UNAUDITED FINANCIAL STATEMENTS FOR QUARTER YEAR ENDED 30 SEPTEMBER 2005

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

1(a)(i) Income statements for three months ended 30 September 2005

	Notes	Group 1 Jul 2005 to 30 Sep 2005 US$'000	Group 1 Jul 2004 to 30 Sep 2004 US$'000	Change %
Sales		84,440	42,823	97.2%
Cost of sales		(62,168)	(34,040)	-82.6%
Gross profit		22,272	8,783	153.6%
Other gains		1,184	329	259.9%
Operating expenses				
Selling, general and administrative expenses		(6,595)	(2,383)	-176.8%
Research and development costs		(3,726)	(2,765)	-34.8%
Other operating expenses		(1,977)	(34)	-5714.7%
Finance costs		(1,024)	(350)	-192.6%
Profit before income tax		10,134	3,580	183.1%
Income tax credit/(expense)		393	(33)	1290.9%
Profit for the period	A	10,527	3,547	196.8%

	1 Jul 2005 to 30 Sep 2005 US$'000	1 Jul 2004 to 30 Sep 2004 US$'000	Change %
A. Profit for the period is arrived at after crediting/(charging)			
- Government grant income	45	54	-16.7%
- Investment income	73	7	942.9%
- Interest income	131	122	7.4%
- Interest expense	(1,024)	(329)	-211.2%
- Depreciation on property, plant and equipment	(25,247)	(13,572)	-86.0%
- Property, plant and equipment written off	(647)	-	NM
- Impairment loss of property, plant and equipment	(433)	-	NM
- Amortisation of interest rate option premium	-	(21)	100.0%
- Amortisation of intangible assets	(262)	-	NM
- Fair value gain on derivative financial instruments	336	-	NM
- Gain on disposal of financial assets at fair value through profit or Loss	46	-	NM
- Fair value gain on financial assets at fair value through profit or loss	3	-	NM
- Allowance for doubtful trade receivable written back	60	95	-36.8%
- Allowance for inventory obsolescence	-	(152)	100.0%
- Allowance for inventory obsolescence written back	6	-	NM
- Net foreign exchange (loss)/gain	(666)	134	-597.0%
- (Loss)/gain on disposal of property, plant and equipment	(39)	10	-490.0%
- Sales of scrap	201	-	NM
- Rental income	288	-	NM
- Miscellaneous income	61	2	2950.0%

NM - Not meaningful

1(a)(ii) Income statements for three months ended 30 September 2005

	Notes	Group 1 Jul 2005 to 30 Sep 2005 US$'000	1 Apr 2005 to 30 Jun 2005 US$'000	Change %
Sales		84,440	77,427	9.1%
Cost of sales		(62,168)	(61,726)	-0.7%
Gross profit		22,272	15,701	41.9%
Other gains		1,184	2,381	-50.3%
Operating expenses				
Selling, general and administrative expenses		(6,595)	(6,359)	-3.7%
Research and development costs		(3,726)	(3,301)	-12.9%
Other operating expenses		(1,977)	(512)	-286.1%
Finance costs		(1,024)	(768)	-33.3%
Profit before income tax		10,134	7,142	41.9%
Income tax credit		393	120	227.5%
Profit for the period	A	10,527	7,262	45.0%

	1 Jul 2005 to 30 Sep 2005 US$'000	1 Apr 2005 to 30 Jun 2005 US$'000	Change %
A. Profit for the period is arrived at after crediting/(charging)			
- Government grant income	45	50	-10.0%
- Investment income	73	73	0.0%
- Interest income	131	96	36.5%
- Interest expense	(1,024)	(768)	-33.3%
- Depreciation on property, plant and equipment	(25,247)	(25,359)	0.4%
- Property, plant and equipment written off	(647)	-	NM
- Impairment loss of property, plant and equipment	(433)	-	NM
- Amortisation of intangible assets	(262)	(261)	-0.4%
- Fair value gain/(loss) on derivative financial instruments	336	(252)	233.3%
- Gain/(Loss) on disposal of financial assets at fair value through profit or loss	46	(68)	167.6%
- Fair value gain on financial assets at fair value through profit or loss	3	164	-98.2%
- Allowance for doubtful trade receivables	-	(124)	100.0%
- Allowance for doubtful trade receivables written back	60	-	NM
- Allowance for inventory obsolescence written back	6	3	100.0%
- Inventory obsolescence written off	-	(97)	100.0%
- Net foreign exchange (loss)/gain	(666)	112	-694.6%
- (Loss)/gain on disposal of property, plant and equipment	(39)	1,259	-103.1%
- Sales of scrap	201	176	14.2%
- Rental income	288	252	14.3%
- Miscellaneous income	61	199	-69.3%

