
**QUARTERLY REPORT FOR THE THREE MONTHS AND NINE MONTHS ENDED
SEPTEMBER 30, 2014**

GLOBAL A&T ELECTRONICS LTD.

November 3, 2014

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CERTAIN DEFINITIONS AND CONVENTIONS

In this report, unless otherwise indicated, all references to “our company,” “we,” “our,” “us,” “Group” or “GATE” refer to Global A&T Electronics Ltd., a company incorporated under the laws of the Cayman Islands, and its consolidated subsidiaries.

All references to “USG” refer to United Test and Assembly Center Ltd. All references to “UHK” refer to UTAC Hong Kong Limited. All references to “UTC” refer to UTAC (Taiwan) Corporation, all references to “UTL” refer to UTAC Thai Limited, all references to “UTH” refer to UTAC Thai Holdings Limited and all references to “UCD Cayman” refer to UCD Cayman Ltd.

References to:

“Indenture” are to the indenture dated February 7, 2013, as amended and supplemented from time to time, entered into among GATE, the Subsidiary Guarantors and Citicorp International Limited, as trustee and security agent;

“Senior Revolving Credit Facility” are to the revolving credit facility extended to GATE under the Senior Revolving Credit Facility Agreement;

“Senior Revolving Credit Facility Agreement” are to the credit agreement dated February 7, 2013, as amended and supplemented from time to time, entered into among GATE, JPMorgan Chase Bank, N.A., as administrative agent, syndication agent and documentation agent, Citicorp International Limited, as security agent, Bank of America, N.A., Credit Suisse AG, Singapore Branch, JP Morgan Chase Bank N.A. acting through its Singapore Branch and UBS AG, Hong Kong Branch, as joint mandated lead arrangers and joint bookrunners;

“Senior Secured Notes” or “notes” are to the 10% Senior Secured Notes due 2019, issued on February 7, 2013 and on September 30, 2013, pursuant to the terms of the Indenture; and

“Subsidiary Guarantors” are to certain subsidiaries of GATE, being for the time being: USG, UHK, UTC, UTAC Cayman, UTH and UTL.

When we refer to “Singapore dollars” and “S\$” in this document, we are referring to Singapore dollars, the legal currency of Singapore. When we refer to “U.S. dollars,” “dollars,” “\$” and “US\$” in this document, we are referring to United States dollars, the legal currency of the United States. Certain amounts and percentages have been rounded to the first place after the decimal point; consequently, certain figures may add up to be more or less than the total amount and certain percentages may add up to be more or less than 100% due to rounding. In particular and without limitation, amounts expressed in millions contained in the discussions under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” have been rounded to a single decimal place for the convenience of readers.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this quarterly report, GATE’s annual report for the year ended December 31, 2013, dated April 17, 2014, GATE’s quarterly report for the three months ended March 31, 2013, dated May 14, 2014, and GATE’s quarterly report for the three

months ended June 30, 2014, dated August 5, 2014. Any document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such document should not create any implication that there has been no change in our affairs since such date. The information incorporated by reference is considered to be part of this quarterly report. Information in this quarterly report supersedes any information incorporated by reference that was delivered to you prior to the date of this quarterly report. In other words, in the case of a conflict or inconsistency between information contained in this quarterly report and any information incorporated by reference into this quarterly report, you should rely on the information contained in the document that was delivered to you later.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This quarterly report includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of U.S. securities laws. The terms “anticipates,” “expects,” “may,” “will,” “should” and other similar expressions identify forward-looking statements. These statements appear in a number of places throughout this quarterly report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the semiconductor industry may differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report. Important factors that could cause those differences include, but are not limited to:

- the cyclicalality of the semiconductor industry;
- increased competition from other companies and our ability to retain or increase our market share;
- our reliance on certain major customers;
- our ability to generate growth and profitability;
- our ability to develop new technologies successfully;
- our ability to acquire equipment and supplies necessary to meet our business needs;
- our ability to generate sufficient cash to meet our capital expenditure requirements;
- our ability to repay or refinance our indebtedness as it falls due;
- our ability to hire and maintain qualified personnel;
- fires, natural disasters, acts of terrorism and other developments outside our control;
- the political stability of our local region; and

- general local and global economic conditions.

Forward-looking statements include, but are not limited to, statements regarding our strategy and future plans, future business condition and financial results, our capital expenditure plans, our expansion plans, technological upgrades, investment in research and development, future market demand, future regulatory or other developments in our industry. Please see “Risk Factors” for a further discussion of certain factors that may cause actual results to differ materially from those indicated by our forward-looking statements.

MATERIAL RECENT DEVELOPMENTS SINCE SEPTEMBER 30, 2014

Other than as disclosed elsewhere in this quarterly report, there have been no material developments in GATE's business since September 30, 2014.

RISK FACTORS

Other than as disclosed elsewhere in this quarterly report, there have been no material changes to the risk factors previously disclosed under the heading “Risk Factors” in our annual report for the year ended December 31, 2013, and our quarterly reports for the three months ended March 31, 2014 and June 30, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations in conjunction with our unaudited consolidated financial statements as of and for the three months and nine months ended September 30, 2014, and the related notes thereto, included elsewhere in this quarterly report. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Risk Factors" in our annual report for the year ended December 31, 2013, our quarterly reports for the three months ended March 31, 2014 and June 30, 2014 and elsewhere in this quarterly report. See "Cautionary Statement Regarding Forward-looking Information." Our consolidated financial statements are reported in U.S. dollars and have been prepared in accordance with Singapore Financial Reporting Standards ("SFRS"), which may differ in certain significant respects from generally accepted accounting principles in other countries.

Overview

We are a leading provider of semiconductor test and assembly services. We are headquartered in Singapore, with production facilities located in China, Singapore, Taiwan and Thailand. In China, our facilities are located in Dongguan and Shanghai. We focus on the test and assembly of mixed signal and logic products ("MSLP"), analog and memory ICs, all of which are used primarily in the communications consumer and computing end-markets. Our customers consist primarily of fabless companies, IDMs and wafer foundries.

In the first nine months of 2014, we had sales of \$544.9 million, of which the MSLP, analog and memory product segments accounted for 46.4%, 40.5% and 13.1%, respectively, and test and assembly services accounted for 33.8% and 66.2% respectively, of our total sales.

