
**QUARTERLY REPORT FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30,
2015**

GLOBAL A&T ELECTRONICS LTD

November 2, 2015

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CERTAIN DEFINITIONS AND CONVENTIONS

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

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, all references to “UTAC Cayman” refer to UTAC Cayman Ltd and all references to “UHQ” refer to UTAC Headquarters Pte Ltd.

References to:

- “indenture” are to the indenture dated February 7, 2013, as amended and supplemented from time to time, entered into among Global A&T Electronics, the subsidiary guarantors and Citicorp International Limited, as trustee and security agent;
- “senior revolving credit facility” are to the revolving credit facility extended to Global A&T Electronics 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 Global A&T Electronics, 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” 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 Global A&T Electronics, being for the time being: USG, UHK, UTC, UTAC Cayman, UTH, UTL and UHQ.

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.

Since the beginning of 2015, we have revised the way certain financial information, primarily the geographical distribution of our sales, is presented, to align with the way our management analyzes and evaluates our business. As such, such financial information for the three months and nine months ended September 30, 2015 presented in this quarterly report may differ from our previous quarterly report for the three months and nine months ended September 30, 2014.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this quarterly report, Global A&T Electronics' annual report for the year ended December 31, 2014, dated April 20, 2015, Global A&T Electronics's quarterly report for the three months ended March 31, 2015, dated May 4, 2015, and Global A&T Electronics's quarterly report for the three months and six months ended June 30, 2015, dated August 3, 2015. 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 cyclical nature of the semiconductor industry;
- our reliance on certain major customers;
- our history of substantial losses;
- our ability to manage our geographically diverse facilities and expand our business;
- our significant indebtedness affecting our operations, and our ability to repay or refinance our indebtedness as it falls due;
- increased competition from other companies and our ability to maintain and increase our market share;
- pending litigation by certain holders of our senior secured notes, litigation relating to our intellectual property and other potential legal liabilities;
- our ability to successfully develop new technologies;
- 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 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, 2015

Other than as disclosed elsewhere in this quarterly report, there have been no material developments in our business since September 30, 2015.

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, 2014 and our quarterly reports for the three months ended March 31, 2015 and the three months and six months ended June 30, 2015.

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 condensed interim financial information as of and for the three months and nine months ended September 30, 2015, 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, 2014, our quarterly reports for the three months ended March 31, 2015 and the three months and six months ended June 30, 2015 and elsewhere in this quarterly report. See "Cautionary Statement Regarding Forward-looking Information." Our unaudited consolidated condensed interim financial information are reported in U.S. dollars and have been prepared in accordance with Singapore Financial Reporting Standards, or SFRS, which may differ in certain significant respects from generally accepted accounting principles in other countries.

Overview

We are a leading independent provider of semiconductor assembly and test services for a broad range of integrated circuits with diversified uses, including in communications devices (such as smartphones, Bluetooth and WiFi), consumer devices, computing devices, automotive applications and industrial and medical applications. We provide assembly and test services primarily for three key semiconductor product categories, namely, analog, mixed-signal and logic, and memory.

Our customers are primarily fabless companies, integrated device manufacturers and wafer foundries. Our expertise in assembly and test services accumulated through years of engineering experience has allowed us to develop long-standing and well-established relationships with our customers, many of whom are leaders in their respective product categories.

The table below shows, for the periods indicated, the amount and percentage of our sales attributable to each of our assembly services and test services:

	Nine Months ended September 30,			
	2014		2015	
	Amount (\$ in millions)	Percentage of sales	Amount (\$ in millions)	Percentage of sales
Service type				
Assembly	360.6	66.2%	326.3	64.5%
Test	184.3	33.8%	179.9	35.5%
Total	544.9	100.0%	506.2	100.0%

Our sales mix by assembly and test services for the nine months ended September 30, 2015 remained relatively constant compared to the nine months ended September 30, 2014.

The following table sets forth our sales by product categories as a percentage of sales, which has been prepared based on our management's determination of the product categories that are served by our customers:

	Nine Months ended September 30,			
	2014		2015	
	Amount (\$ in millions)	Percentage of sales	Amount (\$ in millions)	Percentage of sales
Product category				
Analog	220.5	40.5%	206.6	40.8%
Mixed-signal and logic	253.1	46.4%	238.3	47.1%
Memory	71.3	13.1%	61.4	12.1%

Total	544.9	100.0%	506.2	100.0%
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Sales from our analog product category decreased 6.3% to \$206.6 million in the nine months ended September 30, 2015 from \$220.5 million in the nine months ended September 30, 2014, due to weak end market demand.