NM - Not meaningful

1(b)(i) Balance Sheet

	Group		Company	
	As at 30 Sep 2005 US$'000	As at 31 Dec 2004 US$'000	As at 30 Sep 2005 US$'000	As at 31 Dec 2004 US$'000
ASSETS				
Current Assets				
Inventories	8,322	5,432	7,008	5,508
Trade and other receivables	72,329	45,090	56,454	53,305
Other current assets	3,150	3,795	1,507	3,547
Derivative financial instruments	999	-	999	-
Other financial assets at fair value through profit or loss	39,504	-	-	-
Cash and cash equivalents	47,750	28,494	32,783	25,894
	172,054	82,811	98,751	88,254
Non-Current Assets				
Property, plant and equipment	385,313	252,149	245,722	234,338
Intangible assets	63,154	-	-	-
Investment in an associate	30,021	-	30,021	-
Investment in subsidiaries	-	-	258,768	15,001
Deferred income tax assets	5,403	-	-	-
Available-for-sale financial assets	5,738	-	-	-
	489,629	252,149	534,511	249,339
Total Assets	661,683	334,960	633,262	337,593
LIABILITIES				
Current Liabilities				
Trade and other payables	77,247	51,545	67,042	51,009
Current income tax liabilities	306	169	94	169
Borrowings	21,792	14,202	14,584	14,202
Derivative financial instruments	7	-	7	-
	99,352	65,916	81,727	65,380
Non-Current Liabilities				
Borrowings	52,438	12,070	30,715	12,070
Deferred income	516	663	516	663
Retirement benefit obligations	1,342	-	-	-
	54,296	12,733	31,231	12,733
Total Liabilities	153,648	78,649	112,958	78,113
NET ASSETS	508,035	256,311	520,304	259,480
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	224,942	126,600	224,942	126,600
Share premium	316,726	175,387	316,726	175,387
Treasury shares	(13,316)	-	-	-
Other reserves	4,849	1,548	5,109	1,549
Accumulated losses	(25,166)	(47,224)	(26,473)	(44,056)
	508,035	256,311	520,304	259,480

1(b)(ii) Group's borrowings

	Group	
	As at 30 Sep 2005 US$'000	As at 31 Dec 2004 US$'000
Amount repayable in one year or less, or on demand		
Unsecured	11,378	8,600
Secured	10,414	5,602
	21,792	14,202
Amount repayable after one year		
Unsecured	40,812	9,178
Secured	11,626	2,892
	52,438	12,070

Details of any collateral

The borrowings are secured on property, plant and equipment with a net book value of US$54,218,000 (31 December 2004: US$14,786,000).

1(c) Cash flow statement for three months ended 30 September 2005

	Group	
	1 Jul 2005 to 30 Sep 2005 US$'000	**1 Jul 2004 to 30 Sep 2004 US$'000**
Cash flows from operating activities		
Profit before income tax	10,134	3,580
Adjustments for:		
Depreciation of property, plant and equipment	25,247	13,572
Amortisation of intangible assets	262	-
Amortisation of deferred government grant income	(45)	(54)
Investment income	(73)	(7)
Impairment loss of property, plant and equipment	433	-
Property, plant and equipment written off	647	-
Interest income	(131)	(122)
Interest expense	1,024	329
Gain on disposal of financial assets at fair value through profit or loss	(46)	-
Loss/(gain) on disposal of property, plant and equipment	39	(10)
Fair value gain on derivative financial instruments	(336)	-
Fair value gain on financial assets at fair value through profit or loss	(3)	-
Share option expense	1,386	363
Amortisation of interest rate option premium	-	21
Foreign currency exchange loss/(gain)	473	(134)
Operating cash flow before working capital change	39,011	17,538
Change in operating assets and liabilities, net of effects from acquisition of subsidiary		
Trade and other receivables	(11,792)	1,405
Inventories	(935)	(485)
Other current assets	(354)	(1,508)
Trade and other payables	8,071	498
Retirement benefit obligations	81	-
Currency translation difference	(1)	(1)
Cash generated from operations	34,081	17,447
Income tax paid	(101)	-
Net cash from operating activities	33,980	17,447
Cash flows from investing activities		
Investment in an associate	(21)	-
Investment income received	73	7
Interest received	120	133
Payment for property, plant and equipment	(18,760)	(71,372)
Proceeds from disposal of property, plant and equipment	4,523	10
Payment for financial assets at fair value through profit & loss	(9,735)	-
Repayment of finance lease liabilities	(2,364)	(2,826)
Net cash used in investing activities	(26,164)	(74,048)
Cash flows from financing activities		
Interest paid	(1,006)	(324)
Proceeds from issues of shares	423	101
Proceeds from borrowings	-	6,000
Repayment of borrowings	(10,280)	-
Net cash (used in)/from financing activities	(10,863)	5,777
Net decrease in cash and cash equivalents held	(3,047)	(50,824)
Effect of exchange rate changes on cash and cash equivalents	(310)	161
Cash and cash equivalents at the beginning of the financial period	50,813	88,870
Cash and cash equivalents at the end of the financial period	47,456	38,207
Cash and cash equivalents in consolidated balance sheet	47,750	38,207
Less: cash subject to restrictions	(294)	-
Cash and cash equivalents in consolidated cash flow statement	47,456	38,207

