



UNAUDITED FINANCIAL STATEMENTS FOR HALF YEAR ENDED 30 JUNE 2007

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND HALF YEAR RESULTS

1(a)(i) Income statements for six months ended 30 June 2007

	Note	Group		Change %
		1 Jan 2007 to 30 Jun 2007 US\$'000	1 Jan 2006 to 30 Jun 2006 US\$'000	
Sales		359,043	223,710	60.5%
Cost of sales		(284,619)	(163,580)	-74.0%
Gross profit		<u>74,424</u>	<u>60,130</u>	23.8%
Other income - net		4,944	4,473	10.5%
Expenses				
Selling, general and administrative		(16,944)	(14,452)	-17.2%
Research and development		(8,141)	(6,974)	-16.7%
Finance		(12,906)	(4,570)	-182.4%
Other		(597)	(265)	-125.3%
Share of loss of associated companies		(2,612)	(1,061)	-146.2%
Profit before income tax		<u>38,168</u>	<u>37,281</u>	2.4%
Income tax expense		(5,854)	(962)	-508.5%
Total profit	1	<u>32,314</u>	<u>36,319</u>	-11.0%
Attributable to:				
Equity holders of the Company		31,855	36,180	-12.0%
Minority interests		<u>459</u>	<u>139</u>	-230.2%
		<u>32,314</u>	<u>36,319</u>	-11.0%
		1 Jan 2007 to 30 Jun 2007 US\$'000	1 Jan 2006 to 30 Jun 2006 US\$'000	Change %
1. Total profit for the period is arrived at after crediting/(charging)				
- Government grant income		464	2,046	-77.3%
- Investment income		75	119	-37.0%
- Interest income		1,386	866	60.0%
- Interest expense		(12,906)	(4,570)	-182.4%
- Depreciation on property, plant and equipment		(80,814)	(58,808)	-37.4%
- Amortisation of intangible assets		(1,948)	(739)	-163.6%
- Amortisation of deferred professional and transaction costs		(316)	-	NM
- Impairment loss of financial assets, available-for-sale		(613)	(1,074)	42.9%
- Fair value loss on derivative financial instruments		(135)	(314)	57.0%
- Gain on disposal of financial assets, at fair value through profit or loss		571	386	47.9%
- Fair value (loss)/gain on financial assets, at fair value through profit or loss		(191)	74	-358.1%
- Allowance for doubtful non-trade receivables		(6)	-	NM
- Allowance for doubtful trade receivable written back		47	-	NM
- Allowance for inventory obsolescence		-	(63)	100.0%
- Allowance for inventory obsolescence written back		325	-	NM
- Inventory written off		(159)	-	NM
- Net foreign exchange gain/(loss)		158	(507)	131.2%
- Gain on disposal of property, plant and equipment		783	883	-11.3%
- Adjustments for under provision of tax in respect of prior years		146	-	NM
- Sales of scrap		1,582	648	144.1%
- Rental income		242	563	-57.0%
- Other income from derivative financial instruments		-	523	-100.0%
- Miscellaneous income		622	260	139.2%

