



UNAUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) Income statements for year ended 31 December 2006

Notes	Group		Change %
	1 Jan 2006 to 31 Dec 2006 US\$'000	1 Jan 2005 to 31 Dec 2005 US\$'000	
Sales	569,870	325,497	75.1%
Cost of sales	(425,838)	(246,297)	-72.9%
Gross profit	144,032	79,200	81.9%
Other gains			
Gain on dilution of interests in an associated company	2,945	-	NM
Other	12,487	6,155	102.9%
Expenses			
Selling, general and administrative expenses	(33,193)	(23,277)	-42.6%
Research and development costs	(14,423)	(13,929)	-3.5%
Finance costs	(17,334)	(3,299)	-425.4%
Other operating expenses	(3,813)	(4,007)	4.8%
Share of loss of associated companies	(3,522)	(50)	-6944.0%
Profit before income tax	87,179	40,793	113.7%
Income tax (expense)/credit	(10,106)	963	-1149.4%
Net profit	77,073	41,756	84.6%
Attributable to:			
Equity holders of the Company	76,150	41,756	82.4%
Minority interests	923	-	NM
	77,073	41,756	84.6%
	1 Jan 2006 to 31 Dec 2006 US\$'000	1 Jan 2005 to 31 Dec 2005 US\$'000	Change %
1. Net profit for the year is arrived at after crediting/(charging)			
- Government grant income	2,502	187	1238.0%
- Investment income	320	240	33.3%
- Interest income	2,372	518	357.9%
- Interest expense	(17,334)	(3,299)	-425.4%
- Depreciation on property, plant and equipment	(134,866)	(95,567)	-41.1%
- Property, plant and equipment written off	(217)	(1,709)	87.3%
- Impairment loss of property, plant and equipment	-	(433)	100.0%
- Amortisation of intangible assets	(3,169)	(890)	-256.1%
- Amortisation of deferred expenditure	(105)	-	NM
- Impairment loss of available-for-sale financial assets	(1,295)	(606)	-113.7%
- Gain on dilution of interests in an associated company	2,945	-	NM
- Fair value (loss)/gain on derivative financial instruments	(982)	516	-290.3%
- Gain on disposal of financial assets at fair value through profit or loss	661	103	541.7%
- Fair value gain on financial assets at fair value through profit or loss	267	245	9.0%
- Allowance for doubtful non-trade receivables	(3)	-	NM
- Allowance for doubtful non-trade receivable written back	-	279	-100.0%
- Allowance for doubtful trade receivables	(377)	(28)	-1246.4%
- Allowance for inventory obsolescence written back	54	447	-87.9%
- Inventory written off	-	(261)	100.0%
- Net foreign exchange loss	(540)	(516)	-4.7%
- Gain on disposal of property, plant and equipment	1,245	1,707	-27.1%
- Adjustments for over provision of tax in respect of prior years	(54)	-	NM
- Sales of scrap	1,852	729	154.0%
- Rental income	1,015	1,022	-0.7%
- Other income from derivative financial instruments	1,206	207	482.6%
- Miscellaneous income	1,047	681	53.7%



1(a)(ii) Income statements for three months ended 31 December 2006

	Notes	Group		Change %
		1 Oct 2006 to 31 Dec 2006 US\$'000	1 Oct 2005 to 31 Dec 2005 US\$'000	
Sales		184,158	100,504	83.2%
Cost of sales		(136,849)	(69,598)	-96.6%
Gross profit		47,309	30,906	53.1%
Other gains				
Gain on dilution of interests in an associated company		1,268	-	NM
Other		3,164	2,211	43.1%
Expenses				
Selling, general and administrative expenses		(9,349)	(6,732)	-38.9%
Research and development costs		(3,438)	(3,825)	10.1%
Finance costs		(6,624)	(965)	-586.4%
Other operating expenses		(1,267)	(1,919)	34.0%
Share of loss of associated companies		(1,588)	(50)	-3076.0%
Profit before income tax		29,475	19,626	50.2%
Income tax (expense)/credit		(6,279)	438	-1533.6%
Net profit	1	23,196	20,064	15.6%
Attributable to:				
Equity holders of the Company		22,821	20,064	13.7%
Minority interests		375	-	NM
		23,196	20,064	15.6%
		1 Oct 2006 to 31 Dec 2006 US\$'000	1 Oct 2005 to 31 Dec 2005 US\$'000	Change %
1. Net profit for the period is arrived at after crediting/(charging)				
- Government grant income		85	40	112.5%
- Investment income		104	64	62.5%
- Interest income		872	232	275.9%
- Interest expense		(6,624)	(965)	-586.4%
- Depreciation on property, plant and equipment		(39,082)	(25,926)	-50.7%
- Property, plant and equipment written off		(217)	(1,062)	79.6%
- Amortisation of intangible assets		(1,502)	(280)	-436.4%
- Amortisation of deferred expenditure		(105)	-	NM
- Impairment loss of available-for-sale financial assets		(171)	(606)	71.8%
- Gain on dilution of interests in an associated company		1,268	-	NM
- Fair value (loss)/gain on derivative financial instruments		(542)	128	-523.4%
- Gain on disposal of financial assets at fair value through profit or loss		64	121	-47.1%
- Fair value gain on financial assets at fair value through profit or loss		193	120	60.8%
- Allowance for doubtful non-trade receivables		(3)	-	NM
- Allowance for doubtful trade receivables		(96)	(5)	-1820.0%
- Allowance for inventory obsolescence written back		273	293	-6.8%
- Net foreign exchange gain		132	77	71.4%
- Gain on disposal of property, plant and equipment		138	561	-75.4%
- Adjustments for over provision of tax in respect of prior years		(54)	-	NM
- Sales of scrap		697	145	380.7%
- Rental income		220	351	-37.3%
- Other income from derivative financial instruments		333	159	109.4%
- Miscellaneous income		326	213	53.1%