We provide a comprehensive range of semiconductor test and assembly services. We classify our operations and sales by service type: test and assembly. The table below shows, for the periods indicated, the amount and percentage of our total sales attributable to each of our major service types:

Service type	Nine Months ended September 30			
	2013		2014	
	(\$ in millions, except percentages)			
	Amount	Percentage of sales	Amount	Percentage of sales
Test	187.9	32.6%	184.3	33.8%
Assembly	387.6	67.4%	360.6	66.2%
Total	575.5	100.0%	544.9	100.0%

We offer test and assembly services and have focused on providing full turnkey solutions to our customers. Our test and assembly services are priced based on prevailing market prices, taking into account raw material, labor and overhead costs, including depreciation. The unit price charged for assembly services is generally higher than that for test services as a result of the significantly higher raw material content used in assembly services. On the other hand, while the capital expenditure required for test services may be high, they generally have higher gross margins than assembly services, as they have minimal raw material content.

Our sales from our assembly business as a percentage of our total sales decreased from 67.4% for the nine months ended September 30, 2013 to 66.2% for the nine months ended September 30, 2014, due to the discontinuation of our operations in, and closure of, the Chengdu facility in 2013, and weakness in demand from key customers in the MSLP and memory segments. In comparison, our sales from our test business as a percentage of our total sales increased from 32.6% for the nine months ended September 30, 2013 to 33.8% for the nine months ended September 30, 2014.

In addition to the classification of our operations by service type, we also classify our operations and sales by the type of semiconductor device: MSLP, analog and memory. The table below shows, for the periods indicated, our composition of sales by type of IC as a percentage of total sales:

	Nine Months ended September 30			
	2013		2014	
	(\$ in millions, except percentages)			
Product type	Amount	Percentage of sales	Amount	Percentage of sales
MSLP	265.3	46.1%	253.1	46.4%
Analog	215.9	37.5%	220.5	40.5%
Memory	94.3	16.4%	71.3	13.1%
Total	575.5	100.0%	544.9	100.0%

Based on our unaudited internal management accounts, which reflect an allocation of all sales for each of our customers by the type of semiconductor that we believe is their primary manufacturing focus, our sales breakdowns by product type for the nine months ended September 30, 2013 and 2014 were 46.1% and 46.4% in MSLP, 37.5% and 40.5% in analog products, and 16.4% and 13.1% in memory products, respectively. Our sales mix changed between these two periods primarily due to the discontinuation of our operations in the Chengdu facility, weakness in demand from key customers in the MSLP and memory segments.

We have a diversified customer base on the basis of geographical distribution. We account for the geographical distribution of our sales in terms of three regions based on the countries in which our customers are headquartered — the United States, Asia and Europe.

	Nine Months ended September 30			
	2013		2014	
	(\$ in millions, except percentages)			
Geographical region	Amount	Percentage of sales	Amount	Percentage of sales
United States.....	355.7	61.8%	334.8	61. 5%
Asia.....	165.0	28.7%	155.4	28.5%
Europe.....	53.1	9.2%	52.9	9.7%
Others.....	1.7	0.3%	1.8	0.3%
Total.....	575.5	100.0%	544.9	100.0%

Sales in the United States, Asia and Europe decreased in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013 due to the discontinuation of our operations in the Chengdu facility, and weakness in demand from key customers from these three regions.

Results of Operations

	Three Months ended September 30				Nine Months ended September 30			
	2013		2014		2013		2014	
	(\$ in millions, except percentages)							
Sales	181.6	100.0%	199.5	100.0%	575.5	100.0%	544.9	100.0%
Cost of sales	(156.1)	(86.0%)	(163.1)	(81.7%)	(498.4)	(86.6%)	(460.1)	(84.4%)
Gross profit	25.5	14.0%	36.4	18.3%	77.1	13.4%	84.8	15.6%
Other income — net	21.6	11.9%	34.2	17.1%	26.6	4.6%	37.2	6.8%
Expenses:								
Selling, general and administrative	(11.7)	(6.4%)	(16.9)	(8.5%)	(43.6)	(7.6%)	(47.0)	(8.6%)
Research and development	(3.0)	(1.7%)	(2.7)	(1.4%)	(9.2)	(1.6%)	(8.5)	(1.6%)
Finance	(30.1)	(16.6%)	(29.7)	(14.9%)	(89.7)	(15.6%)	(90.3)	(16.6%)
Others	(5.2)	(2.9%)	(7.8)	(3.9%)	(8.8)	(1.5%)	(10.6)	(2.0%)
Share of profit/(loss) of associated companies	(0.6)	(0.3%)	-	-	(1.4)	(0.2%)	-	-
Profit/(loss) before tax	(3.5)	(1.9%)	13.5	6.8%	(49.0)	(8.5%)	(34.4)	(6.3%)
Income tax expense	(1.7)	(0.9%)	(3.0)	(1.5%)	(4.9)	(0.9%)	(5.6)	(1.0%)
Profit/(loss) after tax	(5.2)	(2.9%)	10.5	5.2%	(53.9)	(9.4%)	(40.0)	(7.4%)
Minority interests	(0.3)	(0.2%)	(0.4)	(0.2%)	(1.0)	(0.2%)	(1.2)	0.2%
Profit / (loss) after minority interest	(5.5)	(3.0%)	10.1	5.0%	(54.9)	(9.5%)	(41.2)	(7.6%)

Three months ended September 30, 2014 compared to three months ended September 30, 2013

Sales. Sales increased 9.9% to \$199.5 million in the three months ended September 30, 2014 from \$181.6 million in the three months ended September 30, 2013.

Our test services sales increased 10.2% to \$66.9 million in the three months ended September 30, 2014 from \$60.7 million in the three months ended September 30, 2013 and our assembly services sales increased 9.6% to \$132.6 million in the three months ended September 30, 2014 from \$121.0 million in the three months ended September 30, 2013.

Sales from our MSLP and analog businesses increased 9.9% and 14.0%, respectively, to \$93.3 million and \$80.8 million in the three months ended September 30, 2014, from \$84.9 million and \$70.9 million in the three months ended September 30, 2013. Sales from our memory business decreased 1.9% to \$25.4 million in the three months ended September 30, 2014 from \$25.9 million in the three months ended September 30, 2013.

The increase in our sales for the business segments above is primarily due to the strengthening in demand for our services from key customers in the MSLP and analog business segments.

Cost of sales. Cost of sales increased 4.5% to \$163.1 million in the three months ended September 30, 2014 from \$156.1 million in the three months ended September 30, 2013 due to higher sales. Our cost of sales as a percentage of sales decreased to 81.7% in the three months ended September 30, 2014 compared to 86.0% in the three months ended September 30, 2013, due to increase in the utilization at our facilities and our ongoing cost reduction efforts.