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

(a) Consolidated statement of changes in equity for the quarter ended 30 September 2005

	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Share option reserve US$'000	Fair value reserve US$'000	Foreign currency translation reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 July 2005	224,667	316,479	(13,316)	3,905	-	(27)	(35,693)	496,015
Net income recognised directly in equity								
- Fair value loss on available-for-sale financial assets	-	-	-	-	(280)	-	-	(280)
- Currency translation differences	-	-	-	-	-	(37)	-	(37)
Profit for the period	-	-	-	-	-	-	10,527	10,527
Total recognised gain for the period	-	-	-	-	(280)	(37)	10,527	10,210
Employee share option scheme:								
- value of employee services	-	-	-	1,386	-	-	-	1,386
- proceeds from shares issued	275	247	-	(98)	-	-	-	424
Balance at 30 September 2005	224,942	316,726	(13,316)	5,193	(280)	(64)	(25,166)	508,035

(a) Consolidated statement of changes in equity for the quarter ended 30 September 2004

	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Share option reserve US$'000	Fair value reserve US$'000	Foreign currency translation reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 July 2004	126,273	175,324	-	824	-	5	(54,546)	247,880
Net income recognised directly in equity								
- Currency translation difference	-	-	-	-	-	(1)	-	(1)
Profit for the period								
- As previously reported	-	-	-	-	-	-	3,910	3,910
- Effect of changes in accounting policies	-	-	-	-	-	-	(363)	(363)
- Restated	-	-	-	-	-	-	3,547	3,547
Total recognised gain for the period	-	-	-	-	-	(1)	3,547	3,546
Employee share option scheme:								
- value of employee services	-	-	-	363	-	-	-	363
- proceeds from shares issued	96	24	-	-	-	-	-	120
Share issue expenses	-	(19)	-	-	-	-	-	(19)
Balance at 30 September 2004	126,369	175,329	-	1,187	-	4	(50,999)	251,890

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

(b) Statement of changes in equity for the quarter ended 30 September 2005 - Company

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 July 2005	224,667	316,479	3,821	(35,374)	509,593
Total recognised gain for the period - Net profit	-	-	-	8,901	8,901
Employee share option scheme:					
- value of employee services	-	-	1,386	-	1,386
- proceeds from shares issued	275	247	(98)	-	424
Balance at 30 September 2005	224,942	316,726	5,109	(26,473)	520,304

(b) Statement of changes in equity for the quarter ended 30 September 2004 - Company

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 July 2004	126,273	175,324	824	(52,808)	249,613
Total recognised gain for the period - Net profit					
- As previously reported	-	-	-	3,974	3,974
- Effect of changes in accounting policies	-	-	-	(363)	(363)
- Restated	-	-	-	3,611	3,611
Employee share option scheme:					
- value of employee services	-	-	363	-	363
- proceeds from shares issued	96	24	-	-	120
Share issue expenses written back	-	(19)	-	-	(19)
Balance at 30 September 2004	126,369	175,329	1,187	(49,197)	253,688

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	US$'000
(a)	**Authorised**		
	Ordinary shares of US$0.15 each	4,000,000,000	600,000
(b)	**Issued and fully paid**		
	Balance as at 1 July 2005		
	- ordinary shares of US$0.15 each	1,497,777,587	224,667
	Issued during the period		
	- ordinary shares of US$0.15 each at a premium of US$0.0375 per share pursuant to the exercise of share option	1,332,093	200
	- ordinary shares of US$0.15 each at a premium of US$0.20 per share pursuant to the exercise of share option	498,000	75
	Balance as at 30 September 2005		
	- ordinary shares of US$0.15 each	1,499,607,680	224,942

Share options

(a) Options granted/exercised

During the financial period, 1,830,093 shares of the Company of par value of US$0.15 were allotted and issued by virtue of the exercise of options under the 2000 Equity Incentive Plan.