NM - Not meaningful



1(a)(ii) Income statements for three months ended 30 June 2007

	Note	Group		Change %
		1 Apr 2007 to 30 Jun 2007 US\$'000	1 Apr 2006 to 30 Jun 2006 US\$'000	
Sales		179,292	120,542	48.7%
Cost of sales		(144,746)	(90,728)	-59.5%
Gross profit		<u>34,546</u>	<u>29,814</u>	15.9%
Other income - net		2,624	1,149	128.4%
Expenses				
Selling, general and administrative		(8,974)	(6,941)	-29.3%
Research and development		(4,127)	(3,259)	-26.6%
Finance		(6,357)	(3,085)	-106.1%
Other		(265)	(85)	-211.8%
Share of loss of associated companies		(850)	(733)	-16.0%
Profit before income tax		<u>16,597</u>	<u>16,860</u>	-1.6%
Income tax expense		(2,536)	(1,198)	-111.7%
Total profit	1	<u>14,061</u>	<u>15,662</u>	-10.2%
Attributable to:				
Equity holders of the Company		13,844	15,523	-10.8%
Minority interests		217	139	-56.1%
		<u>14,061</u>	<u>15,662</u>	-10.2%
		1 Apr 2007 to 30 Jun 2007 US\$'000	1 Apr 2006 to 30 Jun 2006 US\$'000	Change %
1. Total profit for the period is arrived at after crediting/(charging)				
- Government grant income		381	99	284.8%
- Investment income		18	85	-78.8%
- Interest income		885	646	37.0%
- Interest expense		(6,357)	(3,085)	-106.1%
- Depreciation on property, plant and equipment		(40,512)	(31,125)	-30.2%
- Amortisation of intangible assets		(1,054)	(464)	-127.2%
- Amortisation of deferred professional and transaction costs		(158)	-	NM
- Impairment loss of financial assets, available-for-sale		(279)	(451)	38.1%
- Fair value loss on derivative financial instruments		(353)	(316)	-11.7%
- Gain on disposal of financial assets, at fair value through profit or loss		504	137	267.9%
- Fair value loss on financial assets, at fair value through profit or loss		(307)	(59)	-420.3%
- Allowance for inventory obsolescence		(68)	-	NM
- Allowance for inventory obsolescence written back		-	22	-100.0%
- Inventory written off		(103)	-	NM
- Net foreign exchange loss		(100)	(544)	81.6%
- Gain on disposal of property, plant and equipment		765	360	112.5%
- Adjustments for under provision of tax in respect of prior years		142	-	NM
- Sales of scrap		712	395	80.3%
- Rental income		95	255	-62.7%
- Other income from derivative financial instruments		-	323	-100.0%
- Miscellaneous income		303	219	38.4%

NM - Not meaningful



1(a)(iii) Income statements for three months ended 30 June 2007

	Note	Group		Change %
		1 Apr 2007 to 30 Jun 2007 US\$'000	1 Jan 2007 to 31 Mar 2007 US\$'000	
Sales		179,292	179,751	-0.3%
Cost of sales		(144,746)	(139,873)	-3.5%
Gross profit		<u>34,546</u>	<u>39,878</u>	-13.4%
Other income - net		2,624	2,320	13.1%
Expenses				
Selling, general and administrative		(8,974)	(7,970)	-12.6%
Research and development		(4,127)	(4,014)	-2.8%
Finance		(6,357)	(6,549)	2.9%
Other		(265)	(332)	20.2%
Share of loss of associated companies		(850)	(1,762)	51.8%
Profit before income tax		<u>16,597</u>	<u>21,571</u>	-23.1%
Income tax expense		(2,536)	(3,318)	23.6%
Total profit	1	<u>14,061</u>	<u>18,253</u>	-23.0%
Attributable to:				
Equity holders of the Company		13,844	18,011	-23.1%
Minority interests		<u>217</u>	<u>242</u>	10.3%
		<u>14,061</u>	<u>18,253</u>	-23.0%
		1 Apr 2007 to 30 Jun 2007 US\$'000	1 Jan 2007 to 31 Mar 2007 US\$'000	Change %
1. Total profit for the period is arrived at after crediting/(charging)				
- Government grant income		381	83	359.0%
- Investment income		18	57	-68.4%
- Interest income		885	501	76.6%
- Interest expense		(6,357)	(6,549)	2.9%
- Depreciation on property, plant and equipment		(40,512)	(40,302)	-0.5%
- Amortisation of intangible assets		(1,054)	(894)	-17.9%
- Amortisation of deferred professional and transaction costs		(158)	(158)	0.0%
- Impairment loss of financial assets, available-for-sale		(279)	(334)	16.5%
- Fair value (loss)/gain on derivative financial instruments		(353)	218	-261.9%
- Gain on disposal of financial assets, at fair value through profit or loss		504	67	652.2%
- Fair value (loss)/gain on financial assets, at fair value through profit or loss		(307)	116	-364.7%
- Allowance for doubtful non-trade receivable		-	(6)	100.0%
- Allowance for doubtful trade receivables written back		-	47	-100.0%
- Allowance for inventory obsolescence		(68)	-	NM
- Allowance for inventory obsolescence written back		-	393	-100.0%
- Inventory obsolescence written off		(103)	(56)	-83.9%
- Net foreign exchange (loss)/gain		(100)	258	-138.8%
- Gain on disposal of property, plant and equipment		765	18	4150.0%
- Adjustments for under provision of tax in respect of prior years		142	4	3450.0%
- Sales of scrap		712	870	-18.2%
- Rental income		95	147	-35.4%
- Miscellaneous income		303	319	-5.0%