NM - Not meaningful



1(a)(iii) Income statements for three months ended 31 December 2006

	Notes	Group		Change %
		1 Oct 2006 to 31 Dec 2006 US\$'000	1 Jul 2006 to 30 Sep 2006 US\$'000	
Sales		184,158	162,002	13.7%
Cost of sales		(136,849)	(125,409)	-9.1%
Gross profit		47,309	36,593	29.3%
Other gains				
Gain on dilution of interests in an associated company		1,268	1,677	-24.4%
Other		3,164	3,087	2.5%
Expenses				
Selling, general and administrative expenses		(9,349)	(9,392)	0.5%
Research and development costs		(3,438)	(4,011)	14.3%
Finance costs		(6,624)	(6,140)	-7.9%
Other operating expenses		(1,267)	(518)	-144.6%
Share of loss of associated companies		(1,588)	(873)	-81.9%
Profit before income tax		29,475	20,423	44.3%
Income tax expense		(6,279)	(2,865)	-119.2%
Net profit	1	23,196	17,558	32.1%
Attributable to:				
Equity holders of the Company		22,821	17,149	33.1%
Minority interests		375	409	8.3%
		23,196	17,558	32.1%
		1 Oct 2006 to 31 Dec 2006 US\$'000	1 Jul 2006 to 30 Sep 2006 US\$'000	Change %
1. Net profit for the period is arrived at after crediting/(charging)				
- Government grant income		85	371	-77.1%
- Investment income		104	97	7.2%
- Interest income		872	634	37.5%
- Interest expense		(6,624)	(6,140)	-7.9%
- Depreciation on property, plant and equipment		(39,082)	(36,976)	-5.7%
- Property, plant and equipment written off		(217)	-	NM
- Amortisation of intangible assets		(1,502)	(928)	-61.9%
- Amortisation of deferred expenditure		(105)	-	NM
- Impairment loss of available-for-sale financial assets		(171)	(50)	-242.0%
- Gain on dilution of interests in an associated company		1,268	1,677	-24.4%
- Fair value loss on derivative financial instruments		(542)	(126)	-330.2%
- Gain on disposal of financial assets at fair value through profit or loss		64	211	-69.7%
- Fair value gain on financial assets at fair value through profit or loss		193	-	NM
- Allowance for doubtful non-trade receivable		(3)	-	NM
- Allowance for doubtful trade receivables		(96)	(281)	65.8%
- Allowance for inventory obsolescence		-	(156)	100.0%
- Allowance for inventory obsolescence written back		273	-	NM
- Net foreign exchange gain/(loss)		132	(165)	180.0%
- Gain on disposal of property, plant and equipment		138	203	-32.0%
- Adjustments for over provision of tax in respect of prior years		(54)	-	NM
- Sales of scrap		697	507	37.5%
- Rental income		220	232	-5.2%
- Other income from derivative financial instruments		333	350	-4.9%
- Miscellaneous income		326	482	-32.4%