Sales from our mixed-signal and logic product category decreased 5.8% to \$238.3 million in the nine months ended September 30, 2015 from \$253.1 million in the nine months ended September 30, 2014, as our fabless customers in the mixed-signal and logic product category reduced orders due to excess inventories.

Sales from our memory product category decreased 13.9% to \$61.4 million in the nine months ended September 30, 2015 from \$71.3 million in the nine months ended September 30, 2014, due to lower sales from NAND and DRAM customers.

We have a diversified customer base on the basis of geographical distribution. We account for geographical distribution of our sales based on the countries in which our customers are headquartered, which we classify into four regions: United States, Japan, Asia (excluding Japan) and Europe. The table below sets forth the geographic distribution of our sales:

Geographical region	Nine Months ended September 30,			
	2014		2015	
	Amount (\$ in millions)	Percentage of sales	Amount (\$ in millions)	Percentage of sales
United States.....	365.8	61.7%	318.9	63.0%
Asia (excluding Japan)	106.0	19.5%	114.4	22.6%
Europe	53.2	9.8%	54.0	10.7%
Japan.....	17.6	3.2%	15.4	3.0%
Others	2.2	0.4%	3.5	0.7%
Total	544.9	100.0%	506.2	100.0%

Sales from our customers headquartered in United States decreased in the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 as our fabless customers headquartered in the United States in the mixed-signal and logic product category reduced orders due to excess inventories, in addition to decreased sales from memory customers. Our sales to customers' headquartered in Asia (excluding Japan) increased as we experienced an increase in orders from a major mixed-signal and logic product category customer headquartered in Asia (excluding Japan) as a result of our investments in our new mixed-signal and logic equipment.

Results of Operations

	Three Months ended September 30,				Nine Months ended September 30,			
	2014		2015		2014		2015	
	(\$ in millions, except percentages)							
Sales	199.5	100.0%	167.1	100.0%	544.9	100.0%	506.2	100.0%
Cost of sales.....	(163.1)	(81.7%)	(140.5)	(84.1%)	(460.1)	(84.4%)	(426.4)	(84.2%)
Gross profit.....	36.4	18.3%	26.6	15.9%	84.8	15.6%	79.7	15.8%
Other income	1.8	0.9%	1.1	0.7%	5.4	1.0%	3.9	0.8%
Other gains — net	32.4	16.2%	0.9	0.5%	31.8	5.8%	1.7	0.3%
Expenses:								
Selling, general and administrative	(16.9)	(8.5%)	(19.7)	(11.8%)	(47.0)	(8.6%)	(54.9)	(10.8%)
Research and development	(2.7)	(1.4%)	(2.7)	(1.6%)	(8.5)	(1.6%)	(6.9)	(1.4%)

Finance	(29.7)	(14.9%)	(30.5)	(18.2%)	(90.3)	(16.6%)	(91.3)	(18.0%)
Others	(7.8)	(3.9%)	(0.4)	(0.2%)	(10.6)	(2.0%)	(4.7)	(0.9%)
Profit/(loss) before tax	13.5	6.8%	(24.7)	(14.8%)	(34.5)	(6.3%)	(72.4)	(14.3%)
Income tax expense	(3.0)	(1.5%)	(5.1)	(3.0%)	(5.6)	(1.0%)	(11.4)	(2.2%)
Profit/(loss) after tax	10.5	5.2%	(29.7)	(17.8%)	(40.0)	(7.3%)	(83.8)	(16.5%)
Non-controlling interests	0.4	0.2%	0.2	0.1%	1.2	0.2%	1.0	0.2%
Profit/(loss) after non-controlling interest	10.0	5.0%	(29.9)	(17.9%)	(41.3)	(7.6%)	(84.7)	(16.7%)

* Amount insignificant

Three months ended September 30, 2015 compared to three months ended September 30, 2014

Sales. Sales decreased 16.2% to \$167.1 million in the three months ended September 30, 2015 from \$199.5 million in the three months ended September 30, 2014, primarily as a result of reduced sales volumes across our product categories.

Our test services sales decreased 11.8% to \$59.0 million in the three months ended September 30, 2015 from \$66.9 million in the three months ended September 30, 2014 primarily due to the decrease in sales from our mixed signal and logic product category and memory product category.

