

Clarification On Newspaper Article In The Straits Times Published On 4 May 2005

May 04, 2005

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The Board of Directors of United Test and Assembly Center Ltd (the "Company" or "UTAC") refers to the newspaper article (the "Article") in the Straits Times published on 4 May 2005 on "Utac partners SMIC in \$289m China plant" and wishes to comment on the following statement in the Article:

"The plant... could contribute US\$60 million to Utac's top line next year, based on the firm's 30 per cent stake, if total sales hit the forecast US\$200 million for the year. "

The statement was based on a comment made by Dr Richard Chang, Chairman of Semiconductor Manufacturing International Corporation ("SMIC"), in response to questions from the media. Dr Chang had stated that US\$200 million was a target that the joint venture company (the "JV Company") which UTAC and SMIC will be investing in, hoped to achieve, and such statement was not intended to be a forecast.

UTAC also refers to its announcement of 3 May 2005 on "Joint Venture with Semiconductor Manufacturing International Corporation" and wishes to clarify that the statement in the Article about the plant's expected contributions to UTAC's "top line" is not accurate.

The JV Company will be an associated company and not a subsidiary of UTAC and therefore its revenues will not be consolidated into UTAC's group revenues. UTAC will only take in the portion of the JV Company's profits in its financial statements.

The Company re-iterates the statement in its 3 May 2005 announcement that its investment in the joint venture 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.

BY ORDER OF THE BOARD

Lareina Yap Chu Han
Company Secretary

Singapore, 4 May 2005