NM - Not meaningful



UNITED TEST AND ASSEMBLY CENTER LTD

1(b)(i) Balance Sheets

	Group		Company	
	As at 31 Dec 2006 US\$'000	As at 31 Dec 2005 US\$'000	As at 31 Dec 2006 US\$'000	As at 31 Dec 2005 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	76,370	49,695	12,201	25,882
Trade and other receivables	147,493	88,810	89,618	69,908
Inventories	33,770	9,390	12,752	8,105
Derivative financial instruments	142	1,120	-	1,120
Financial assets at fair value through profit or loss	17,659	33,388	-	-
Other current assets	3,330	2,119	1,775	1,207
	<u>278,764</u>	<u>184,522</u>	<u>116,346</u>	<u>106,222</u>
Non-current assets				
Available-for-sale financial assets	3,894	5,142	-	-
Investment in associated companies	34,396	34,972	35,021	35,022
Investment in subsidiaries	-	-	429,047	246,345
Property, plant and equipment	690,932	450,134	406,643	310,554
Intangible assets	147,455	63,220	961	-
Deferred income tax assets	3,045	5,892	-	-
Other non current assets	4,898	-	4,618	-
	<u>884,620</u>	<u>559,360</u>	<u>876,290</u>	<u>591,921</u>
Total assets	<u>1,163,384</u>	<u>743,882</u>	<u>992,636</u>	<u>698,143</u>
LIABILITIES				
Current liabilities				
Trade and other payables	115,410	125,916	45,810	112,074
Current income tax liabilities	6,494	341	286	128
Borrowings	28,099	22,819	13,577	18,819
Derivative financial instruments	184	-	165	-
	<u>150,187</u>	<u>149,076</u>	<u>59,838</u>	<u>131,021</u>
Non-current liabilities				
Borrowings	363,894	63,249	351,049	40,952
Deferred income	926	476	926	476
Retirement benefit obligations	7,542	1,213	-	-
Deferred income tax liabilities	4,799	-	4,134	-
	<u>377,161</u>	<u>64,938</u>	<u>356,109</u>	<u>41,428</u>
Total liabilities	<u>527,348</u>	<u>214,014</u>	<u>415,947</u>	<u>172,449</u>
NET ASSETS	<u>636,036</u>	<u>529,868</u>	<u>576,689</u>	<u>525,694</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital and share premium	539,701	529,373	539,701	529,373
Treasury shares	-	-	-	-
Other reserves	21,518	5,597	20,859	5,844
Retained earnings/(Accumulated losses)	71,048	(5,102)	16,129	(9,523)
	<u>632,267</u>	<u>529,868</u>	<u>576,689</u>	<u>525,694</u>
Minority interests	3,769	-	-	-
Total equity	<u>636,036</u>	<u>529,868</u>	<u>576,689</u>	<u>525,694</u>



1(b)(ii) Group's borrowings

	Group	
	As at 31 Dec 2006 US\$'000	As at 31 Dec 2005 US\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Unsecured	18,500	11,778
Secured	9,599	11,041
	<u>28,099</u>	<u>22,819</u>
<u>Amount repayable after one year</u>		
Unsecured	358,988	49,660
Secured	4,906	13,589
	<u>363,894</u>	<u>63,249</u>

Details of any collateral

The borrowings are secured on property, plant and equipment with a net book value of US\$31,068,000 (31 December 2005: US\$36,850,000).



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1(c)(i) Cash flow statement for the year ended 31 December 2006

	Notes	Group	
		1 Jan 2006 to 31 Dec 2006 US\$'000	1 Jan 2005 to 31 Dec 2005 US\$'000
Cash flows from operating activities			
Net profit		77,073	41,756
Adjustments for:			
- Tax		10,106	(963)
- Depreciation of property, plant and equipment		134,866	95,567
- Amortisation of deferred government grant income		(343)	(187)
- Amortisation of deferred expenditure		105	890
- Amortisation of intangible assets		3,169	-
- Net gain on disposal of property, plant and equipment		(1,245)	(1,707)
- Write-off of property, plant and equipment		14	1,709
- Impairment loss of property, plant and equipment		-	433
- Interest income		(2,372)	(518)
- Investment income		(320)	(240)
- Government grant income		(2,159)	-
- Interest expense		17,334	3,299
- Gain on disposal of financial assets at fair value through profit or loss		(661)	(103)
- Fair value loss/(gain) on derivative financial instruments		982	(516)
- Fair value gain on financial assets at fair value through profit or loss		(267)	(245)
- Impairment loss of available-for-sale financial assets		1,295	606
- Share option expense		984	4,728
- Performance share expense		1,523	-
- Gain on dilution of interests in an associated company		(2,945)	-
- Share of loss of associated companies		3,522	50
- Unrealised foreign exchange (gain)/loss		135	672
Operating cash flow before working capital changes		240,796	145,231
Change in operating assets and liabilities, net of effects from purchase of a subsidiary:			
- Trade and other receivables		(23,574)	(20,358)
- Inventories		(7,346)	(2,004)
- Derivative financial instruments		(148)	-
- Other current assets		(2,855)	(2,345)
- Trade and other payables		(18,316)	16,550
- Retirement benefit obligations		848	46
- Currency translation difference		98	(60)
Cash generated from operations		189,503	137,060
Government grant received		1,712	-
Income tax paid		(5,447)	(314)
Net cash provided by operating activities		185,768	136,746
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired	2	(163,027)	10,205
Investment in associated companies		-	(35,022)
Purchases of property, plant and equipment		(310,430)	(111,458)
Purchases of intangible assets		(1,633)	(331)
Purchases of other assets		(234)	-
Proceeds from disposal of property, plant and equipment		3,143	14,601
Proceeds from/(Purchases of) financial assets at fair value through profit or loss		17,747	(6,750)
Proceeds from disposal of available-for-sale financial assets		-	3,356
Government grant received		1,250	-
Investment income received		320	240
Interest received		2,301	505
Net cash used in investing activities		(450,563)	(124,654)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		7,276	1,632
Proceeds from issuance of convertible bonds, net of professional expenses		185,571	-
Proceeds from borrowings		523,966	52,136
Repayment of borrowings		(399,164)	(30,993)
Repayment of finance lease liabilities		(10,989)	(10,372)
Interest paid		(15,322)	(3,306)
Net cash provided by financing activities		291,338	9,097
Net increase in cash and cash equivalents		26,543	21,189
Cash and cash equivalents at the beginning of the financial year		49,398	28,494
Effects of exchange rate changes on cash and cash equivalents		-	(285)
Cash and cash equivalents at the end of the financial year		75,941	49,398
Cash and cash equivalents in the Group's balance sheet		76,370	49,695
Less: Cash subject to restrictions		(226)	(297)
Cash and cash equivalents in consolidated cash flow statement		76,144	49,398