NM - Not meaningful



1(b)(i) Balance Sheets

	Group		Company	
	As at 30 Jun 2007 US\$'000	As at 31 Dec 2006 US\$'000	As at 30 Jun 2007 US\$'000	As at 31 Dec 2006 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	107,637	76,370	21,861	12,201
Financial assets, at fair value through profit or loss	12,747	17,659	-	-
Derivative financial instruments	41	142	-	-
Trade and other receivables	129,735	146,234	77,340	88,373
Inventories	41,158	33,773	12,021	12,752
Other current assets	4,871	3,919	1,776	2,069
	<u>296,189</u>	<u>278,097</u>	<u>112,998</u>	<u>115,395</u>
Non-current assets				
Financial assets, available-for-sale	3,193	3,894	-	-
Investment in associated companies	31,783	34,395	35,022	35,022
Investment in subsidiaries	-	-	429,226	429,046
Property, plant and equipment	705,563	690,932	407,499	406,643
Intangible assets	146,563	147,455	1,009	961
Deferred income tax assets	1,180	3,045	-	-
	<u>888,282</u>	<u>879,721</u>	<u>872,756</u>	<u>871,672</u>
Total assets	<u>1,184,471</u>	<u>1,157,818</u>	<u>985,754</u>	<u>987,067</u>
LIABILITIES				
Current liabilities				
Trade and other payables	114,134	114,168	50,740	44,565
Current income tax liabilities	6,758	6,494	70	286
Derivative financial instruments	47	184	39	165
Borrowings	27,886	28,099	8,815	13,577
	<u>148,825</u>	<u>148,945</u>	<u>59,664</u>	<u>58,593</u>
Non-current liabilities				
Borrowings	351,521	359,570	335,009	346,725
Deferred income	985	926	985	926
Deferred income tax liabilities	4,114	4,799	3,765	4,134
Post employment benefit obligations	8,238	7,542	-	-
	<u>364,858</u>	<u>372,837</u>	<u>339,759</u>	<u>351,785</u>
Total liabilities	<u>513,683</u>	<u>521,782</u>	<u>399,423</u>	<u>410,378</u>
NET ASSETS	<u>670,788</u>	<u>636,036</u>	<u>586,331</u>	<u>576,689</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	542,843	539,701	542,843	539,701
Other reserves	20,827	21,518	20,174	20,859
Retained earnings	102,903	71,048	23,314	16,129
	<u>666,573</u>	<u>632,267</u>	<u>586,331</u>	<u>576,689</u>
Minority interests	4,215	3,769	-	-
Total equity	<u>670,788</u>	<u>636,036</u>	<u>586,331</u>	<u>576,689</u>



1(b)(ii) Group's borrowings

	Group	
	As at 30 Jun 2007 US\$'000	As at 31 Dec 2006 US\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Unsecured	19,584	18,500
Secured	8,302	9,599
	<hr/> 27,886	<hr/> 28,099
<u>Amount repayable after one year</u>		
Unsecured	348,487	354,664
Secured	3,034	4,906
	<hr/> 351,521	<hr/> 359,570

Details of any collateral

The borrowings are secured on property, plant and equipment with a net book value of US\$26,710,000 (31 December 2006: US\$31,068,000).



