Singapore.

The new plant in Ang Mo Kio will add to the test and assembly capacity and capabilities of homegrown UTAC. With a built-up area of more than 376,000 square feet, the addition of the new plant will give UTAC Singapore a combined floor space of more than



770,000 square feet. In addition to Singapore, UTAC's manufacturing footprint includes production facilities in Shanghai, China and Hsinchu, Taiwan.

UTAC plans to consolidate all test and total backend services for mixed-signal and logic processing ("MSLP") products at the new facility. The new facility will also house the combined logistics center for all products shipping out of Singapore. The existing facility in the Serangoon North industrial area, in addition to housing UTAC's corporate headquarters, will focus on high value-added memory test and packaging activities.

Renovation and refurbishment of the new plant began in January 2006, and has since been qualified by and commenced production for several customers. Full renovations and refurbishment of the entire facility is targeted to be complete by early 2007.

The investment, when fully utilised, will add potentially more than a 1,000 workers to its current workforce of 2,400 in Singapore and 3,500 regionally. About half of new personnel hired are expected to be operators with the remaining half as engineers and support staff.

It will also boost the maximum capacity of MSLP machines across the Group to 360 MSLP testers, 255 memory testers and 1,000 wirebonders, up from the current 168, 185 and 319, respectively. UTAC's Singapore operations currently account for about two-thirds of the Group's total revenues.

Of the investments in the new facility, the majority will be used to purchase MSLP testers, with the rest used for renovation, refurbishment works and the purchase of the land lease from the previous tenant. The investment will be funded from internal resources.



Buoyed by strong orders for semiconductors used in digital consumer electronics, wireless products and even cars, UTAC's net profit trebled to \$41.8 million on the back of a near-doubling in revenue to \$325.5 million for the financial year ended 31 December 2005. The new plant is expected to contribute to the Group's performance in 2006.

"Our expansion in Singapore is driven by higher customer demand for our industry-leading services and is part of a larger effort to alleviate current capacity constraints across the Group," said Mr Lee Joon Chung, Group President and CEO of UTAC. "Our expansion in Singapore will be the first in a line of subsequent expansions of our other regional production facilities."

Mr Ko Kheng Hwa, Managing Director of the Singapore Economic Development Board welcomed the opening of UTAC's second manufacturing plant in Singapore. He said, "UTAC's second plant reinforces its key role in growing Singapore's semiconductor industry by providing critical assembly and test services. It also demonstrates that Singapore will continue to be competitive in attracting major investments and creating good jobs in the manufacturing industry."

"Even as UTAC expands regionally and globally, Singapore remains our home base and an excellent location for high value-added manufacturing. The highly skilled and flexible workforce in Singapore has allowed us to grow and prosper. This expansion demonstrates UTAC's commitment to Singapore," added Mr Lee.

UTAC's investment is being supported by the Singapore Economic Development Board through extension of its tax incentives and employee training benefits.



Mr Lee Hoong Leong, UTAC's President of Singapore Operations said, "The new Singapore facility is necessary to enhance UTAC's leadership in semiconductor test and assembly services for the Asia-Pacific region, one of the fastest growing semiconductor markets in the world. With the increased capacity and improved capabilities, we believe that we will be able to better respond to market changes and support our customers with services that offer them faster time-to-market."

### **Support for Charities by UTAC and Partners**

As a token of appreciation and gratitude to the society and community that has allowed UTAC to prosper, the company has proposed diverting the costs of congratulatory advertisements, gifts and flowers by its partners to designated charities. The designated charities are Children's Cancer Foundation and Students Care Service.

"We are deeply appreciative that our partners have responded enthusiastically, and have collectively raised S\$49,088. UTAC will match the amount of money raised, which will bring the total quantum to almost S\$100,000," said UTAC's Chairman Mr Charles Chen.

The list of donors is listed in the Appendix.

*~ End of Release ~*



## Appendix

**UTAC raises almost S\$100,000 for**

**Children's Cancer Foundation and Students Care Services**

### Premium Donors

1. ABN AMRO BANK NV
2. ADVANTEST CORPORATION
3. ASAH ENGINEERING CO., LTD
4. DBS BANK LTD
5. DELTA DESIGN SINGAPORE PTE LTD
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### Donors

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11. ROKKO SYSTEMS PTE LTD
12. SHINKAWA SINGAPORE PTE LTD
13. SHINKO ELECTRONICS (S) PTE LTD
14. SITEL SEMICONDUCTOR



15. UNITED OVERSEAS BANK LTD

16. ZMC TECHNOLOGIES (SINGAPORE) PTE LTD



## **About United Test and Assembly Center Ltd (UTAC)**

United Test and Assembly Center Ltd ("UTAC", SGX-ST: UTAC) is a leading independent provider of semiconductor assembly and testing services for a broad range of integrated circuits including memory, mixed-signal, logic and radio-frequency ICs. The company offers a full range of package and test development, engineering and manufacturing services and solutions to a worldwide customer base, comprising leading integrated device manufacturers ("IDMs"), fabless companies and wafer foundries. UTAC operates manufacturing facilities in Singapore, Taiwan and China, in addition to its global network of sales offices in the United States, Europe, Japan, Korea, China and Singapore. More information on the company can be found at [www.utacgroup.com](http://www.utacgroup.com).

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