



Media Release

(all figures in US\$ unless otherwise stated)

UTAC To Acquire NS Electronics Bangkok For Up To \$175 Million

- **Agreement signed for UTAC to acquire 68.45% controlling stake of NSEB from UBS Capital; UTAC extending offer for the remaining stake**
- **Acquisition would have been earnings accretive* based on proforma financial effects for FY2005**
- **Enhances UTAC's assembly business; access to lower cost structure and extends packaging portfolio**
- **Minimal customer overlap creates greater cross-selling opportunities**
- **Provides UTAC with greater economies of scale**

SINGAPORE, April 21, 2006 – United Test and Assembly Center Ltd (“UTAC” – SGX: UTAC), a leading independent global provider of semiconductor assembly and test services (“SATS”), announced today it intends to acquire NS Electronics Bangkok (1993) Ltd (“NSEB”), a full turnkey SATS provider based in Thailand, in an all-cash transaction amounting up to \$175 million for a 100% stake. The proposed acquisition will be funded through internal resources and bank borrowings.

Under the Share Purchase Agreement (“SPA”) entered into between UTAC and UBS Capital B.V. (“UBS Capital”), UTAC will acquire a 68.45% controlling stake of NSEB from UBS Capital. The SPA is conditional upon, amongst others, UTAC successfully acquiring at least another 16.55% of NSEB from the remaining shareholders at the same price per share and on other terms and conditions no less favourable than those agreed with UBS Capital.

Note:

* based on computation of EPS which excludes the underprovision of income tax expenses in prior years for NSEB



NSEB provides a broad portfolio of assembly capabilities to a diverse base of global customers, including Texas Instruments, Maxim Integrated Products, Linear Technology and Samsung. It has a proven track record of more than 30 years' experience in assembling and testing semiconductor devices for consumer, communications, computing and automotive applications.

NSEB operates two facilities in the Bangkok vicinity and a sales office in the US, and has a total of 489 wirebonders, 327 testers and 405,000 square feet of floorspace as at 31 December 2005. NSEB achieved \$131.1 million in revenue and \$11.9 million in net profit⁺ for the financial year ended 31 December 2005 ("FY2005").

The strategic acquisition is expected to expand UTAC's core business while generating strong synergies and yielding positive benefits for the enlarged Group. The transaction will enhance UTAC's assembly business by extending its existing packaging portfolio, providing access to a lower cost structure and enhancing its purchasing power.

With minimal overlap in customers, the proposed acquisition will also present greater cross-selling opportunities for the enlarged UTAC Group. The combination of NSEB's core competency in packaging technologies with UTAC's strength in high-end testing allows the enlarged UTAC Group to offer a more comprehensive range of products and services to both UTAC's and NSEB's customers.

The addition of NSEB's established manufacturing facilities and business will significantly enlarge UTAC and strengthen its global position as a leading independent SATS provider. UTAC will also be able to take advantage of greater economies of scale by sharing resources in research and development, marketing and other corporate functions.

Note:

⁺ *excludes the underprovision of income tax expenses in prior years for NSEB*



“We warmly welcome NSEB, a strong and profitable franchise into the UTAC family. NSEB will offer us an exciting strategic opportunity to strengthen our global industry leadership by expanding our capacity and capabilities in an earnings-accretive manner, widening our customer base, and strengthening our assembly business, all in a relatively short time,” said Mr Lee Joon Chung, Group President and CEO of UTAC.

“Through NSEB, we have enhanced our growth profile with a diversified geographical earnings base, wider range of service offerings and lower-cost production facilities. We are confident that this deal will enable us to secure new customers and help us penetrate new sectors. This deal has strengthened our foundations for continued growth and is expected to have a positive impact on our performance in FY2006,” said Mr Lee.

“We are excited to be joining the UTAC family. We believe we will be able to leverage on the strengths and resources of the UTAC Group in order to serve our customers better and grow even faster,” said Mr Udom Udompanyavit, President and CEO of NSEB. Mr Udompanyavit will continue to head NSEB and will become a member of UTAC’s senior management team.

The proposed acquisition is expected to complete by June 2006. Following the close of the transaction, UTAC will have manufacturing operations in four countries, namely Singapore, China, Taiwan and Thailand.

Assuming the proposed acquisition had been effected on 1 January 2005, the enlarged entity would have had proforma combined revenue of \$456.6 million and net profit of \$45.6 million for FY2005, and would have been earnings accretive* to UTAC in FY2005. The enlarged entity would also have had a combined workforce of 7,500 with 680 testers and 808 wire bonders as at 31 December 2005.

~ End of Release ~

Note:

* based on computation of EPS which excludes the underprovision of income tax expenses in prior years for NSEB



About 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.



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