(b) Options outstanding

As at 30 September 2005, there were unexercised options for 19,542,000, 27,562,920 and 25,904,996 of unissued ordinary shares of US$0.15 each at exercise price of S$0.59, US$0.2484 and US$0.1875 respectively. As at 30 September 2004, there were unexercised options for 11,637,052, 21,132,000 and 36,718,640 of unissued ordinary shares of US$0.15 each at exercise price of US$0.60, S$0.59 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 except as highlighted in note 5 below.

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.

Changes in accounting policies

In 2005, the Group and the Company adopted the Financial Reporting Standards (FRS) below. The 2004 comparatives have been amended where as required, in accordance with the relevant transitional provisions in the respective FRS.

FRS 1 (revised 2004) Presentation of Financial Statements
FRS 2 (revised 2004) Inventories
FRS 8 (revised 2004) Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004) Events after the Balance Sheet Date
FRS 16 (revised 2004) Property, Plant and Equipment
FRS 17 (revised 2004) Leases
FRS 21 (revised 2004) The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004) Related Party Disclosures
FRS 27 (revised 2004) Consolidated and Separate Financial Statements
FRS 32 (revised 2004) Financial Instruments: Disclosure and Presentation
FRS 33 (revised 2004) Earnings per Share
FRS 36 (revised 2004) Impairment of Assets
FRS 38 (revised 2004) Intangible Assets
FRS 39 (revised 2004) Financial Instruments: Recognition and Measurement
FRS 102 Share-based Payments
FRS 103 Business Combinations

GROUP	Increase/(Decrease) $'000		
	FRS 39 (revised 2004)	FRS 102	Total
Description of change			
Consolidated balance sheet items at 30 September 2005			
Share option reserve	-	5,314	5,314
Accumulated losses	(878)	5,314	4,436
Trade and other receivables	470	-	470
Other current assets	(674)	-	(674)
Derivative financial instruments (current assets)	965	-	965
Other financial assets at fair value through profit or loss	124	-	124
Derivative financial instruments (current liabilities)	7	-	7
Consolidated income statement items for period ended 30 September 2005			
Cost of sales	-	1,911	1,911
Other gains	512	-	512
Selling, general and administrative expenses	-	1,436	1,436
Research and development costs	-	418	418
Profit for the period	512	(3,765)	(3,253)
Basic earning per share (cents)	0.04	(0.26)	(0.22)
Diluted earning per share (cents)	0.03	(0.25)	(0.22)
Consolidated balance sheet items at 31 December 2004			
Trade and other receivables	470	-	470
Other current assets	(104)	-	(104)
Share option reserve	-	1,549	1,549
Accumulated losses	(366)	1,549	1,183
Equity items at 1 January 2004			
Share option reserve	-	98	98
Accumulated losses	-	98	98
Consolidated income statement items for period ended 30 September 2004			
Cost of sales	-	387	387
Selling, general and administrative expenses	-	498	498
Research and development costs	-	204	204
Profit for the period	-	(1,089)	(1,089)
Basic earning per share (cents)	-	(0.15)	(0.15)
Diluted earning per share (cents)	-	(0.15)	(0.15)

COMPANY	Increase/(Decrease) $'000		
	FRS 39 (revised 2004)	FRS 102	Total
Description of change			
Balance sheet items at 30 September 2005			
Share option reserve	-	5,230	5,230
Accumulated losses	(788)	3,442	2,654
Trade and other receivables	470	-	470
Other current assets	(674)	-	(674)
Derivative financial instruments (current assets)	999	-	999
Derivative financial instruments (current liabilities)	7	-	7
Income statement items for period ended 30 September 2005			
Cost of sales	-	701	701
Other gains	422	-	422
Selling, general and administrative expenses	-	829	829
Research and development costs	-	363	363
Profit for the period	422	(1,893)	(1,471)
Balance sheet items at 31 December 2004			
Trade and other receivables	470	-	470
Other current assets	(104)	-	(104)
Share option reserve	-	1,549	1,549
Accumulated losses	(366)	1,549	1,183
Equity items at 1 January 2004			
Share option reserve	-	98	98
Accumulated losses	-	98	98
Income statement items for period ended 30 September 2004			
Cost of sales	-	387	387
Selling, general and administrative expenses	-	498	498
Research and development costs	-	204	204
Profit for the period	-	(1,089)	(1,089)