1(c)(i) Cash flow statement for six months ended 30 June 2007

	Group	
	1 Jan 2007 to 30 Jun 2007 US\$'000	1 Jan 2006 to 30 Jun 2006 US\$'000
Cash flows from operating activities		
Total profit	32,314	36,319
Adjustments for:		
- Income tax	5,854	962
- Depreciation of property, plant and equipment	80,814	58,808
- Amortisation of deferred professional and transaction costs	316	-
- Amortisation of intangible assets	1,948	739
- Net gain on disposal of property, plant and equipment	(783)	(883)
- Interest income	(1,386)	(866)
- Investment income	(75)	(119)
- Government grant income	(464)	(2,046)
- Interest expense	12,906	4,570
- Gain on disposal of financial assets, at fair value through profit or loss	(571)	(386)
- Fair value loss on derivative financial instruments	135	314
- Fair value loss on financial assets, at fair value through profit or loss	191	(74)
- Impairment loss of financial assets, available-for-sale	613	1,074
- Share option expenses	172	492
- Share of loss of associated companies	2,612	1,061
- Unrealised translation losses	751	(437)
Operating cash flow before working capital changes	135,347	99,528
Change in operating assets and liabilities:		
- Derivative financial instruments	(37)	(82)
- Trade and other receivables	17,062	(9,760)
- Inventories	(7,305)	(2,695)
- Other current assets	(1,327)	(2,360)
- Trade and other payables	1,631	(10,892)
- Post employment benefit obligations	696	28
- Currency translation difference	2	71
Cash generated from operations	146,069	73,838
Government grant received	13	1,438
Income tax paid	(4,939)	(2,476)
Net cash provided by operating activities	141,143	72,800
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	(20)	(161,757)
Purchases of property, plant and equipment	(99,788)	(166,522)
Purchases of intangible assets	(1,048)	(412)
Proceeds from disposal of property, plant and equipment	5,729	1,321
Proceeds from disposal of financial assets, at fair value through profit or loss	5,134	10,621
Proceeds from disposal of financial assets, available-for-sale	81	-
Investment income received	75	119
Interest received	1,057	772
Net cash used in investing activities	(88,780)	(315,858)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	2,071	6,810
Proceeds from borrowings	121,601	383,600
Repayment of borrowings	(132,724)	(103,427)
Repayment of finance lease liabilities	(5,299)	(5,762)
Interest paid	(7,428)	(3,718)
Net cash (used in)/provided by financing activities	(21,779)	277,503
Net increase in cash and cash equivalents	30,584	34,445
Cash and cash equivalents at the beginning of the financial period	76,144	49,398
Cash and cash equivalents at the end of the financial period	106,728	83,843
Cash and cash equivalents in the Group's balance sheet	107,637	84,067
Less: Cash subject to restrictions	(909)	(224)
Cash and cash equivalents in consolidated cash flow statement	106,728	83,843



1(c)(ii) Cash flow statement for three months ended 30 June 2007

	Group	
	1 Apr 2007 to 30 Jun 2007 US\$'000	1 Apr 2006 to 30 Jun 2006 US\$'000
Cash flows from operating activities		
Total profit	14,061	15,662
Adjustments for:		
- Income tax	2,536	1,198
- Depreciation of property, plant and equipment	40,512	31,125
- Amortisation of deferred professional and transaction costs	158	-
- Amortisation of intangible assets	1,054	464
- Net gain on disposal of property, plant and equipment	(765)	(360)
- Interest income	(885)	(646)
- Investment income	(18)	(85)
- Government grant income	(381)	(99)
- Interest expense	6,357	3,085
- Gain on disposal of financial assets, at fair value through profit or loss	(504)	(137)
- Fair value loss on derivative financial instruments	353	316
- Fair value loss on financial assets, at fair value through profit or loss	307	59
- Impairment loss of financial assets, available-for-sale	279	451
- Share option expenses	86	103
- Performance share expenses	(690)	-
- Share of loss of associated companies	850	733
- Unrealised translation losses	396	(479)
Operating cash flow before working capital changes	63,706	51,390
Change in operating assets and liabilities:		
- Derivative financial instruments	(8)	(82)
- Trade and other receivables	11,100	(8,388)
- Inventories	(6,558)	(2,125)
- Other current assets	522	(1,395)
- Trade and other payables	4,764	(4,505)
- Post employment benefit obligations	297	52
- Currency translation difference	1	54
Cash generated from operations	73,824	35,001
Government grant received	13	1,438
Income tax paid	(4,808)	(2,280)
Net cash provided by operating activities	69,029	34,159
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	(20)	(161,757)
Purchases of property, plant and equipment	(60,329)	(77,441)
Purchases of intangible assets	(336)	(314)
Proceeds from disposal of property, plant and equipment	1,869	755
Proceeds from disposal of financial assets, at fair value through profit or loss	5,370	213
Proceeds from disposal of financial assets, available-for-sale	81	-
Investment income received	18	85
Interest received	513	584
Net cash used in investing activities	(52,834)	(237,875)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	537	1,349
Proceeds from borrowings	91,573	264,490
Repayment of borrowings	(79,460)	(61,521)
Repayment of finance lease liabilities	(2,410)	(2,751)
Interest paid	(3,952)	(2,308)
Net cash provided by financing activities	6,288	199,259
Net increase/(decrease) in cash and cash equivalents	22,483	(4,457)
Cash and cash equivalents at the beginning of the financial period	84,245	88,300
Cash and cash equivalents at the end of the financial period	106,728	83,843
Cash and cash equivalents in the Group's balance sheet	107,637	84,067
Less: Cash subject to restrictions	(909)	(224)
Cash and cash equivalents in consolidated cash flow statement	106,728	83,843