Gross profit. Gross profit increased 42.7% to \$36.4 million in the three months ended September 30, 2014 from \$25.5 million in the three months ended September 30, 2013. Gross profit as a percentage of sales was 18.3% in the three months ended September 30, 2014

compared to 14.0% in the three months ended September 30, 2013 due to increased sales and our ongoing cost reduction efforts.

Other income, net. Other income, net increased 58.3% to \$34.2 million in the three months ended September 30, 2014 from \$21.6 million in the three months ended September 30, 2013. Our income, net in the three months ended September 30, 2014 consisted primarily of a gain on disposal of one of the facilities in Singapore and certain equipment of \$33.2 million and sales of scrap, interest income and foreign exchange difference (net) of an aggregate amount of \$1.0 million.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 44.4% to \$16.9 million in the three months ended September 30, 2014 from \$11.7 million in the three months ended September 30, 2013, due to higher sales and marketing related expense, and infrastructure expenses in the three months ended September 30, 2014. In addition, there was no reversal of accruals in the three months ended September 30, 2014 compared to the three months ended September 30, 2013.

Research and development expenses. Research and development expenses decreased 10.0% to \$2.7 million in the three months ended September 30, 2014 from \$3.0 million in the three months ended September 30, 2013.

Finance expenses. Finance expenses were \$29.7 million in the three months ended September 30, 2014 compared to \$30.1 million in the three months ended September 30, 2013. The finance expenses relate to the interest charges on our long term borrowings which were fairly constant in the two comparative periods.

Other expenses. Other expenses increased 50.0% to \$7.8 million in the three months ended September 30, 2014 from \$5.2 million in the three months ended September 30, 2013. Other expense, net in the three months ended September 30, 2014 consisted primarily of an impairment loss on fixed assets of \$6.2 million and restructuring costs of \$1.0 million. Other expense, net in the three months ended September 30, 2013 consisted primarily of restructuring costs of \$4.6 million as we discontinued our operations in Chengdu.

Share of loss of associated company. In the three months ended September 30, 2014, our share of loss of associated company was nil compared to our share of loss of associated company of \$0.6 million in the three months ended September 30, 2013, as we had disposed of Nepes Pte. Ltd., previously our associated company, in May 2014.

Profit before tax. Our profit before tax was \$13.5 million in the three months ended September 30, 2014 compared to a loss before tax of \$3.5 million in the three months ended September 30, 2013.

Income tax expense. Our consolidated income tax expense was \$3.0 million in the three months ended September 30, 2014 compared to income tax expenses of \$1.7 million in the three months ended September 30, 2013, primarily as a result of higher income tax accrued in some foreign jurisdictions due to increased taxable profits.

Nine months ended September 30, 2014 compared to nine months ended September 30, 2013

Sales. Sales decreased 5.3% to \$544.9 million in the nine months ended September 30, 2014 from \$575.5 million in the nine months ended September 30, 2013.

Our test services sales decreased 1.9% to \$184.3 million in the nine months ended September 30, 2014 from \$187.9 million in the nine months ended September 30, 2013 and our assembly services sales decreased 7.0% to \$360.6 million in the nine months ended September 30, 2014 from \$387.6 million in the nine months ended September 30, 2013.

Sales from our MSLP and memory businesses decreased 4.6% and 24.4%, respectively, to \$253.1 million and \$71.3 million in the nine months ended September 30, 2014 from \$265.3 million and \$94.3 million in the nine months ended September 30, 2013. Sales from our analog business increased 2.1% to \$220.5 million in the nine months ended September 30, 2014 from \$215.9 million in the nine months ended September 30, 2013.

The decrease in our sales for the businesses and segments referred to above is primarily due to the discontinuation of our operations in the Chengdu facility, and weakness in demand from key customers in the MSLP and memory segments in the first half of 2014, which was partially offset by the increase in sales and in the various businesses and segments in the three months ended September 30, 2014, which is attributable to the strengthening in demand for our services from key customers in the MSLP and analog business segments.

Cost of sales. Cost of sales decreased 7.7% to \$460.1 million in the nine months ended September 30, 2014 from \$498.4 million in the nine months ended September 30, 2013, principally due to lower sales. Our cost of sales as a percentage of sales decreased to 84.4% in the nine months ended September 30, 2014 compared to 86.6% in the nine months ended September 30, 2013, due to increased sales in the three months ended September 30, 2014 and improved cost control as a result of our ongoing cost reduction efforts.

Gross profit. Gross profit increased 10.0% to \$84.8 million in the nine months ended September 30, 2014 from \$77.1 million in the nine months ended September 30, 2013. Gross profit as a percentage of sales was 15.6% in the nine months ended September 30, 2014 compared to 13.4% in the nine months ended September 30, 2013, primarily due to improved cost control as a result of our ongoing cost reduction efforts.

Other income, net. Other income, net increased 39.8% to \$37.2 million in the nine months ended September 30, 2014 compared to \$26.6 million in the nine months ended September 30, 2013. Other income, net in the nine months ended September 30, 2014 consisted primarily of a gain on disposal of one of the facilities in Singapore and certain equipment of \$34.3 million, sales of scrap of \$2.4 million, interest income of \$1.4 million and service tooling income of \$1.1 million, partially offset by foreign exchange loss of \$2.8 million.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 7.8% to \$47.0 million in the nine months ended September 30, 2014 from \$43.6 million in the nine months ended September 30, 2013, due to higher sales and marketing related expenses and infrastructure expenses in the three months ended September 30, 2014. In addition, there was no significant reversal of accruals in the three months ended September 30, 2014 compared to the three months ended September 30, 2013.

Research and development expenses. Research and development expenses decreased 7.6% to \$8.5 million in the nine months ended September 30, 2014 from \$9.2 million in the nine months ended September 30, 2013 primarily due to decreased purchases of spares and toolings.

Finance expenses. Finance expenses increased 0.7% to \$90.3 million in the nine months ended September 30, 2014 compared to \$89.7 million in the nine months ended September 30, 2013.

Other expenses. Other expenses increased 20.5% to \$10.6 million in the nine months ended September 30, 2014 from \$8.8 million in the nine months ended September 30, 2013. This increase was primarily due to the increase in the impairment loss on fixed assets of \$6.2 million, which was offset by lower restructuring costs.

