

Joint Venture With Semiconductor Manufacturing International Corporation ("SMIC")

May 03, 2005

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The Board of Directors of United Test and Assembly Center Ltd (the "Company" or "UTAC") wishes to announce that the Company has on 2 May 2005 entered into a share purchase agreement pursuant to which UTAC and SMIC have agreed to invest US\$30 million and US\$51 million respectively in a joint venture company, Semiconductor Manufacturing International (AT) Corporation (the "JV Company") for a 30% and 51% interest in the JV Company (the "Investment"). The remaining 9% and 10% of the shares in the JV Company will be held by institutional investors and employees of SMIC respectively.

The JV Company will provide assembly and test services in the People's Republic of China ("PRC") and will focus on memory and logic. The proceeds of the investment will go towards the purchase of assembly and test equipment and general working capital purposes.

The parties have also entered into a shareholders' agreement to regulate the relationship between the shareholders of the JV Company.

As part of the joint venture arrangements, UTAC, the JV Company and its wholly-owned subsidiary in the PRC, Semiconductor Manufacturing International (Chengdu) Corporation ("SMIC Chengdu"), have entered into a business agreement pursuant to which SMIC Chengdu has granted UTAC a right of first refusal for orders from its customers which exceed SMIC Chengdu's capacity. UTAC has also granted SMIC Chengdu a licence to use its existing patents in relation to semiconductor assembly and testing.

The Investment will be funded through UTAC's existing banking facilities and is not expected to have any material effect on the earnings per share or consolidated net tangible assets per share of the Company and its subsidiaries for the financial year ending 30 December 2005.

None of the Directors or substantial shareholders of UTAC has any interest, direct or indirect, in the Investment.

Upon completion of the Investment, Mr Lee Joon Chung and Mr Steven Tan Wee Meng will be appointed to the board of the JV Company.

BY ORDER OF THE BOARD

Lareina Yap Chu Han
Company Secretary

Singapore, 3 May 2005