UNITED TEST AND ASSEMBLY CENTER LTD

1(c)(ii) Cash flow statement for the three months ended 31 December 2006

	Notes	Group	
		1 Oct 2006 to 31 Dec 2006 US\$'000	1 Oct 2005 to 31 Dec 2005 US\$'000
Cash flows from operating activities			
Net profit		23,196	20,064
Adjustments for:			
- Tax		6,279	(438)
- Depreciation of property, plant and equipment		39,082	25,926
- Amortisation of deferred government grant income		(85)	(40)
- Amortisation of deferred expenditure		105	-
- Amortisation of intangible assets		1,502	280
- Net gain on disposal of property, plant and equipment		(138)	(561)
- Write-off of property, plant and equipment		217	1,062
- Interest income		(872)	(232)
- Investment income		(104)	(64)
- Interest expense		6,624	965
- Gain on disposal of financial assets at fair value through profit or loss		(64)	(121)
- Fair value loss/(gain) on derivative financial instruments		542	(128)
- Fair value gain on financial assets at fair value through profit or loss		(193)	(120)
- Impairment loss of available-for-sale financial assets		171	606
- Share option expense		246	963
- Performance share expense		1,523	-
- Gain on dilution of interests in an associated company		(1,268)	-
- Share of loss of associated companies		1,588	50
- Unrealised foreign exchange loss		821	749
Operating cash flow before working capital changes		<u>79,172</u>	<u>48,961</u>
Change in operating assets and liabilities, net of effects from purchase of a subsidiary:			
- Trade and other receivables		(149)	(14,915)
- Inventories		(1,732)	(1,068)
- Derivative financial instruments		11	-
- Other current assets		1,479	(235)
- Trade and other payables		(10,318)	12,900
- Retirement benefit obligations		729	(128)
- Currency translation difference		20	(2)
Cash generated from operations		<u>69,212</u>	<u>45,513</u>
Income tax paid		<u>(781)</u>	<u>(16)</u>
Net cash provided by operating activities		<u>68,431</u>	<u>45,497</u>
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired	2	(2,017)	-
Investment in associated companies		-	(5,000)
Purchases of property, plant and equipment		(69,732)	(48,007)
Purchases of intangible assets		(1,161)	(331)
Purchases of other assets		(234)	-
Proceeds from disposal of property, plant and equipment		1,727	6,661
Proceeds from financial assets at fair value through profit or loss		483	5,030
Investment income received		104	64
Interest received		918	240
Net cash used in investing activities		<u>(69,912)</u>	<u>(41,343)</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		127	793
Proceeds from issuance of convertible bonds, net of professional expenses		185,571	-
Proceeds from borrowings		95,388	10,880
Repayment of borrowings		(271,689)	(10,552)
Repayment of finance lease liabilities		(2,568)	(2,403)
Interest paid		(4,975)	(993)
Net cash provided by/(used in) financing activities		<u>1,854</u>	<u>(2,275)</u>
Net increase in cash and cash equivalents		<u>373</u>	<u>1,879</u>
Cash and cash equivalents at the beginning of the financial period		75,771	47,456
Effects of exchange rate changes on cash and cash equivalents		-	63
Cash and cash equivalents at the end of the financial period		<u>76,144</u>	<u>49,398</u>
Cash and cash equivalents in the Group's balance sheet		<u>76,370</u>	<u>49,695</u>
Less: Cash subject to restrictions		<u>(226)</u>	<u>(297)</u>
Cash and cash equivalents in consolidated cash flow statement		<u>76,144</u>	<u>49,398</u>



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2. As at 31 December 2006, UTAC acquired 97.18% of the issued share capital of UTAC Thai Limited (“UTL”) (formerly known as NS Electronics Bangkok (1993) Ltd) for total cash consideration of US\$169,932,000. The professional and transaction costs in relation to the acquisition were US\$1,122,000. The goodwill arising from the acquisition amounted to US\$72,982,000.

