

Effective Date Of Selective Capital Reduction

Dec 06, 2005

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Further to the announcement made by United Test and Assembly Center Ltd (the "Company") on 12 August 2005 (the "Announcement"), the Board of Directors of the Company wishes to announce that a copy of the Order of Court confirming the Selective Capital Reduction (as defined in the Announcement) has been lodged with the Accounting and Corporate Regulatory Authority of Singapore, and the Selective Capital Reduction takes effect today.

Pursuant to the Selective Capital Reduction, the issued and paid-up capital of the Company was reduced by cancelling all of the 36,533,333 ordinary shares of US\$0.15 each in the capital of the Company (the "Shares") held by UTAC (Taiwan) Corporation, its wholly-owned subsidiary, and the resultant issued and paid-up capital is US\$219,740,154.75 comprising 1,464,934,365 Shares as at the date of this announcement.

The share premium account of the Company was reduced by an amount of US\$7,836,752 (or S\$12,792,165 based on an exchange rate of US\$1:S\$1.63233) and such reduction was effected through the return of US\$0.2145 (or S\$0.3502 based on an exchange rate of US\$1:S\$1.63233) to UTC for each Share so cancelled. US\$5,480,000 (or S\$8,945,168 based on an exchange rate of US\$1:S\$1.63233) of capital is to be returned to UTC on the basis of US\$0.15 for each Share held by UTC so cancelled.

As stated in the Announcement, the Selective Capital Reduction will not have any effect on the net tangible assets per Share, earnings per Share and gearing of the Company and its subsidiaries.

By Order of the Board

Lareina Yap Chu Han
Company Secretary

Singapore, 6 December 2005