Share of loss of associated company. In the nine months ended September 30, 2014, our share of loss of associated company was nil compared to our share of loss of associated company of \$1.4 million in the nine months ended September 30, 2013 arising from our share of losses of Nepes Pte. Ltd. We had disposed of Nepes Pte. Ltd. in May 2014.

Loss before tax. Our loss before tax was \$34.4 million in the nine months ended September 30, 2014 compared to a loss before tax of \$49.0 million in the nine months ended September 30, 2013.

Income tax expense. Our consolidated income tax expense was \$5.6 million in the nine months ended September 30, 2014 compared to income tax expense of \$4.9 million in the nine months ended September 30, 2013, primarily as a result of higher income tax accrued in some foreign jurisdictions due to increased taxable profits.

Liquidity and Capital Resources

Our operations are capital intensive. We have funded our operations and growth primarily through a mixture of short and long-term loans and cash flows from operations. As of September 30, 2014, our primary sources of liquidity included cash and bank deposits of \$208.4 million and GATE's remaining undrawn credit facilities of \$125.0 million under the Senior Revolving Credit Facility.

We believe that after taking into account the expected cash to be generated from operations and the financial resources currently available to us, we have sufficient liquidity for our present and anticipated working capital needs, our debt service obligations, and for other cash requirements, for the 12 months following the date of this report.

The following table sets forth our consolidated cash flows with respect to operating activities, investing activities and financing activities for the periods indicated.

	Three Months ended September 30		Nine months ended September 30	
	2013	2014	2013	2014
	(\$ in millions)			
Net cash provided by operating activities.....	51.0	47.4	141.0	129.1
Net cash provided by (used in) investing activities.....	(7.9)	31.0	(34.6)	(29.6)
Net cash used in financing activities	(53.5)	(57.5)	(99.5)	(109.0)
Net increase/(decrease) in cash and cash	(10.4)	20.9	6.9	(9.5)

	Three Months ended September 30		Nine months ended September 30	
	2013	2014	2013	2014
	(\$ in millions)			
equivalents.....				
Cash and cash equivalents at beginning of financial period	218.5	187.4	201.2	217.8
Cash and cash equivalents at end of financial period	208.1	208.3	208.1	208.3

Cash Flows from Operating Activities

Net cash provided by operating activities was \$129.1 million for the nine months ended September 30, 2014, and was \$141.0 million for the corresponding period in 2013. The decrease of \$11.9 million was primarily due to lower net income adjusted for non-cash items such as depreciation and amortisation and impairment expenses of \$13.2 million, higher net use of cash of \$4.7 million for working capital and partially offset by lower income tax paid of \$6.4 million.

Net cash provided by operating activities was \$47.4 million for the three months ended September 30, 2014, and was \$51.0 million for the corresponding period in 2013. The difference of \$3.6 million was primarily due to higher cash used for working capital of \$5.0 million, partially offset by lower income tax paid of \$1.0 million.

Cash Flows from Investing Activities

Net cash used in investing activities was \$29.6 million during the nine months ended September 30, 2014. The principal component of the cash outflow was \$81.0 million used for the acquisition of certain equipment and loan to immediate holding company, which was partially offset by proceeds from the disposal of one of the facilities in Singapore and certain equipment of \$61.7 million.

Net cash used in investing activities was \$34.6 million during the nine months ended September 30, 2013. The principal component of the cash outflow was \$36.5 million used for the acquisition of property, plant and equipment, which was partially offset by proceeds from the disposal of certain equipment.

Net cash generated from investing activities was \$31.1 million during the three months ended September 30, 2014. The principal component of the cash inflow was proceeds from the disposal of one of the facilities in Singapore and certain equipment of \$59.9 million, partially offset by cash outflows of \$29.0 million for the acquisition of plant and equipment.

Net cash used in investing activities was \$7.9 million during the three months ended September 30, 2013. The principal component of the cash outflow was \$8.8 million used for the purchases of property, plant and equipment, which was partially offset by proceeds from the disposal of certain equipment.

Cash Flows from Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2014 was \$109.0 million. Net cash used in financing activities principally included \$106.2 million

in interest payment, \$1.5 million in dividends paid to minority shareholders in UTC and \$1.2 million in payment of financing fees.

Net cash used in financing activities during the nine months ended September 30, 2013 was \$99.5 million. Net cash used in financing activities principally included \$73.3 million in interest payment, \$631.7 million in repayment of borrowings, \$1.7 million in dividends paid to minority shareholders in UTL and \$0.3 million in repayment of obligations under our finance leases, offset by proceeds from the issue in February 2013 of the Senior Secured Notes (after deducting transaction costs) of \$607.5 million.

Net cash used in financing activities during the three months ended September 30, 2014 was \$57.5 million. Net cash used in financing activities principally included \$56.9 million in interest payment and \$0.5 million in payment of financing fee.

Net cash used in financing activities during the three months ended September 30, 2013 was \$53.5 million. Net cash used in financing activities principally included \$45.6 million in interest payment, \$7.2 million in repayment of borrowings and \$0.6 million in dividends paid to minority shareholders in UTL.

Capital Expenditures

Capital expenditures represent purchases of property, plant and equipment in any given period, excluding those we acquired through a business combination. We had capital expenditure of \$81.0 million for the nine months ended September 30, 2014 compared to \$36.5 million for the same period in 2013. For the nine months ended September 30, 2014, our capital expenditure related mainly to expansion in capacity for our wafer level chip scale packaging and MSLP testing capacity. For the nine months ended September 30, 2013, our capital expenditure related mainly to expansion in capacity for our wafer level chip scale packaging and MSLP testing capacity. As of December 31, 2013 and September 30, 2014, our committed capital expenditure was \$17.4 million and \$21.2 million, respectively.

Total Borrowings

As of September 30, 2014, the total amounts outstanding under our long-term and short-term borrowings were \$1,097.7 million, after deducting unamortized charges, the details of which are set out below.

Long-Term Borrowings

The following table sets out certain details relating to our long-term borrowings:

Facility	Borrower/ Issuer	Amount outstanding as of September 30, 2014	Total committed amount	Interest rate	Maturity
		(\$ in millions)			
Senior Secured Notes	GATE	1,097.2 ⁽¹⁾	1,127.3	10.0%	February 2019
Senior Revolving Credit Facility	GATE	-	125.0	LIBOR + applicable margin ⁽²⁾	February 7, 2018

Notes:

- (1) This amount represented the indebtedness under the Senior Secured Notes after deducting unamortized loan facility and related charges of \$30.1 million as of September 30, 2014. The total indebtedness outstanding under the Senior Secured Notes without deducting unamortized loan facility and related charges was \$1,127.3 million.
- (2) See “Description of Indebtedness and Other Material Contracts —Senior Revolving Credit Facility Agreement” in our annual report for the year ended December 31, 2013 for details of the applicable margin and maturity date.