Details of net assets acquired and goodwill are as follows:

	US\$'000
Purchase consideration:	
- cash paid	169,932
- direct costs relating to the acquisition	1,122
Total purchase consideration	<u>171,054</u>
- fair value of net identifiable assets acquired (see below)	<u>98,072</u>
Goodwill	<u>72,982</u>

The goodwill is attributable to earning potential of UTL.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount US\$'000	Preliminary fair value US\$'000
Cash and cash equivalents	6,905	6,905
Trade and other receivables	24,144	24,144
Inventories	16,875	16,875
Property, plant and equipment	108,133	106,237
Customer relationships	-	2,870
Patents	-	7,639
Computer software development costs	-	911
Derivative financial assets	8,774	8,774
Other current assets	1,757	1,757
Deferred tax assets	2,324	2,324
Trade and other payables	(35,556)	(35,556)
Borrowings	(20,279)	(20,279)
Current income tax liabilities	(3,852)	(3,852)
Retirement benefit obligations	(5,808)	(5,808)
Derivative financial liabilities	(8,721)	(8,721)
Deferred tax liabilities	(1,682)	(3,302)
Net identifiable assets	<u>93,014</u>	<u>100,918</u>
Less: Minority interest	(3,674)	(2,846)
Net identifiable assets acquired	<u>89,340</u>	<u>98,072</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 2006

	← Attributable to equity holders of the Company →							Total equity
	Share capital and share premium	Share compensation reserve	Fair value reserve	Equity component of convertible bonds	Foreign currency translation reserve	Accumulated (losses) / Retained earnings	Minority interests	
Balance at 1 January 2006	529,373	5,928	(270)	-	(61)	(5,102)	-	529,868
Fair value gain on available-for-sale financial assets	-	-	47	-	-	-	-	47
Cash flow hedge	-	-	(214)	-	-	-	-	(214)
Currency translation differences	-	-	-	-	98	-	-	98
Net (loss)/gains recognised directly in equity	-	-	(167)	-	98	-	-	(69)
Net profit	-	-	-	-	-	76,150	923	77,073
Total recognised (loss)/gains	-	-	(167)	-	98	76,150	923	77,004
Employee share option scheme:								
- Value of employee services	-	984	-	-	-	-	-	984
- Proceeds from shares issued	10,328	(3,052)	-	-	-	-	-	7,276
Performance share expense	-	1,523	-	-	-	-	-	1,523
Acquisition of a subsidiary	-	-	-	-	-	-	2,846	2,846
Convertible bonds - equity component	-	-	-	16,535	-	-	-	16,535
Balance at 31 December 2006	539,701	5,383	(437)	16,535	37	71,048	3,769	636,036

(a) Consolidated statement of changes in equity for the year ended 31 December 2005

	← Attributable to equity holders of the Company →							Total equity
	Share capital and share premium	Treasury shares	Share compensation reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses		
Balance at 1 January 2005	301,987	-	-	-	(1)	(45,675)	-	256,311
- Effect of changes in accounting policies								
- Adjusted retrospectively	-	-	1,549	-	-	(1,549)	-	-
	301,987	-	1,549	-	(1)	(47,224)	-	256,311
- Adjusted prospectively	-	-	-	-	-	366	366	366
- As restated	301,987	-	1,549	-	(1)	(46,858)	-	256,677
Fair value loss on available-for-sale financial assets	-	-	-	(270)	-	-	-	(270)
Currency translation differences	-	-	-	-	(60)	-	-	(60)
Net loss recognised directly in equity	-	-	-	(270)	(60)	-	-	(330)
Net profit	-	-	-	-	-	41,756	-	41,756
Total recognised (loss)/gains	-	-	-	(270)	(60)	41,756	-	41,426
Employee share option scheme:								
- Value of employee services	-	-	4,728	-	-	-	-	4,728
- Proceeds from shares issued	1,981	-	(349)	-	-	-	-	1,632
Acquisition of a subsidiary	238,721	(13,316)	-	-	-	-	-	225,405
Cancellation of treasury shares pursuant to Selective Capital Reduction	(13,316)	13,316	-	-	-	-	-	-
Balance at 31 December 2005	529,373	-	5,928	(270)	(61)	(5,102)	-	529,868



UNITED TEST AND ASSEMBLY CENTER LTD

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

(b) Statement of changes in equity for the year ended 31 December 2006 - Company

	← Attributable to equity holders of the Company →					Total equity
	Share capital and share premium	Share compensation reserve	Fair value reserve	Equity component of convertible bonds	Accumulated (losses) / Retained earnings	
Balance at 1 January 2006	529,373	5,844	-	-	(9,523)	525,694
Cash flow hedge	-	-	(214)	-	-	(214)
Net loss recognised directly in equity	-	-	(214)	-	-	(214)
Net profit	-	-	-	-	25,652	25,652
Total recognised (loss)/gains	-	-	(214)	-	25,652	25,438
Employee share option scheme:						
- Value of employee services	-	984	-	-	-	984
- Proceeds from shares issued	10,328	(3,052)	-	-	-	7,276
Performance share expense	-	762	-	-	-	762
Convertible bond - equity component	-	-	-	16,535	-	16,535
Balance at 31 December 2006	539,701	4,538	(214)	16,535	16,129	576,689

