

Media Release

UTAC Attains Prestigious TS 16949 Certification for Automotive Sector

• Certification allows UTAC to pursue new assembly and test opportunities with automotive-related semiconductor companies

SINGAPORE, 6 January 2006 – Singapore Exchange Main Board-listed United Test and Assembly Center Ltd ("UTAC" – SGX: UTAC), a leading independent global provider of semiconductor assembly and test services, announced today that it has received the prestigious ISO/TS 16949:2002 certification which qualifies its chip production processes in Singapore for the automotive sector.

The certification will enable UTAC to pursue new assembly business opportunities with automotive-related semiconductor companies, and at the same time certifies its stringent production processes for other highly demanding industries, such as the telecommunications chip industry.

According to a report published in August 2005, Gartner estimates that the integrated circuit ("IC") market for the automotive sector was worth US\$15.8 billion in 2004 and is projected to grow at a compounded annual rate of 8.8% between 2004 to 2010, outpacing the 6.8% estimated growth forecast for the overall semiconductor market over the same period.

"The TS 16949 certification represents one of the highest levels of excellence available to the semiconductor industry and will broaden the market opportunities for UTAC," said



Ms June Chia, Group Executive Vice President of UTAC. "The certification is in line with our efforts to grow our Mixed Signal and Logic Processing ("MSLP") business, and will open up more opportunities for potential clients from more diverse sectors of the semiconductor market. It allows us to market our services to semiconductor companies supplying ICs and electronic products used in automobiles."

UTAC's bid to be TS 16949-certified was driven by demand from existing customers. The Group counts among its key automotive-related customers STMicroelectronics ("ST"), the world's third largest supplier of automotive ICs. UTAC is currently providing assembly and test manufacturing services for some of ST's automotive-related products. ST also supported UTAC's participation as a sponsor which is part of the requirement in the certification program. UTAC believes other semiconductor companies are expected to list TS 16949 certification as a key parameter in their vendor selection process.

Continued Ms Chia. "We are pleased to have enjoyed the support of ST, both as a customer and as our sponsor towards attaining the TS 16949 standard. The process of getting certified has helped to enhance and fine-tune our assembly and test processes which we believe can only go towards improving the quality of the services we provide for ST and other customers."

The TS 16949 technical specification specifies quality system requirements for suppliers in the international automotive industry, and lays out particular requirements for the application of ISO 9001:2000 quality standards for automotive production and relevant service part organisations. The technical specification was developed by a partnership comprising the International Automotive Task Force ("IATF") and the Japan Automobile Manufacturers Association ("JAMA") with the support of the International Organization for Standardization ("ISO").



The IATF consists of an international group of vehicle manufacturers which include BMW, DaimlerChrysler, Fiat, Ford Motor Company, General Motors (including Opel Vauxhall), PSA Peugeot-Citroën, Renault SA and Volkswagen. The various members are currently at different stages of having the technical specification implemented by their respective supply bases.

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About United Test and Assembly Center Ltd ("UTAC")

Established in 1997 and listed on the Main Board of the Singapore Exchange, UTAC is a leading independent provider of semiconductor assembly and testing services to its customers, which comprise integrated device manufacturers ("IDMs"), fabless companies and wafer foundries. UTAC provides wafer probing and final testing services on a diverse selection of test platforms for a range of semiconductors including memory, logic, mixed-signal and radio-frequency ICs. Besides testing services, UTAC also provides assembly services for a broad range of leadframe and array packages.

Headquartered in Singapore where it houses its manufacturing, test engineering and package design facilities, UTAC has established a global network of sales offices in the United States, Europe, Japan, Korea and China. It also has wholly-owned subsidiaries in China and Taiwan to provide wafer probing and testing services. For more information, visit <u>www.utacgroup.com</u>



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