Short-Term Borrowings

As of September 30, 2014, USG had obtained a bank guarantee from Citibank for an amount of S\$2.0 million.

UTL currently has a revolving credit facility of up to 175.0 million Thai Baht with The Siam Commercial Bank Public Company Limited (“SCBPCL”), which may be utilized for working capital purposes. As of September 30, 2014, this facility has not been utilized. UTL also currently has bank guarantee facilities for an aggregate of up to 110 million Thai Baht provided by SCBPCL, Bangkok Bank Public Company Limited (“BBL”) and Krung Thai Bank Public Company Limited (“KTB”), pursuant to which UTL may instruct either of these banks to issue bank guarantee(s) for the payment of custom duties and certain other operating expenses. The fees payable for the issuance of the bank guarantees are 1.25% per annum for SCBPCL and BBL, and 2.0% per annum for KTB. As of September 30, 2014 guarantees of an aggregate amount of 47 million Thai Baht have been issued under these facilities. These facilities are reviewed and renewed on an annual basis. In deciding whether to renew the facilities, the relevant banks assess the financial position of UTL annually by comparing it with other similar companies in the same industry.

UTC has a letter of credit facility of an amount of \$7.0 million with Ta Chong Bank, which has an undrawn balance of \$6.0 million as of September 30, 2014.

Sales of our subsidiaries (who are not guarantors of the Senior Secured Notes) accounted for approximately \$114.3 million, or 21.0%, of our total sales for the nine months ended September 30, 2014, and \$42.0 million, or 21.1% of our total sales for the three months ended 30 September, 2014, assets of such subsidiaries accounted for approximately \$189.2 million, or 11.7%, of our total assets, and liabilities accounted for approximately \$36.5 million, or 2.8%, of our total liabilities, and indebtedness of such subsidiaries accounted for approximately \$0.1 million, 0.005% of our total consolidated indebtedness, in each case as of September 30, 2014, in each case before taking into account transactions between such subsidiaries, the Subsidiary Guarantors and GATE.

Finance leases

We have leased certain plant and equipment under finance leases. As of September 30, 2014, our total finance lease obligations were \$0.6 million. Lease terms generally range from two to five years with options to purchase at the end of the lease term. Lease terms generally do not contain restrictions concerning dividends, additional debts or further leasing and do not provide for contingent rents. The liabilities under the leases are secured on the plant and equipment, which are the subject of the finance lease contracts.

Off-balance Sheet Arrangements

As of September 30, 2014, there were no off-balance sheet arrangements.

Contingencies

From time to time, we are subject to claims that arise in the normal course of business. These claims may include allegations of infringement of intellectual property rights of others, environmental liability, labor, products, as well as other claims of liability.

Complaint filed by certain noteholders

A complaint was filed in the Supreme Court of the State of New York, New York County, by certain purported holders of GATE's Senior Secured Notes due 2019, alleging certain claims in relation to the issuance of the \$502.3 million in aggregate principal amount of Senior Secured Notes on September 30, 2013. The claims asserted include alleged breaches of GATE's intercreditor agreement and the Indenture, fraudulent inducement and fraud with respect to certain plaintiffs' purported purchases of the Senior Secured Notes. The plaintiffs seek monetary damages and declaratory relief, including a declaration that the issuance of the Senior Secured Notes on September 30, 2013 caused an event of default under the Indenture.

GATE is of the view that it has substantial defences to these claims and intends to vigorously defend the plaintiffs' lawsuit. On May 30, 2014, GATE filed a motion to dismiss the plaintiffs' complaint. The motion to dismiss will be heard by the court on January 13, 2015. The case is ongoing.

Litigation with Tessera

On September 30, 2010, Tessera, Inc. ("Tessera") filed a complaint against UTC in the United States District Court of the Northern District of California. The suit relates to a contractual dispute about whether UTC's patent license agreement with Tessera obligates it to continue paying royalties to Tessera. Tessera's complaint seeks a judicial determination and declaration that UTC remains contractually obligated to pay royalties to Tessera, an account of unpaid royalties and an award of damages in an amount to be determined at trial, plus interest on damages, costs, disbursements and attorneys' fees. UTC filed a motion to dismiss the complaint on March 16, 2011. On March 28, 2012, the court granted UTC's motion to dismiss with leave for Tessera to file an amended complaint by April 19, 2012. Tessera filed an amended complaint on April 19, 2012, and UTC filed its answer on May 17, 2012. UTC, in its answer to the amended complaint, denies Tessera's claims and asserts counterclaims for declaratory relief relating to the appropriate interpretation of the patent license agreement. After completing discovery, the parties filed competing motions for partial summary judgment concerning the proper interpretation of the license agreement. In an order dated March 31, 2014, the court granted UTC's motion and denied Tessera's motion, thereby adopting UTC's proposed interpretation of the license agreement. On July 8, 2014, Tessera identified patents that it contends cover UTC's packages, and the parties are presently in the process of discovery concerning Tessera's patent claims. On November 4, 2014, the parties are scheduled to make preliminary submissions to the court on the construction of claim terms. The court has also scheduled a case management conference for November 14, 2014. The case is ongoing.

Litigation with a shareholder of UTL

On March 22, 2000, a minority shareholder of UTL, Mrs. Yuwanit Pisanthanakun, filed a complaint in the Southern Bangkok Civil Court against UTL and five of its directors (one of

whom continues to be an existing director). The plaintiff challenged the validity of a board meeting held on December 16, 1999 and various shareholder meetings approving the appointments of new directors, amendments of UTL's Articles of Association, and allocation of additional shares as a part of a capital increase and debt restructuring of UTL that took place in early 2000.

On December 29, 2005, the Southern Bangkok Civil Court dismissed the plaintiff's claim. The plaintiff's appeal to the Appeals Court on March 14, 2006 was also dismissed on November 10, 2008. Both Thai courts found that the board and shareholders' meetings challenged by the plaintiff were held in accordance with UTL's Articles of Association and that the relevant resolutions were properly passed and should not be revoked. The plaintiff appealed further to the Supreme Court of Thailand on April 27, 2009 and the parties have since made their submissions. The judgment of the Supreme Court of Thailand is pending.