UNITED TEST AND ASSEMBLY CENTER LTD

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

(a) Consolidated statement of changes in equity for the half year ended 30 June 2007

	← Attributable to equity holders of the Company →								Total equity US\$'000
	Share capital and share premium US\$'000	Equity component of convertible bonds US\$'000	Share compensation reserve US\$'000	Fair value reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Minority interests US\$'000	
Balance at 1 January 2007	539,701	16,535	5,383	(223)	(214)	37	71,048	3,769	636,036
Fair value loss on financial assets, available-for-sale	-	-	-	(8)	-	-	-	-	(8)
Cash flow hedge	-	-	-	-	214	-	-	-	214
Currency translation differences	-	-	-	-	-	2	-	-	2
Net (loss)/gains recognised directly in equity	-	-	-	(8)	214	2	-	-	208
Net profit	-	-	-	-	-	-	31,855	459	32,314
Total recognised income/(expenses)	-	-	-	(8)	214	2	31,855	459	32,522
Employee share option scheme:									
- Value of employee services	-	-	172	-	-	-	-	-	172
- Proceeds from shares issued	3,142	-	(1,071)	-	-	-	-	-	2,071
Acquisition of additional equity interest in a subsidiary	-	-	-	-	-	-	-	(13)	(13)
Balance at 30 June 2007	542,843	16,535	4,484	(231)	-	39	102,903	4,215	670,788

(a) Consolidated statement of changes in equity for the half year ended 30 June 2006

	← Attributable to equity holders of the Company →							Total equity US\$'000
	Share capital and share premium US\$'000	Share compensation reserve US\$'000	Fair value reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Currency translation reserve US\$'000	Retained earnings/ (accumulated losses) US\$'000	Minority interests US\$'000	
Balance at 1 January 2006	529,373	5,928	(270)	-	(61)	(5,102)	-	529,868
Fair value gain on financial assets, available-for-sale	-	-	50	-	-	-	-	50
Cash flow hedge	-	-	-	(811)	-	-	-	(811)
Currency translation differences	-	-	-	-	71	-	-	71
Net gains /(loss) recognised directly in equity	-	-	50	(811)	71	-	-	(690)
Net profit	-	-	-	-	-	36,180	139	36,319
Total recognised income/(expenses)	-	-	50	(811)	71	36,180	139	35,629
Employee share option scheme:								
- Value of employee services	-	492	-	-	-	-	-	492
- Proceeds from shares issued	9,732	(2,922)	-	-	-	-	-	6,810
Acquisition of a subsidiary	-	-	-	-	-	-	4,208	4,208
Balance at 30 June 2006	539,105	3,498	(220)	(811)	10	31,078	4,347	577,007



