



Media Release

(all figures in S\$ unless otherwise stated)

UTAC Group to restructure Singapore operations

Singapore, 6 October 2011 – Leading semiconductor test and assembly services provider UTAC Holdings Ltd. (“UTAC” or “the Group”) announced today it plans to invest more than S\$140 million over the next five years in its Singapore operations as part of a significant restructuring to shift towards higher value-added manufacturing.

UTAC said the investment will increase the fixed assets, R&D and technical capabilities in Singapore as part of a Group-wide strategy to re-align its manufacturing footprint in four countries and position its Singapore operations – also the Group corporate headquarters – higher up the value chain. The Group’s R&D headquarters in Singapore will also be expanded.

Lower-end labour- and space-intensive operations will relocate to China and Thailand whilst manufacturing of advanced mixed-signal test, flip-chip and wafer-level packaging solutions will be stepped up in Singapore. The Group, which employs more than 13,000 workers worldwide, also has operations in Taiwan.

As a result of the restructuring, its Singapore subsidiary, United Test and Assembly Center Ltd (“USG”), will reduce its local workforce by 220 personnel from 2,486. The Group is expected to grow its R&D and technical personnel in Singapore from 143 to approximately 200 over five years. Additionally, USG also plans to merge its two Singapore facilities in the Ang Mo Kio area for greater efficiency as it sharpens focus on advanced mixed-signal IC test and advanced packaging solutions serving the fast-growing smartphone and tablet PC markets.

Mr Lee Joon Chung, UTAC’s President & CEO, said: “UTAC has a strong record of care and compassion for our staff, even during various short-term cyclical slowdowns or financial crises. Our focus in the immediate weeks is to help the Singapore-based staff affected by this restructuring.”

“While the Group’s business fundamentals remain strong across the region, operating costs in USG have risen faster than anywhere else. As a result of these structural changes, our Singapore operations need to move up the value chain rapidly to optimise productivity,” Mr Lee added.

Mr Lim Khoon Teck, President of USG, said, “Post-restructuring, USG will be leaner and focused on high-end operations. As our immediate priority is to ensure all available assistance for the affected staff, we have been working with the union and the relevant government agencies. With the help of the United Workers of Electronic and Electrical Industries (“UWEEI”) and Employment and Employability Institute (“e2i”), affected employees will be directed to

Employability Camps and Executive Workshops to facilitate job placements. UTAC is also working closely with manufacturing companies that have expressed interest to provide immediate placements. Many of the affected are expected to be offered placements.”

Mr Cyrille Tan, General Secretary of UWEEI, said, “UTAC management has been working closely with the union to assist staff affected by the restructuring. UTAC management also shared with us their proposed compensation package which we have reviewed and found to be fair. In addition, UWEEI and e2i are organising a job fair for the workers to find suitable alternative employment quickly.”

Mr Heng Chee How, Executive Secretary of UWEEI, added that, “We will work closely with the company to ensure that the affected staff are treated fairly and helped to find new jobs as soon as possible. We will also continue to work with the company in its move towards higher value-added manufacturing, so that Singaporean workers can look forward to better jobs and remuneration prospects. The skills of UTAC’s staff are still in demand among other manufacturing companies.”

About UTAC Group

The UTAC Group is a leading independent provider of semiconductor assembly and testing services for a broad range of integrated circuits including mixed-signal, analog and memory. The Group 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 sales network. For more information, please visit www.utacgroup.com.

About the United Workers of Electronic and Electrical Industries (UWEEI)

On 14 July 1981, the United Workers of Electronic and Electrical Industries (UWEEI) was formally registered with the Registrar of Trade Unions to regulate relations between members and their employers for the following purposes:

- a) To promote good industrial relations between members and their employers
- b) To improve the working conditions of members or to enhance their economic and social status, and
- c) To achieve the raising of productivity for the benefit of members, their employers and the economy of Singapore.

For more details on UWEEI, please visit www.uweei.org.sg

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