Our assembly services sales decreased 18.5% to \$108.1 million in the three months ended September 30, 2015 from \$132.6 million in the three months ended September 30, 2014 primarily due to reduced sales across all our product categories.

Cost of sales. Cost of sales decreased 13.8% to \$140.5 million in the three months ended September 30, 2015 from \$163.1 million in the three months ended September 30, 2014 principally due to a decrease in materials costs as a result of lower assembly services sales, lower depreciation expenses as assets became fully depreciated, lower variable costs in line with lower sales and the effect of our cost reduction measures.

Our cost of sales as a percentage of sales increased to 84.1% in the three months ended September 30, 2015 compared to 81.7% in the three months ended September 30, 2014 primarily because our fixed costs such as indirect labor and costs associated with our facilities were spread over lower sales.

Gross profit. Gross profit decreased 27.0% to \$26.6 million in the three months ended September 30, 2015 from \$36.4 million in the three months ended September 30, 2014. Gross profit as a percentage of sales, or gross profit margin, was 15.9% in the three months ended September 30, 2015 compared to 18.3% in the three months ended September 30, 2014. The decrease in our gross profit and gross profit margin was primarily due to lower sales in the three months ended September 30, 2015 as compared to the three months ended September 30, 2014, which was partially offset by lower depreciation expenses.

Other income. Other income decreased to \$1.1 million in the three months ended September 30, 2015 from \$1.8 million in the three months ended September 30, 2014 primarily due to decrease in sales of scrap.

Other gains - net. Other gains – net decreased to \$0.9 million in the three months ended September 30, 2015 from \$32.4 million in the three months ended September 30, 2014. The decrease in other gains– net was primarily due to a gain on disposal of one of the facilities in Singapore and certain equipment of \$33.2 million which was included in the three months ended September 30, 2014.

Selling, general and administrative expenses. Selling, general and administrative expenses increased to \$19.7 million in the three months ended September 30, 2015 from \$16.9 million in the three months ended September 30, 2014 primarily due to higher legal and professional expenses, higher infrastructure expenses and costs associated with corporate actions.

Research and development expenses. Research and development expenses remain constant at \$2.7 million in the three months ended September 30, 2015 and in the three months ended September 30, 2014. The research and development expenses as a percentage of sales increased to 1.6% in the three months ended September 30, 2015 compared to 1.4% in the three months ended September 30, 2014 primarily due to an increase in new package development activities.

Finance expenses. Finance expenses increased to \$30.5 million in the three months ended September 30, 2015 from \$29.7 million in the three months ended September 30, 2014. These primarily related to the interest charges on our long term borrowings which were fairly constant in the three months ended September 30, 2015 compared to the three months ended September 30, 2014.

Other expenses. Other expenses decreased to \$0.4 million in the three months ended September 30, 2015 from \$7.8 million in the three months ended September 30, 2014. The decrease in other expenses primarily due to impairment loss on property, plant and equipment of \$6.2 million and restructuring costs of \$1.0 million included in the three months ended September 30, 2014 which were non-recurring in the three months ended September 30, 2015.

Profit/(loss) before tax. Our loss before tax was \$24.7 million in the three months ended September 30, 2015 compared to a profit before tax of \$13.5 million in the three months ended September 30, 2014.

Income tax expense. Our income tax expense was \$5.1 million in the three months ended September 30, 2015 compared to \$3.0 million in the three months ended September 30, 2014. The increase was primarily as a result of additional tax provision for our subsidiary in China.

Non-controlling interests. Non-controlling interests were \$0.2 million in the three months ended September 30, 2015 compared to \$0.4 million in the three months ended September 30, 2014.

Nine months ended September 30, 2015 compared to nine months ended September 30, 2014

Sales. Sales decreased 7.1% to \$506.2 million in the nine months ended September 30, 2015 from \$544.9 million in the nine months ended September 30, 2014.

Our test services sales decreased 2.4% to \$179.9 million in the nine months ended September 30, 2015 from \$184.3 million in the nine months ended September 30, 2014 primarily due to the decrease in sales from our mixed signal and logic and memory product categories.

Our assembly services sales decreased 9.5% to \$326.3 million in the nine months ended September 30, 2015 from \$360.6 million in the nine months ended September 30, 2014 primarily due to the reduced sales across all our product categories. These decreases resulted from the headwinds of lower demand experienced in the semiconductor industry faced across the communications, computing and consumer end markets. This resulted in our customers, mainly fabless companies, facing excess inventories and consequently reducing outsourced orders.