(b) Statement of changes in equity for the year ended 31 December 2005 - Company

	← Attributable to equity holders of the Company →			Total equity
	Share capital and share premium	Share compensation reserve	Accumulated losses	
Balance at 1 January 2005	301,987	-	(42,507)	259,480
- Effect of changes in accounting policies				
- Adjusted retrospectively	-	1,549	(1,549)	-
	301,987	1,549	(44,056)	259,480
- Adjusted prospectively	-	-	366	366
- As restated	301,987	1,549	(43,690)	259,846
Total recognised gain - Net profit	-	-	34,167	34,167
Employee share option scheme:				
- Value of employee services	-	4,644	-	4,644
- Proceeds from shares issued	1,981	(349)	-	1,632
Acquisition of a subsidiary	238,721	-	-	238,721
Cancellation of treasury shares pursuant to Selective Capital Reduction	(13,316)	-	-	(13,316)
Balance at 31 December 2005	529,373	5,844	(9,523)	525,694



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 2006

	← Attributable to equity holders of the Company →							Total equity
	Share capital and share premium	Share compensation reserve	Fair value reserve	Equity component of convertible bonds	Foreign currency translation reserve	Retained earnings	Minority interests	
Balance at 1 October 2006	539,524	3,664	(843)	-	17	48,227	4,534	595,123
Fair value gain on available-for-sale financial assets	-	-	21	-	-	-	-	21
Cash flow hedge	-	-	385	-	-	-	-	385
Currency translation differences	-	-	-	-	20	-	-	20
Net gains recognised directly in equity	-	-	406	-	20	-	-	426
Net profit	-	-	-	-	-	22,821	375	23,196
Total recognised gains	-	-	406	-	20	22,821	375	23,622
Employee share option scheme:								
- Value of employee services	-	246	-	-	-	-	-	246
- Proceeds from shares issued	177	(50)	-	-	-	-	-	127
Performance share expense	-	1,523	-	-	-	-	-	1,523
Acquisition of a subsidiary	-	-	-	-	-	-	(1,140)	(1,140)
Convertible bonds - equity component	-	-	-	16,535	-	-	-	16,535
Balance at 31 December 2006	539,701	5,383	(437)	16,535	37	71,048	3,769	636,036

(c) Consolidated statement of changes in equity for the quarter ended 31 December 2005

	← Attributable to equity holders of the Company →						Total equity
	Share capital and share premium	Treasury shares	Share compensation reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses	
Balance at 1 October 2005	541,668	(13,316)	5,193	(280)	(64)	(25,166)	508,035
Fair value gain on available-for-sale financial assets	-	-	-	10	-	-	10
Currency translation differences	-	-	-	-	3	-	3
Net gains recognised directly in equity	-	-	-	10	3	-	13
Net profit	-	-	-	-	-	20,064	20,064
Total recognised gains	-	-	-	10	3	20,064	20,077
Employee share option scheme:							
- Value of employee services	-	-	963	-	-	-	963
- Proceeds from shares issued	1,021	-	(228)	-	-	-	793
Cancellation of treasury shares pursuant to Selective Capital Reduction	(13,316)	13,316	-	-	-	-	-
Balance at 31 December 2005	529,373	-	5,928	(270)	(61)	(5,102)	529,868



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

(d) Statement of changes in equity for the quarter ended 31 December 2006 - Company

	← Attributable to equity holders of the Company →					
	Share capital and share premium	Share compensation reserve	Fair value reserve	Equity component of convertible bonds	Retained earnings	Total equity
Balance at 1 October 2006	539,524	3,580	(599)	-	13,762	556,267
Cash flow hedge	-	-	385	-	-	385
Net gains recognised directly in equity	-	-	385	-	-	385
Net profit	-	-	-	-	2,367	2,367
Total recognised gains	-	-	385	-	2,367	2,752
Employee share option scheme:						
- Value of employee services	-	246	-	-	-	246
- Proceeds from shares issued	177	(50)	-	-	-	127
Performance share expense	-	762	-	-	-	762
Convertible bonds - equity component	-	-	-	16,535	-	16,535
Balance at 31 December 2006	539,701	4,538	(214)	16,535	16,129	576,689

(d) Statement of changes in equity for the quarter ended 31 December 2005 - Company

	← Attributable to equity holders of the Company →			
	Share capital and share premium	Share compensation reserve	Accumulated losses	Total equity
Balance at 1 October 2005	541,668	5,109	(26,473)	520,304
Total recognised gain - Net profit	-	-	16,950	16,950
Employee share option scheme:				
- Value of employee services	-	963	-	963
- Proceeds from shares issued	1,021	(228)	-	793
Cancellation of treasury shares pursuant to Selective Capital Reduction	(13,316)	-	-	(13,316)
Balance at 31 December 2005	529,373	5,844	(9,523)	525,694



- 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
<u>Issued and fully paid</u>	
Balance as at 1 October 2006	1,493,244,192
Ordinary shares issued during the period pursuant to the exercise of share option	505,255
	<hr/>
Balance as at 31 December 2006	<u>1,493,749,447</u>

Share options

(a) Options granted/exercised

During the financial period, 505,255 shares of the Company of par value of US\$0.15 were allotted and issued by virtue of the exercise of options under the Equity Incentive Plan, Employee Share Option Scheme and Replacement Option Scheme.