Description of changes

(a) FRS 39 (revised 2004) and FRS 32 (revised 2004) have affected:

(i) Classification and consequential accounting of financial assets and financial liabilities

FRS 39 requires all financial assets and liabilities to be classified into appropriate categories at initial recognition and re-evaluates this designation at every reporting date. The classification depends on the purpose for which the financial asset or liabilities were acquired or incurred. The categories and the respective subsequent measurement rules are as follows:

- Financial assets or financial liabilities at fair value through profit or loss.

  The Group's investment in quoted equity investments and derivative contracts that are not hedges are classified in this category. The Group's investment in equity investment is classified in this category if they were acquired principally for the purpose of selling in the short term. They are initially recognised at fair value and subsequently re-measured to fair value at the balance sheet date with all gains and losses recognised in profit or loss in the period in which the change in fair value arise.

- Loans and receivables

  These include the Group's trade and other receivables and cash and bank balances. They are initially recognised at its fair value plus transaction costs and subsequently accounted for at amortised cost using the effective interest method, less impairment (see note (ii) below).

  Previously, the Group's trade and other receivables were stated at the gross proceeds receivable less an allowance for doubtful receivable. Cash and bank balances were recognised at cost.

- Available-for-sale financial assets

  These include the Group's investments that are not classified in the 2 categories above, namely the investment in equity interest of other companies. They are initially recognised at its fair value subsequently measured at the fair values at the balance sheet date with all gains and losses other than impairment loss taken to equity. Impairment losses are taken to the income statement in the period it arises. On disposal, gains and losses previously taken to equity are included in the income statement.

- Other financial liabilities

  These are financial liabilities that are not held for trading nor designated as fair value through profit or loss. These include the Group's trade and other payables and bank borrowings. They are initially recognised at its fair value less transaction costs and subsequently accounted for at amortised cost using the effective interest method.

  Previously, trade and other payables were stated at cost. Bank borrowings were stated at the proceeds received and transaction costs on borrowings were classified as deferred charges and amortised on a straight-line basis over the period of the borrowings.

(ii) Impairment and uncollectibility of financial assets

FRS 39 (revised 2004) requires the Group to assess at each balance sheet date if there is any objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Impairment of trade receivables is established when there is objective that the Group will not be able to collect all amounts due according to the original terms of receivables. The impairment charge is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment charge is recognised in the income statement.

Previously, the Group maintains a general provision against its trade and other receivables for risks that are not specifically identified to any customer.

(iii) Fair values of financial assets and liabilities

At each balance sheet date, the fair values of quoted financial assets and liabilities are based on current bid prices. If the market for a financial asset or liabilities is not active (and for unquoted financial assets and liabilities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Previously, the Group uses the last transacted prices of quoted financial assets or liabilities as the market values.

(b) FRS 102 has resulted in a change in the accounting policy for share-based payments. The Group's UTAC 2000 Equity Incentive Plan, UTAC 2003 Employee Share Option Scheme, UltraTera 2003 Share Option Scheme and UTAC Replacement Options Scheme are equity-settled, share-based compensation plans. FRS 102 requires the Group and the Company to recognise an expense in the income statement with a corresponding increase in equity for share options granted under UTAC 2000 Equity Incentive Plan, UTAC 2003 Employee Share Option Scheme, UltraTera 2003 Share Option Scheme and UTAC Replacement Options Scheme granted after 22 November 2002 and not vested by 1 January 2005. The total amount to be recognised as an expense in the income statement is determined by reference to the fair value of the options at the date of the grant and the number of options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of options that are expected to vest by the vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to equity over the remaining vesting period.

Previously, the provision of share options to employees did not result in any charge in the income statement. The Group and Company recognised an increase in share capital and share premium when the options were exercised.

(c) The Group adopted FRS 103 in 2005. In accordance with FRS 103, goodwill arising from the acquisition of subsidiary will be tested annually for impairment as well as when there are indications of impairment. Goodwill represents the excess of cost of acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is included in intangible assets.