Cost of sales. Cost of sales decreased 7.3% to \$426.4 million in the nine months ended September 30, 2015 from \$460.1 million in the nine months ended September 30, 2014 principally due to a decrease in materials costs as a result of lower assembly services sales, lower depreciation expenses as certain assets become fully depreciated, lower variable costs in line with lower sales and cost reduction measures.

As a result of the factors described in the preceding paragraph, our cost of sales as a percentage of sales decreased to 84.2% in the nine months ended September 30, 2015 compared to 84.4% in the nine months ended September 30, 2014.

Gross profit. Gross profit decreased 6.0% to \$79.7 million in the nine months ended September 30, 2015 from \$84.8 million in the nine months ended September 30, 2014. Gross profit as a percentage of sales, or gross profit margin, was 15.8% in the nine months ended September 30, 2015 compared to 15.6% in the nine months ended September 30, 2014.

The decrease in our gross profit was primarily due to lower sales in the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014, which was offset by lower variable costs in line with lower sales and lower depreciation expenses as certain assets become fully depreciated.

The increase in our gross profit margin in the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014 were primarily due to lower depreciation expenses as we had fully-depreciated certain assets and the effect of our cost reduction measures.

Other income. Other income decreased to \$3.9 million in the nine months ended September 30, 2015 from \$5.4 million in the nine months ended September 30, 2014 primarily due to decrease in sales of scrap.

Other gains - net. Other gains - net decreased to \$1.7 million in the nine months ended September 30, 2015 from \$31.8 million in the nine months ended September 30, 2014. The decrease in other gains – net was primarily due to a gain on disposal of one of the facilities in Singapore and certain equipment of \$34.3 million which was included in the nine months ended September 30, 2014

Selling, general and administrative expenses. Selling, general and administrative expenses increased to \$54.9 million in the nine months ended September 30, 2015 from \$47.0 million in the nine months ended September 30, 2014 primarily due to higher legal and professional expenses, higher infrastructure expenses and costs associated with corporate actions.

Research and development expenses. Research and development expenses decreased to \$6.9 million in the nine months ended September 30, 2015 from \$8.5 million in the nine months ended September 30, 2014 primarily due to reclassification of non-recurring engineering charges to cost of sales.

Finance expenses. Finance expenses increased to \$91.3 million in the nine months ended September 30, 2015 from \$90.3 million in the nine months ended September 30, 2014. These primarily related to the interest charges on our long term borrowings which were fairly consistent during the two periods in the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014.

Other expenses. Other expenses decreased to \$4.7 million in the nine months ended September 30, 2015 compared to \$10.6 million in the nine months ended September 30, 2014, primarily due to the impairment loss on property, plant and equipment of \$6.2 million and restructuring costs of \$1.0 million in the nine months ended September 30, 2014 which were non-recurring in the nine months ended September 30, 2015. The decrease was partially offset by a provision of \$3.0 million recorded in the nine months ended September 30, 2015 which related to initial audit findings by Tessera, Inc's appointed auditors pursuant to a technology license agreement dated February 28, 2010 between Tessera, Inc and USG. Tessera's auditors reported that USG owed Tessera a total of \$6.0 million in royalties, interest and costs. We are disputing this amount and intend to challenge these findings. Having considered our position and the amounts alleged to be owing, we have determined that such provision is adequate in the circumstances.

Loss before tax. Our loss before tax was \$72.4 million in the nine months ended September 30, 2015 compared to a loss before tax of \$34.5 million in the nine months ended September 30, 2014.

Income tax expense. Our income tax expense was \$11.4 million in the nine months ended September 30, 2015 compared to \$5.6 million in the nine months ended September 30, 2014. The increase was primarily as a result of capital gains tax on patent transfers from Thailand and Taiwan entities to UHQ in the nine months ended September 30, 2015 and additional tax provision for our subsidiary in China.

Non-controlling interests. Non-controlling interests were \$1.0 million in the nine months ended September 30, 2015 and \$1.2 million in the nine months ended September 30, 2014.

Non-SFRS Measures

EBITDA, adjusted EBITDA and adjusted EBITDA less cash outflows in respect of capital expenditure or cash capital expenditure, may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation.

