



Media Release

(all figures in US\$ unless otherwise stated)

UTAC to Expand Thai Operations with 3rd Plant; Production to Begin in 2H07

- Total investment of \$100 million over the next 3 years for Thailand operations
- Leadframe-based packaging to be consolidated in Thailand
- UTAC Singapore to focus resources on substrate-based packaging

Singapore, December 4, 2006 – United Test and Assembly Center Ltd (“UTAC” – SGX:UTAC), a leading independent global provider of semiconductor assembly and test services, announced today that its Thailand subsidiary, UTAC Thai Limited (“UTL”) has leased another building to immediately expand the scope and scale of its operations in Bangkok, Thailand.

The new 29,100 square-meter facility (“UTL3”) is located just a short distance away from the existing plant in the Wellgrow industrial park of Chachoengsao Province and boasts 10,000 square meters of 10K cleanroom space. It will house UTL’s test operations and distribution center. Production is expected to begin in the second half of 2007. The new plant is expected to employ over 1,000 staff when it opens next year.

UTAC’s existing Thailand operations consist of two plants in the districts of Bangna and Wellgrow just outside of Bangkok city, with a total of 640,000 square feet of production space hosting 598 wirebonders and 340 testers. UTAC has over the past few months invested additional capital expenditure (“capex”) to acquire new production equipment to expand the scope and scale of its Thailand operations, which is quickly filling up the remaining floor space within the plants. The additional capacity will cater to new and existing customer requirements. Including the cost of setting up the third plant, UTAC expects to invest \$100 million over the next 3 years in Thailand.



The expansion of the Thailand operations follows upon UTAC's acquisition of NS Electronics Bangkok (1993) Ltd – since renamed UTAC Thai Limited (“UTL”) – in June 2006 for up to \$175 million. UTL is currently a recognised global leader in QFN semiconductor assembly services, with a daily output of over 5 million units.

As part of the Group's plan to reap synergies between UTL and UTAC Singapore (“USG”) and optimise group resources, leadframe-based packaging activities will be consolidated in Thailand over the next few years. This will enable USG to focus its resources on substrate-based packaging.

“Our Thailand operations are growing very strongly and have become a significant contributor to the Group's growth over the past two quarters,” said Mr Lee Joon Chung, Group President and CEO of UTAC. “Moving forward, the Group's strategy will be to consolidate leadframe-based assembly in Thailand with Singapore concentrating on substrate-based packaging activities. The strategy to focus on the respective strengths and capabilities of our Singapore and Thailand operations reinforces the synergies between both sites.”

“The new building helps us to immediately meet growing demand from our customers. We originally intended to build from scratch, but the needs of our customers prompted us to seek a faster solution to boost the scope and scale of our operations to accommodate our growing business,” said Mr Udom Udompanyavit, President of Thailand Operations. “We believe that with the new plant, we will be able to strengthen our technical capability, and offer more compelling and complete test and assembly solutions to the Group's customers.”

The Group believes that taking into account UTL's expected contribution and new business wins, the Group's revenue for the financial year ending 31 December 2006 (“FY2006”) will be about 70% more than that achieved in FY2005.



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, Thailand, 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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