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 Jul 2005 to 30 Sep 2005	1 Jul 2004 to 30 Sep 2004
Basic earning per share (cents)	**0.72**	0.46
Diluted earning per share (cents)	**0.71**	0.45

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 30 Sep 2005	**As at 31 Dec 2004**
Net asset value per ordinary share based on issued share capital as at the end of the reporting period (cents)		
- Group	**34.72**	30.37
- Company	**34.70**	30.74

8 Review of the performance of the group.

Revenue increased by 97.2% to $84.4 million in 3Q05 from $42.8 million in 3Q04 due to higher sales from assembly and test services as a result of loading increase from customers. In 3Q05, revenue from test service amounted to $54.2 million or 64.2% of total revenue, revenue from assembly and module services in 3Q05 amounted to $30.1 million or 35.6% while other revenue amounted to $0.1 million or 0.2%.

3Q05 revenue from mixed-signal segment amounted to $29.1 million or 34.5% of total revenues compared to 3Q04 revenue of $24.7 million or 57.8% of total revenue; 3Q05 revenue from memory segment amounted to $55.2 million or 65.3% of total revenue compared to $18.1 million or 42.2% in 3Q04. Other revenue amounted to $0.1 million or 0.2% of total revenue in 3Q05.

Depreciation expense increased by 86.5% to $23.4 million in 3Q05 from $12.6 million in 3Q04 due to the purchase of new machinery and equipment to cater for the increasing orders from our customers. Other components of the cost of sales such as overheads, raw materials and labour costs increased in line with the revenue increase in 3Q05.

Operating expenses in 3Q05 increased by 140.8% to $13.3 million as compared to $5.5 million in 3Q04 due to increase in sales activities and acquisition of UTAC (Taiwan) Corporation (formerly known as UltraTera Corporation) ("UTC") in March 2005.

Selling, General and Administration expenses in 3Q05 increased by 176.8% to $6.6million compared to $2.4 million in 3Q04 due to increase in sales activities and acquisition of UTC in March 2005.

Research and development expenses in 3Q05 increased by 34.8% to $3.7 million compared to $2.8 million in 3Q04 due to increase in engineering activities to develop new packages.

The finance cost in 3Q05 increased by 192.6% to $1.0 million compared to $0.4 million in 3Q04 due to increase in bank loans.

Other gains in 3Q05 increased by 259.9% to $1.2 million compared to $0.3 million in 3Q04 due primarily to rental income of $0.3 million, sales of scrap of $0.2 million and fair value gain on derivatives financial investment of $0.3 million.

Net profit for 3Q05 increased by 196.8% to $10.5 million from $3.5 million in 3Q04 due to the increase in sales activities.

Revenue increased by 9.1% to $84.4 million in 3Q05 from $77.4 million in 2Q05 due to increase in sales activities.

Capital expenditure for equipment delivered in 3Q05 was $50.1 million principally for new capabilities and production equipment. As at 30 September 2005 the Company had 288 wire bonders and 312 testers.

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

For 3Q05, UTAC had earlier guided for revenue in the range of $81 to $85 million. Based on revenues posted in 3Q05, UTAC has met 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.

During the quarter, we saw strength in both our growth engines with continuing strong demand for memory testing and improving demand for mixed-signal and logic testing. Additionally, we achieved a more favorable mix with a larger proportion of the growth coming from test services which boosted our margins through its higher operating leverage.

We are seeing continuing strength in the DRAM segment for the fourth quarter. DDR II revenue as a percentage of total DRAM revenue increased to 28% in 3Q05.

The Flash memory segment was particularly robust for UTAC with sequential revenue growth of 41% in 3Q05 as the vigour of the overall NAND Flash demand, boosted by the introduction of Apple’s iPod nano, led to increased demand for Flash test and assembly services. This strength is expected to continue into 4Q05, and likely into 1H06 as well.

For the mixed-signal segment, we saw the end of the inventory correction in both the communications and MP3 segments. Demand for handset-related products, particularly Bluetooth chips, was very strong due to rising penetration. MP3 chip demand also rebounded as the quarter progressed.

Overall, we expect revenue in 4Q05 to be 10 to 15% sequentially higher than 3Q05. This will bring UTAC's FY05 revenue to between $317.7 million and $322.0 million. For 4Q05, we expect our net profit to continue growing sequentially into a seventh consecutive quarter.

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.

BY ORDER OF THE BOARD

Lareina Yap Chu Han
Company Secretary
26 October 2005