UTL has obtained judgments in its favor in the Court of First Instance and the Court of Appeal, and believes that it has meritorious defenses to the plaintiff's appeal to the Supreme Court of Thailand.

Suit filed by Amkor Technology

On April 4, 2014, Amkor Technology, Inc. ("Amkor") filed a complaint against GATE and certain of its subsidiaries in the Superior Court of Arizona. The suit relates to patent licenses between Amkor and certain of GATE's subsidiaries. We filed a motion to dismiss Amkor's complaint on Aug 12, 2014. Amkor's response was filed on September 3, 2014 and we have subsequently filed a reply brief on September 16, 2014. The motion to dismiss will be heard by the court on November 20, 2014. In the meantime, the parties have agreed to defer discussion of case management and discovery issues until the court has ruled on our motion to dismiss. We will continue to vigorously defend our interests in this suit. The case is ongoing.

Critical Accounting Policies

Our critical accounting policies are disclosed in our annual report for the year ended December 31, 2013. During the nine months ended September 30, 2014, there have been no significant changes in our critical accounting policies.

Recent Accounting Pronouncements under SFRS

New Accounting Standards and SFRS Interpretations Effective 2014

The significant accounting policies adopted in the interim financial report are consistent with those adopted in the financial statements for the year ended December 31, 2013 except for the adoption of the following standards which are effective for annual period beginning on and after January 1, 2014:

- FRS 27 (revised 2011) — Separate Financial Statements (effective for annual periods beginning on or after January 1, 2014)
- FRS 110 — Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2014)

- FRS 112 — Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2014)

We anticipate that the adoption of the above FRSs and amendments to FRS will not have a material impact on our financial statements.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates, of financial instruments. We are exposed to various financial market risks in our ordinary course business transactions, primarily from interest rate movements on non-current variable rate borrowings and exchange rate movements. For details of quantitative and qualitative disclosures about market risk, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures about Market Risk” in our annual report for the year ended December 31, 2013.

FINANCIAL STATEMENTS

- 1.....GATE Unaudited Financial Statements for the three months and nine months ended September 30, 2014, prepared in accordance with Singapore Financial Reporting Standards
- 2..... Condensed Notes to GATE Unaudited Financial Statements for the three months and nine months ended September 30, 2014

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME

For the three-month and nine-month period ended September 30, 2014

	Three-month period ended September 30		Nine-month period ended September 30	
	2013	2014	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Sales.....	181,649	199,500	575,456	544,935
Cost of sales	(156,121)	(163,061)	(498,374)	(460,137)
Gross profit.....	25,528	36,439	77,082	84,798
Other gains/(losses) – net.....	21,664	34,201	26,617	37,220
Expenses				
Selling, general and administrative expenses	(11,699)	(16,919)	(43,596)	(47,027)
Research and development costs	(3,023)	(2,717)	(9,214)	(8,540)
Finance costs	(30,116)	(29,723)	(89,740)	(90,272)
Other operating expenses	(5,164)	(7,806)	(8,760)	(10,640)
Share of loss of associated companies.....	(641)	-	(1,383)	-
Profit / (Loss) before income tax	(3,451)	13,475	(48,994)	(34,461)
Income tax (expense)/credit.....	(1,699)	(3,014)	(4,943)	(5,564)
Total Profit / (Loss)	(5,150)	10,461	(53,937)	(40,025)
Other comprehensive income:				
Financial assets, available-for-sale				
Cash flow hedges				
- Fair value gains	3,759	275	(2,301)	608
- Reclassification	856	-	(405)	-
Currency translation differences arising.....	-	(3)	-	(3)
Share option reserve.....	-	-	-	(8)
Currency translation differences arising from consolidation	-	(5)	-	(22)
Other comprehensive income, net of tax	4,615	267	(2,706)	575
Total comprehensive income.....	(535)	10,728	(56,643)	(39,450)
Profit/(Loss) attributable to:				
Equity holders of the Company	(5,468)	10,020	(54,916)	(41,260)
Minority interests	318	441	979	1,235
	(5,150)	10,461	(53,937)	(40,025)
Total comprehensive income attributable to:				
Equity holders of the Company	(864)	10,282	(57,592)	(40,708)
Minority interests	329	446	949	1,258
	(535)	10,728	(56,643)	(39,450)

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION

As at September 30, 2014

	Group	
	December 31, 2013	September 30, 2014
	US\$'000	US\$'000
ASSETS		
Current assets		
Cash and bank deposits.....	217,855	208,354
Derivative financial instruments.....	217	18
Trade and other receivables.....	106,747	137,172
Inventories.....	33,548	41,661
Other current assets.....	10,368	5,672
	368,735	392,877
Assets classified as held-for-sale	-	10,436
	368,735	403,313
Non-current assets		
Other non-current assets.....	9,808	8,866
Deferred income tax assets.....	2,505	2,394
Financial assets, available-for-sale.....	1,383	1,383
Property, plant and equipment.....	536,157	499,273
Intangible assets.....	708,745	696,874
	1,258,598	1,208,790
Total assets	1,627,333	1,612,103
LIABILITIES		
Current liabilities		
Trade and other payables.....	132,213	158,457
Provisions.....	2,000	2,000
Derivative financial instruments.....	1,034	121
Borrowings.....	188	260
Current income tax liabilities.....	4,976	3,928
	140,411	164,766
Non-current liabilities		
Borrowings.....	1,093,674	1,097,474
Deferred income.....	168	101
Deferred income tax liabilities.....	9,443	6,586
Long term benefit obligations.....	21,841	22,274
	1,125,126	1,126,435
Total liabilities	1,265,537	1,291,201
NET ASSETS	361,796	320,902
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital		
Capital contribution.....	698,000	698,000
Other reserves.....	(6,736)	(6,161)
Retained earnings/(Accumulated losses).....	(334,898)	(376,159)
	356,366	315,680
Minority interest.....	5,430	5,222
Total equity	361,796	320,902