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

(b) Statement of changes in equity for the half year ended 30 June 2007 - Company

	← Attributable to equity holders of the Company →					Total equity US\$'000
	Share capital and share premium US\$'000	Equity component of convertible bonds US\$'000	Share compensation reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Retained earnings US\$'000	
Balance at 1 January 2007	539,701	16,535	4,538	(214)	16,129	576,689
Cash flow hedge	-	-	-	214	-	214
Net gains recognised directly in equity	-	-	-	214	-	214
Net profit	-	-	-	-	7,185	7,185
Total recognised income	-	-	-	214	7,185	7,399
Employee share option scheme:						
- Value of employee services	-	-	172	-	-	172
- Proceeds from shares issued	3,142	-	(1,071)	-	-	2,071
Balance at 30 June 2007	542,843	16,535	3,639	-	23,314	586,331

(b) Statement of changes in equity for the half year ended 30 June 2006 - Company

	← Attributable to equity holders of the Company →				Total equity US\$'000
	Share capital and share premium US\$'000	Share compensation reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Retained earnings/ (accumulated losses) US\$'000	
Balance at 1 January 2006	529,373	5,844	-	(9,523)	525,694
Cash flow hedge	-	-	(811)	-	(811)
Net gains recognised directly in equity	-	-	(811)	-	(811)
Net profit	-	-	-	22,044	22,044
Total recognised income	-	-	(811)	22,044	21,233
Employee share option scheme:					
- Value of employee services	-	492	-	-	492
- Proceeds from shares issued	9,732	(2,922)	-	-	6,810
Balance at 30 June 2006	539,105	3,414	(811)	12,521	554,229



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

(c) Consolidated statement of changes in equity for the quarter ended 30 June 2007

	← Attributable to equity holders of the Company →							Total equity US\$'000	
	Share capital and share premium US\$'000	Equity component of convertible bonds US\$'000	Share compensation reserve US\$'000	Fair value reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000		Minority interests US\$'000
Balance at 1 April 2007	542,076	16,535	5,318	(254)	(19)	38	89,059	4,010	656,763
Fair value loss on financial assets, available-for-sale	-	-	-	23	-	-	-	-	23
Cash flow hedge	-	-	-	-	19	-	-	-	19
Currency translation differences	-	-	-	-	-	1	-	-	1
Net gains recognised directly in equity	-	-	-	23	19	1	-	-	43
Net profit	-	-	-	-	-	-	13,844	217	14,061
Total recognised income	-	-	-	23	19	1	13,844	217	14,104
Employee share option scheme:									
- Value of employee services	-	-	86	-	-	-	-	-	86
- Proceeds from shares issued	767	-	(230)	-	-	-	-	-	537
Reclassification of performance share expense	-	-	(690)	-	-	-	-	-	(690)
Acquisition of additional equity interest in a subsidiary	-	-	-	-	-	-	-	(12)	(12)
Balance at 30 June 2007	542,843	16,535	4,484	(231)	-	39	102,903	4,215	670,788

(c) Consolidated statement of changes in equity for the quarter ended 30 June 2006

	← Attributable to equity holders of the Company →							Total equity US\$'000
	Share capital and share premium US\$'000	Share compensation reserve US\$'000	Fair value reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Minority interests US\$'000	
Balance at 1 April 2006	537,197	3,954	(213)	-	(44)	15,555	-	556,449
Fair value gain on financial assets, available-for-sale	-	-	(7)	-	-	-	-	(7)
Cash flow hedge	-	-	-	(811)	-	-	-	(811)
Currency translation differences	-	-	-	-	54	-	-	54
Net gains/(loss) recognised directly in equity	-	-	(7)	(811)	54	-	-	(764)
Net profit	-	-	-	-	-	15,523	139	15,662
Total recognised income/(expenses)	-	-	(7)	(811)	54	15,523	139	14,898
Employee share option scheme:								
- Value of employee services	-	103	-	-	-	-	-	103
- Proceeds from shares issued	1,908	(559)	-	-	-	-	-	1,349
Acquisition of a subsidiary	-	-	-	-	-	-	4,208	4,208
Balance at 30 June 2006	539,105	3,498	(220)	(811)	10	31,078	4,347	577,007