(b) Options outstanding

As at 31 December 2006, there were unexercised options for 500,000, 9,327,260, 14,823,070 and 15,098,877 of unissued ordinary shares of US\$0.15 each at exercise price of S\$0.70, S\$0.59, US\$0.2484 and US\$0.1875 respectively. As at 31 December 2005, there were unexercised options for 17,299,000, 27,754,440 and 23,412,790 of unissued ordinary shares of US\$0.15 each at exercise price of S\$0.59, US\$0.2484 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 Oct 2006 to 31 Dec 2006	1 Oct 2005 to 31 Dec 2005	1 Jan 2006 to 31 Dec 2006	1 Jan 2005 to 31 Dec 2005
Basic earning per share (cents)	<u>1.53</u>	<u>1.37</u>	<u>5.12</u>	<u>3.06</u>
Diluted earning per share (cents)	<u>1.36</u>	<u>1.35</u>	<u>4.32</u>	<u>3.01</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 2006	As at 31 Dec 2005
Net asset value per ordinary share based on issued share capital as at the end of the reporting period (cents)		
- Group	<u>42.58</u>	<u>36.14</u>
- Company	<u>38.61</u>	<u>35.86</u>

- 8 Review of the performance of the group.**

Revenue increased 75.1% to \$569.9 million in FY2006 from \$325.5 million in FY2005 due to higher sales from both assembly and test services as well as the acquisition of UTL in June 2006. Revenue from test services amounted to \$297.6 million in FY2006 or 52.2% of total revenue and revenue from assembly services amounted to \$271.4 million in FY2006 or 47.7% of revenue. Other revenue amounted to \$0.9 million or 0.1% of revenue in FY2006.

FY2006 revenue from mixed signal segment amounted to \$234.6 million or 41.2% of total revenue compared to FY2005 revenue of \$125.8 million or 38.6% of total revenue; while FY2006 revenue from memory segment amounted to \$251.2 million or 44.1% of total revenue compared to \$197.5 million or 60.7% of total revenue in FY2005. FY2006 revenue from analog and discretetes product segment amounted to \$83.2 million or 14.6% of total revenue. FY2006 other revenue amounted to \$0.9 million or 0.1% of total revenue compared to FY2005 other revenue of \$2.2 million or 0.7% of total revenue.

Gross profit increased by 81.9% to \$144.0 million in FY2006 from \$79.2 million in FY2005 as a result of new customers, loading increase from existing and new customers and increased revenue from DDRII.



Depreciation expenses within cost of sales increased to \$129.5 million in FY2006 compared to \$88.8 million in FY2005 due to acquisition of new machinery and equipment to cater for increasing orders from existing and new customers. Other components of cost of sales such as overheads, raw materials and labour costs increased accordingly with revenue increase in FY2006.

Other gains in FY2006 increased to US\$15.4 million compared to US\$6.2 million in FY2005 primarily due to gain on dilution of interest in an associated company of \$2.9 million, government grant income of \$2.5 million, interest income of \$2.4 million, sales of scrap of \$1.9 million, gain on disposal of fixed assets of \$1.3 million, rental income of \$1.0 million and other income from derivative financial instrument of \$1.2 million.

Selling, general and administration expenses in FY2006 increased to \$33.2 million compared to \$23.3 million in FY2005 in view of revenue increase and acquisition of UTL in June 2006. R&D expenses increased to \$14.4 million in FY2006 compared to \$13.9 million in FY2005. Other operating expenses in FY2006 decreased slightly to \$3.8 million compared to \$4.0 million in FY2005. Other operating expenses in FY2006 are mainly made up of \$1.3 million impairment loss of available-for-sale financial assets and \$0.5 million net foreign exchange loss.

Finance costs in FY2006 amounted to \$17.3 million in FY2006 compared to \$3.3 million in FY2005 primarily due to higher borrowings including convertible bonds issued in FY2006 and higher US dollar interest rate.

Net profit after minority interest in FY2006 increased by 82.4% to \$76.2 million from \$41.8 million in FY2005. Basic earnings per share was 5.12 cents in FY2006 compared to 3.06 cents in FY2005.

Sequentially for fourth quarter ended 31 December 2006, revenue rose 13.7% to \$184.2 million from 162.0 million in Q406. Revenue from test services accounted for \$85.3 million or 46.3% of total revenue while revenue from assembly services accounted for \$98.7 million or 53.6% of total revenue. Other revenue accounted for \$0.2 million or 0.1% of total revenue.

Capital expenditure for equipment committed in Q406 for was \$35.8 million principally for new capabilities and production equipment. Total capital expenditure for equipment committed in FY2006 was \$350.0 million. As at 31 December 2006, the group had 791 testers and 1273 wirebonders.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

For 4Q06, UTAC had earlier guided for revenue to be 0% to 5% higher than that of 3Q06. Based on revenue posted in 4Q06, UTAC has exceeded its guidance.