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2014

	Note	← Attributable to equity holder of the Company →				Non-controlling interest	Total equity
		Share capital	Capital contribution	Other reserves	Accumulated losses		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Opening amount as at January 1, 2014			698,000	(6,736)	(334,898)	5,430	361,796
Dividend paid to non-controlling interest						(1,466)	(1,466)
Total comprehensive income/(loss) for the period.....		-	-	575	(41,261)	1,258	(39,428)
Balance as at September 30, 2014		-	698,000	(6,161)	(376,159)	5,222	320,902
 Opening amount as at January 1, 2013		-	698,000	(3,459)	(254,937)	5,926	445,530
Dividends paid to non-controlling interest		-	-	-	-	(1,732)	(1,732)
Total comprehensive income/(loss) for the period.....		-	-	(2,676)	(54,916)	949	(56,643)
Balance as at September 30, 2013		-	698,000	(6,135)	(309,853)	5,143	387,155

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the three-month and nine-month period ended September 30, 2014

	Three-month period ended September 30		Nine-month period ended September 30	
	2013	2014	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities:				
Net profit	(5,150)	10,461	(53,937)	(40,025)
Adjustments for:				
- Tax.....	1,699	3,014	4,943	5,564
- Depreciation of property, plant and equipment	37,236	32,933	115,180	100,736
- Amortization of intangible assets.....	4,080	3,953	12,341	12,039
- Net (gain)/loss on disposal of property, plant and equipment	258	(33,228)	146	(34,275)
- Impairment loss or property, plant and equipment....	-	6,295	-	6,295
- Write off of property, plant and equipment	252	419	252	430
- Interest expense	35,005	29,723	94,629	90,272
- Interest income	(258)	(494)	(679)	(1,292)
- Government grant income.....	(49)	(46)	(246)	(93)
- Fair value loss/(gain) on derivative financial instruments	(24)	-	(4)	-
- Share of (gain)/loss of associated companies	641	-	1,383	-
- Gain on exchange bond offer	(21,074)	-	(21,074)	-
Operating cash flow before working capital changes	52,616	53,030	152,934	139,651
Change in operating assets and liabilities, net of effects from purchase of a subsidiary:				
- Derivative financial instruments	(3,080)	24	(4,603)	(92)
- Trade and other receivables	18,417	(4,960)	20,625	(18,996)
- Inventories	5,979	(2,908)	14,458	(8,113)
- Other current assets	786	807	3,170	4,890
- Trade and other payables	(18,277)	5,796	(29,850)	20,733
- Retirement benefit obligations	427	405	232	410
- Currency translation difference.....	1	46	3	516
Cash generated from operations	56,869	52,240	156,969	138,999
Government grant received.....	26	24	350	28
Income tax paid	(5,851)	(4,841)	(16,304)	(9,864)
Net cash provided by operating activities	51,044	47,423	141,015	129,163
Cash flows from investing activities:				
Purchases of property, plant and equipment.....	(8,812)	(29,044)	(36,534)	(81,026)
Loan to immediate holding company	-	-	-	(11,000)
Purchases of intangible assets.....	(75)	(8)	(253)	(168)
Proceeds from disposal of property, plant and equipment	771	59,917	1,578	61,697
Proceed/(Purchase) from/(of) sale of financial assets, at fair value.....	11	-	19	-
Interest income received	207	198	623	862
Net cash provided by (used in) investing activities.....	(7,898)	31,063	(34,567)	(29,635)
Cash flows from financing activities:				
Proceeds from borrowings	-	-	607,500	-
Repayment of borrowings.....	(7,175)	-	(631,686)	-
Repayment of finance lease liabilities	(74)	(73)	(312)	(189)
Interest paid.....	(45,599)	(56,944)	(73,296)	(106,176)
Payment of financing fee	-	(522)	-	(1,197)
Dividend paid to a non-controlling interest.....	(651)	-	(1,732)	(1,466)
Net cash used in financing activities	(53,499)	(57,539)	(99,526)	(109,028)
Net decrease in cash and cash equivalents	(10,353)	20,947	6,922	(9,500)

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH
FLows

For the three-month and nine-month period ended September 30, 2014

	Three-month period ended September 30		Nine-month period ended September 30	
	2013	2014	2013	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents at the beginning of the financial period	218,494	187,359	201,219	217,806
Cash and cash equivalents at the end of the financial period.....	208,141	208,306	208,141	208,306
Cash and bank deposits in the Group's balance sheet.....	208,190	208,354	208,190	208,354
Less: Cash subject to restrictions.....	(49)	(48)	(49)	(48)
Cash and cash equivalents in consolidated cash flow statement	208,141	208,306	208,141	208,306

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

For the three months and nine months ended September 30, 2014

1. Interim financial statements

The Consolidated Financial Statements and related disclosures as of September 30, 2013 and 2014 and for the nine months ended September 30, 2013 and 2014 are unaudited. The December 31, 2013 consolidated statement of financial position was derived from the audited financial statements, but does not include all the disclosures required to be prepared in accordance with SFRS.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with SFRS have been condensed or omitted for the purposes of the interim financial statements. In the opinion of the management of GATE, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial information included therein. This financial data should be read in conjunction with the audited consolidated financial statements and related notes thereto for the year ended December 31, 2013.

The results of operations for interim periods are not necessarily indicative of the results of operations that may be expected for the full financial year.

2. Sales

Sales decreased to \$544.9 million for the nine months ended September 30, 2014 from \$575.5 million for the nine months ended September 30, 2013. Breakdowns of sales by service and product types are as follows:

Sales	Group			
	Nine months ended September 30,			
	2013		2014	
	(in thousands of U.S. dollars, except percentages)			
Test.....	187,887	32.7%	184,316	33.8%
Assembly.....	387,569	67.3%	360,619	66.2%
Total	575,456	100%	544,935	100%

Sales	Group			
	Nine months ended September 30,			
	2013		2014	
	(in thousands of U.S. dollars, except percentages)			
Mixed-Signal and Logic.....	265,314	46.1%	253,070	46.4%
Analog.....	215,877	37.5%	220,525	40.5%
Memory.....	94,265	16.4%	71,340	13.1%
Total.....	575,456	100%	544,935	100%

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

For the three months and nine months ended September 30, 2014

Sales increased to \$199.5 million for the three months ended September 30, 2014 from \$181.6 million for the three months ended September 30, 2013. Breakdowns of sales by service and product types are as follows:

Sales	Group			
	Three months ended September 30,			
	2013		2014	
	<i>(in thousands of U.S. dollars, except percentages)</i>			
Test.....	60,694	33.4%	66,897	33.5%
Assembly.....	120,955	66.6%	132,603	66.5%
Total	181,649	100%	199,500	100%

Sales	Group			
	Three months ended September 30,			
	2013		2014	
	<i>(in thousands of U.S. dollars, except percentages)</i>			
Mixed-Signal and Logic.....	84,904	46.7%	93,213	46.7%
Analog.....	70,866	39.0%	80,852	40.5%
Memory	25,879	14.3%	25,435	12.8%
Total	181,649	100%	199,500	100%

3. Cost of sales

Cost of sales includes cost of materials, depreciation and overhead and labor. Cost of sales decreased to \$460.1 million for the nine months ended September 30, 2014 compared to \$498.4 million for the nine months ended September 30, 2013. Cost of sales increased to \$163.1 million in the three months ended September 30, 2014 from \$156.1 million in the three months ended September 30, 2013. The decrease in cost of sales for the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013 was principally due to increased sales in the three months ended September 30, 2014 and improved cost control. The increase in cost of sales for the three months ended September 30, 2014 compared to the three months ended September 30, 2013 was principally due to higher sales.