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

(d) Statement of changes in equity for the quarter ended 30 June 2007 - Company

	← Attributable to equity holders of the Company →					Total equity US\$'000
	Share capital and share premium US\$'000	Equity component of convertible bonds US\$'000	Share compensation reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Retained earnings US\$'000	
Balance at 1 April 2007	542,076	16,535	4,128	(19)	22,702	585,422
Cash flow hedge	-	-	-	19	-	19
Net gains recognised directly in equity	-	-	-	19	-	19
Net profit	-	-	-	-	612	612
Total recognised income	-	-	-	19	612	631
Employee share option scheme:						
- Value of employee services	-	-	86	-	-	86
- Proceeds from shares issued	767	-	(230)	-	-	537
Reclassification of performance share expense	-	-	(345)	-	-	(345)
Balance at 30 June 2007	542,843	16,535	3,639	-	23,314	586,331

(d) Statement of changes in equity for the quarter ended 30 June 2006 - Company

	← Attributable to equity holders of the Company →				Total equity US\$'000
	Share capital and share premium US\$'000	Share compensation reserve US\$'000	Hedging reserve - cashflow hedge US\$'000	Retained earnings US\$'000	
Balance at 1 April 2006	537,197	3,870	-	6,952	548,019
Cash flow hedge	-	-	(811)	-	(811)
Net loss recognised directly in equity	-	-	(811)	-	(811)
Net profit	-	-	-	5,569	5,569
Total recognised income/(expenses)	-	-	(811)	5,569	4,758
Employee share option scheme:					
- Value of employee services	-	103	-	-	103
- Proceeds from shares issued	1,908	(559)	-	-	1,349
Balance at 30 June 2006	539,105	3,414	(811)	12,521	554,229



- 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
<u>Issued and fully paid</u>	
Balance as at 1 Apr 2007	1,499,687,786
Ordinary shares issued during the period pursuant to the exercise of share option	1,930,236
	<hr/>
Balance as at 30 Jun 2007	<u>1,501,618,022</u>

Share options(a) Options granted/exercised

During the financial period, 1,930,236 shares of the Company were allotted and issued by virtue of the exercise of options under the Equity Incentive Plan, Employee Share Option Scheme and Replacement Option Scheme.

(b) Options outstanding

As at 30 June 2007, there were unexercised options for 500,000, 7,854,660, 9,644,937 and 13,660,648 of unissued ordinary shares at exercise price of S\$0.70, S\$0.59, US\$0.2484 and US\$0.1875 respectively. As at 30 June 2006, there were unexercised options for 9,562,660, 15,255,665 and 17,027,083 of unissued ordinary shares at exercise price of S\$0.59, US\$0.2484 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.**



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The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

- 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.**

Not applicable.

- 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 Apr 2007 to 30 Jun 2007	1 Apr 2006 to 30 Jun 2006	1 Jan 2007 to 30 Jun 2007	1 Jan 2006 to 30 Jun 2006
Basic earning per share (US cents)	<u>0.92</u>	1.04	<u>2.12</u>	2.44
Diluted earning per share (US cents)	<u>0.93</u>	1.03	<u>2.09</u>	2.40

- 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 Jun 2007	As at 31 Dec 2006
Net asset value per ordinary share based on issued share capital as at the end of the reporting period (US cents)		
- Group	<u>44.67</u>	<u>42.58</u>
- Company	<u>39.05</u>	<u>38.61</u>

- 8 Review of the performance of the group.**

Revenue increased by 48.7% to \$179.3 million in 2Q07 from \$120.5 million in 2Q06 due primarily to the acquisition of UTAC Thai Limited (“UTL”) in June 2006 as well as higher sales from assembly and test services from our customers. In 2Q07, revenue from test service amounted to \$81.2 million or 45.3% of total revenue, revenue from assembly and module services in 2Q07 amounted to \$98.0 million or 54.6% while other revenue amounted to \$0.1 million or 0.1%.