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 is now entering the first half of the year where demand is seasonally softer. While the industry has seen an overall inventory reduction, not all the application areas are out of the woods yet. UTAC expects the mixed-signal sector to outperform historical seasonal trends and DRAM demand to remain healthy with the pending launch of Windows Vista to consumers. Seasonal demand for analog is typically softer but continuing traction for UTL's QFN packaging solutions should mitigate this weakness.



Generally, the semiconductor sector, and in particular the outsourced segment, should see another year of healthy growth for 2007. As in the past, UTAC expects its annual revenue growth to outpace the general industry growth rate. UTAC expects its 1Q07 revenue to better seasonal trends and come in slightly below or comparable to that achieved in 4Q06 (ie. -6% to 0%).

To meet the higher overall demand expected in 2007, UTAC expects to incur capital expenditure of about \$260 million to expand production floor space, capacities and capabilities which will be funded from internal resources.

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 – geographical segment

The Group's businesses are operated in three principal geographical areas, Singapore, Taiwan and Thailand. No other individual country contributes more than 10% of consolidated revenue and assets.

- Singapore - The Company is headquartered and has operations in Singapore. The operations in this area are principally provision of services for assembly and testing of semiconductors.
- Taiwan - The operations in this area are principally provision of services for assembly and testing of semiconductors.
- Thailand - The operations in this area are principally provision of services for assembly and testing of semiconductors.

In presenting information on the basis of geographical segments, segment revenue is based on where the service is rendered.

Inter-segment transactions are determined on an arm's length basis. Segment results represent operating revenue less operating expenses. Unallocated gains and expenses represent corporate income and expenses.

Primary Segment - Geographical segment Financial year ended 31 December 2006	Singapore US\$'000	Taiwan US\$'000	Thailand US\$'000	Others US\$'000	Eliminations US\$'000	Total US\$'000
Sales to external parties	319,646	118,337	127,000	4,887	-	569,870
Inter-segment sales	113	79	-	4,654	(4,846)	-
Total sales	319,759	118,416	127,000	9,541	(4,846)	569,870
Segment results	46,680	34,416	28,041	(6,091)	-	103,046
Gain on dilution of interest in an associated company	2,945	-	-	-	-	2,945
Unallocated gains						4,825
Unallocated expenses						(2,781)
Finance expenses						(17,334)
Share of loss of associated companies	(1,504)	-	-	(2,018)	-	(3,522)
Profit before income tax						87,179
Income tax expense						(10,106)
Net profit						77,073



UNITED TEST AND ASSEMBLY CENTER LTD

Primary Segment - Geographical segment
Financial year ended 31 December 2005

	Singapore US\$'000	Taiwan US\$'000	Others US\$'000	Eliminations US\$'000	Total US\$'000
Sales to external parties	248,206	74,162	3,129	-	325,497
Inter-segment sales	14	-	3,121	(3,135)	-
Total sales	248,220	74,162	6,250	(3,135)	325,497
Segment results	36,529	12,408	(4,556)	-	44,381
Unallocated gains					1,622
Unallocated expenses					(1,861)
Finance expenses					(3,299)
Share of (loss)/profit of associated companies	(89)	-	39	-	(50)
Profit before income tax					40,793
Income tax credit					963
Net profit					41,756

The Group also monitors the geographical segmentation of sales based on the country in which the customers are headquartered.

	1 Jan 2006 to 31 Dec 2006 US\$'000	1 Jan 2005 to 31 Dec 2005 US\$'000
Revenue by geographical region		
Taiwan	106,343	106,194
United States of America	286,399	127,339
Europe	118,628	42,717
Rest of Asia	58,500	49,247
Total	569,870	325,497

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 51.1% to \$297.6 million in FY2006 from \$197.0 million in FY2005 driven primarily by a 82.9% increase in mixed signal test revenue and increased loading from both our existing and new customers accompanied by the acquisition of UTL in June 2006.

Our assembly revenue increased by 114.9% to \$271.4 million in FY2006 from \$126.3 million in FY2005 as the group continued to capture more full turnkey services to customers that may have initially only used our test services accompanied by the acquisition of UTL in June 2006.

Revenue by Geographical Region

We have been continuously successful in targeting the United States and Europe market which resulted in an increase in revenue contribution from United States by 124.9% to \$286.4 million in FY2006 compared to \$127.4 million in FY2005; and from Europe by 177.7 % to \$118.6 million in FY2006 compared to \$42.7 million in FY2005. In addition, the acquisition of UTL in June 2006 also resulted in an increase in revenue in the United States.

15 A breakdown of sales.

	Group		Change
	FY06 US\$'000	FY05 US\$'000	%
(a) Sales reported for first half year	<u>223,710</u>	<u>140,553</u>	59.2%
(b) Operating profit after tax before deducting minority interests reported for first half year	<u>36,319</u>	<u>11,165</u>	225.3%
(c) Sales reported for second half year	<u>346,160</u>	<u>184,944</u>	87.2%
(b) Operating profit after tax before deducting minority interests reported for second half year	<u>40,754</u>	<u>30,591</u>	33.2%

BY ORDER OF THE BOARD

Lareina Yap Chu Han
Company Secretary
25 January 2007