4. Cash and cash equivalents

Cash and Cash Equivalents	Group	
	As at December 31, 2013	As at September 30, 2014
	<i>(in thousands of U.S. dollars)</i>	
Cash at bank and on hand	135,536	179,136
Short-term bank deposits	82,319	29,218
Total	217,855	208,354

At the balance sheet date, the carrying amounts of cash and cash equivalents approximated their fair values.

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

For the three months and nine months ended September 30, 2014

5. Trade and other receivables

Trade and Other Receivables	Group	
	As at December 31, 2013	As at September 30, 2014
	<i>(in thousands of U.S. dollars)</i>	
Trade receivables – third parties	97,936	116,691
Less: Allowance for impairment of receivables - non-related parties.....	(402)	(195)
	97,534	116,496
Receivables from third parties - non-trade.....	9,213	8,219
Loan to immediate holding company.....	-	11,000
Receivables from holding company and related company - non-trade	-	1,457
Total	106,747	137,172

Trade and other receivables increased to \$137.2 million as at September 30, 2014 from \$106.7 million as at December 31, 2013, due to increased sales in the three months ended September 30, 2014 compared to the three months ended December 31, 2013, and a loan to immediate holding company.

6. Trade and other payables

Trade and Other Payables	Group	
	As at December 31, 2013	As at September 30, 2014
	<i>(in thousands of U.S. dollars)</i>	
Payables for purchase of property, plant and equipment.....	15,465	41,162
Trade payables - third parties.....	38,578	49,419
Advances from customers.....	726	601
Deposits received	1,005	1,073
Accrued interest payable.....	39,398	18,788
Other accrual for operating expenses.....	32,925	38,243
Other payables	4,116	9,171
Total	132,213	158,457

Trade and other payables increased to \$158.4 million as at September 30, 2014 from \$132.2 million as at December 31, 2013 mainly due to increased purchases of property, plant and equipment of \$25.6 million, increased purchases for inventories and operating expenses of \$10.8 million and increased other payables and accruals relating to employee-related costs and certain value added taxes of \$10.4 million, partially offset by lower amount of interest accrual of \$20.6 million.

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

For the three months and nine months ended September 30, 2014

7. Intangibles

Intangible assets decreased by \$11.8 million to \$696.9 million as at September 30, 2014 from \$708.7 million as at December 31, 2013, mainly due to amortization charge of intangibles in the nine months ended September 30, 2014.

8. Property, Plant and Equipment

Property, plant and equipment decreased by \$36.9 million to \$499.3 million as at September 30, 2014 from \$536.2 million as at December 31, 2013 due to depreciation of \$100.7 million for the nine months ended September 30, 2014, transfer of excess equipment amounting to \$17.3 million as assets held for sale and disposal of certain items of equipment of \$20.8 million, which was partially offset by the capitalisation of \$108.3 million of new property, plant and equipment.

9. Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognized in the financial statements are analyzed as follows:

	Group	
	As at December 31, 2013	As at September 30, 2014
	<i>(in thousands of U.S. dollars)</i>	
Capital Commitments		
Property, plant and equipment	17,431	21,154

10. Contingencies

From time to time, we are subject to claims that arise in the normal course of business. These claims may include allegations of infringement of intellectual property rights of others.

We assess the likelihood of an adverse judgment or outcome for these matters, as well as the range of potential losses. A determination of the reserves required, if any, is made after careful analysis. The required reserves may change in the future due to new developments impacting the probability of a loss, the estimate of such loss, and the probability of recovery of such loss from third parties.

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

For the three months and nine months ended September 30, 2014

11. Segment Information

Nine months ended	Assembly	Test	Group
September 30, 2014	<i>(in thousands of U.S. dollars)</i>		
Segment sales/ Sales to external parties	360,619	184,316	544,935
Segment gross profit	45,985	38,813	84,798
September 30, 2013			
Segment sales/ Sales to external parties	387,570	187,886	575,456
Segment gross profit	44,109	32,973	77,082
Three months ended	Assembly	Test	Group
September 30, 2014	<i>(in thousands of U.S. dollars)</i>		
Segment sales/ Sales to external parties	132,603	66,897	199,500
Segment gross profit	17,910	18,529	36,439
September 30, 2013			
Segment sales/ Sales to external parties	120,955	60,694	181,649
Segment gross profit	15,235	10,293	25,528

Reconciliation

A reconciliation of segment gross profit to loss before income tax is as follows:

	Group	
	Nine months ended September 30,	
	2013	2014
	<i>(in thousands of U.S. dollars)</i>	
Segment gross profit of reportable segments	77,082	84,798
Other gains/ (losses) - net	26,617	37,220
Selling, general and administrative expenses	(43,596)	(47,027)
Research and development costs	(9,214)	(8,540)
Finance costs	(89,740)	(90,272)
Other operating expenses	(8,760)	(10,640)
Share of loss of associated companies	(1,383)	-
Loss before income tax	<u>(48,994)</u>	<u>(34,461)</u>

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

For the three months and nine months ended September 30, 2014

	Group	
	Three months ended September 30,	
	2013	2014
	<i>(in thousands of U.S. dollars)</i>	
Segment gross profit of reportable segments	25,528	36,439
Other gains/ (losses) - net	21,664	34,201
Selling, general and administrative expenses	(11,699)	(16,919)
Research and development costs	(3,023)	(2,717)
Finance costs	(30,116)	(29,723)
Other operating expenses	(5,164)	(7,806)
Share of loss of associated companies	(641)	-
Profit / (Loss) before income tax	(3,451)	13,475