2Q07 revenue from mixed signal segment amounted to \$69.1 million or 38.5% of total revenue compared to 2Q06 revenue of \$55.7 million or 46.2% of total revenue; while 2Q07 revenue from memory segment amounted to \$70.8 million or 39.5% of total revenue compared to \$52.0 million or 43.1% of total revenue in 2Q06. 2Q07 revenue from analog and discretely product segment amounted to \$39.3 million or 21.9% of total revenue compared to \$12.6 million or 10.5% of total revenue in 2Q06. 2Q07 other revenue amounted to



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\$0.1 million or 0.1% of total revenue compared to 2Q06 other revenue of \$0.2 million or 0.2% of total revenue.

Depreciation expense in cost of sales increased by 35.6% to \$40.5 million in 2Q07 from \$29.4 million in 2Q06 due to the purchase of new machinery and equipment to cater for the increasing orders from our customers and from the acquisition of UTL. Other components of the cost of sales such as overheads, raw materials and labour costs increased in line with the revenue increase in 2Q07.

Operating expenses in 2Q07 increased by 47.5% to \$19.7 million as compared to \$13.4 million in 2Q06 due to increase in sales activities and the acquisition of UTL as well as increased finance costs due to higher borrowings inclusive of convertible bonds issued to acquire UTL.

Selling, general and administration expenses in 2Q07 increased by 29.3% to \$9.0 million compared to \$6.9 million in 2Q06 due to increase in sales activities and acquisition of UTL.

Research and development expenses in 2Q07 increased by 26.6% to \$4.1 million compared to \$3.3 million in 2Q06 due to increase in engineering activities to develop new packages and acquisition of UTL.

The finance cost in 2Q07 increased by 106.1% to \$6.4 million compared to \$3.1 million in 2Q06 primarily due to higher borrowings inclusive of convertible bonds issued to acquire UTL.

Other gains in 2Q07 increased by 128.4% to \$2.6 million as compared to \$1.1 million in Q206. Other gains in 2Q07 is primarily made up of sales of scrap of \$0.7 million, government grant income of \$0.4 million and gain on disposal of financial assets, at fair value through profit or loss of \$0.5 million and gain on disposal of property, plant and equipment of \$0.8 million in Q207.

Net profit after minority interest for 2Q07 declined by 10.8% to \$13.8 million from \$15.5 million in 2Q06 primarily due to higher finance cost in view of higher borrowings to acquire UTL.

Revenue declined by 0.3% to \$179.3 million in 2Q07 from \$179.8 million in 1Q07 due to slight softness in our memory and mixed-signal segments due to seasonality though this was partially mitigated by some growth from analog segment.

Capital expenditure for equipment committed in 2Q07 was \$65.0 million principally for new capabilities and production equipment. As at 30 June 2007, the group had 1,343 wire bonders and 812 testers.

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

UTAC had earlier guided this quarter's revenue to be 0±3% of 1Q07. Based on the revenue posted in this quarter 2Q07, 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.



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2Q07 has been a most eventful and challenging quarter. Our DRAM business segment, representing about 28% of our total revenues, experienced difficult conditions as the sharp decline in DRAM prices pushed many of our customers into the red. The mixed-signal market was softer than expected. The main bright spot was our analog business that helped to compensate for weakness in our memory business.

Although the market has yet to signal an upturn with conviction, we are cautiously hopeful that conditions should improve from hereon as both the DRAM and mixed-signal sectors appear to be turning the corner. Our analog business sector should remain strong going into 3Q07.

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.

13 Statement Pursuant to Rule 705(4) of the Listing Manual

The Directors confirm that taking into account the matters announced and publicly disclosed by the Company prior to the date of this confirmation and the prevailing accounting policies adopted by the Company in accordance with the Singapore Financial Reporting Standards, to the best of the knowledge of the Board of Directors of the Company, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group and the Company as at 30 June 2007 to be false or misleading.

Signed by Mr Charles Chen Chih Yuan and Mr Lee Joon Chung on behalf of the Board of Directors

BY ORDER OF THE BOARD

**Lareina Yap Chu Han
Company Secretary
1 August 2007**