

# Proposed Acquisition Of UltraTera Corporation ("UTC") By United Test and Assembly Center Ltd ("UTAC" Or The "Company") ("Proposed Acquisition")

Jun 30, 2004

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The Directors of UTAC wish to update UTAC's shareholders on recent developments in connection with the Proposed Acquisition announced on 13 April 2004.

It has come to the attention of UTAC that UTC will not be able to achieve its business projections for the financial year ending 31 December 2004 ("FY2004") as represented earlier to UTAC by UTC's management in April 2004.

Accordingly, the exchange ratio of 1.6 UTAC shares for every 1 UTC share for the Proposed Acquisition is being re-negotiated downwards in favour of UTAC. Other terms of the agreement (such as the cut-off dates for the holding of UTAC's and UTC's respective general meetings and completion of the Proposed Acquisition) are also being re-visited to take into account the delay resulting from these developments.

It is anticipated that the general meetings of UTAC and UTC to approve the Proposed Acquisition and completion of the transaction, which were initially anticipated to take place by 30 June 2004 and September 2004 respectively, will be delayed.

We would highlight that there is no assurance completion of the Proposed Acquisition will take place. Completion will be dependent on, amongst other things, the ability of UTC and UTAC to successfully re-negotiate the terms of the Share Swap Agreement. Furthermore and as highlighted in our earlier announcement, the Proposed Acquisition is subject to other conditions precedent, including approvals from regulatory authorities in Singapore and Taiwan, the satisfaction of which is not guaranteed.

Further announcements will be made by the Company to update shareholders as and when appropriate.

By order of the Board

Lareina Yap Chu Han  
Company Secretary

30 June 2004