We have included EBITDA because we believe it is an indicative measure of our operating performance and is used by investors and analysts to evaluate companies in our industry. We define EBITDA as loss adjusted for (i) income tax expenses; (ii) finance expenses; and (iii) depreciation and amortization, which represent depreciation of property, plant and equipment and amortization of intangible assets.

We have included adjusted EBITDA because we believe it is a more indicative measure of our baseline performance as it excludes certain charges that our management considers to be outside of our core operating results. We define adjusted EBITDA as EBITDA adjusted for extraordinary items, including for the periods under review (i) restructuring costs, which comprise primarily of severance payments made to our employees; (ii) legal and professional fees; (iii) impairment loss of property, plant and equipment and non-current assets held-for-sale; (iv) gain on sale of building in Singapore; (v) provision for potential litigation of Tessera's initial audit findings pursuant to technology license agreement; (vi) legal and professional fees which relate to corporate activity; and (vii) other items such as fair value loss on derivatives financial instruments and dividend income.

We have included adjusted EBITDA less cash capital expenditure, as we believe that it is indicative of the cash flows that are provided from our operations after taking into account the cash used to purchase property, plant and equipment.

EBITDA, adjusted EBITDA and adjusted EBITDA less cash capital expenditure are not measures of financial performance or liquidity under SFRS or U.S. GAAP and should not be considered as alternatives to total profit, operating profit or any other performance measures derived in accordance with SFRS or U.S. GAAP or as an alternative to cash flow from operating activities as a measure of liquidity.

The following table reconciles our loss after tax to EBITDA, adjusted EBITDA and adjusted EBITDA less cash capital expenditure, in each case, for the periods indicated:

	Three Months ended September 30,		Nine Months ended September 30,	
	2014	2015	2014	2015
	(\$ in millions)			
Profit/(loss) after tax	10.5	(29.7)	(40.0)	(83.8)
Add/(deduct):				
Income tax expense	3.0	5.1	5.6	11.4
Finance expenses	29.7	30.5	90.3	91.3
Depreciation of property, plant and equipment	32.9	30.1	100.7	89.9
Amortization of intangible assets	4.0	3.6	12.0	11.5
EBITDA	80.1	39.5	168.6	120.3
Add/(deduct):				
Restructuring costs	1.0	0.3	3.8	0.9
Impairment loss of property, plant and equipment	6.7	-	6.7	-
Impairment loss on non-current assets held-for-sale	-	-	-	0.7
Gain on sale of building in Singapore	(28.6)	-	(28.6)	-
Fair value loss on derivatives financial instruments	-	0.1	-	0.1
Dividend income.....	-	-	(0.1)	-
Provision for potential litigation of Tessera's initial audit findings pursuant to the technology license agreement	-	-	-	3.0
Legal and professional fees	-	1.5	-	4.5
Adjusted EBITDA	59.2	41.3	150.4	129.5
(Deduct):				
Cash capital expenditure.....	(29.0)	(23.6)	(81.2)	(82.3)
Adjusted EBITDA less cash capital expenditure	30.2	17.7	69.2	47.2

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, 2015, our primary sources of liquidity included cash and bank deposits of \$176.6 million and our undrawn credit facilities under our senior revolving credit facility of \$125.0 million, other undrawn facilities of \$10.5 million and unutilized bank guarantee facilities of \$1.0 million.

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 next 12 months.

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,	
	2014	2015	2014	2015
	(\$ in millions)			
Net cash provided by operating activities	47.4	41.9	129.1	118.2
Net cash provided by (used in) investing activities	31.0	(23.2)	(29.6)	(67.5)
Net cash used in financing activities.....	(57.5)	(57.0)	(109.0)	(115.4)
Net increase/(decrease) in cash and cash equivalents	20.9	(38.2)	(9.5)	(64.7)
Cash and cash equivalents at beginning of financial period	187.4	214.8	217.8	241.3
Cash and cash equivalents at end of financial period ⁽¹⁾	<u>208.3</u>	<u>176.6</u>	<u>208.3</u>	<u>176.6</u>

Note:

⁽¹⁾ The differences in the figures between cash and bank deposits and the cash and cash equivalents at the end of financial periods as set out in the unaudited financial information disclosed elsewhere in this quarterly report are due to cash subject to restrictions.

Three months ended September 30, 2015 compared to three months ended September 30, 2014

Cash Flows from Operating Activities

We generated \$41.9 million in net cash from our operating activities for the three months ended September 30, 2015, a decrease from \$47.4 million for the three months ended September 30, 2014. Our cash flows generated from operating activities are calculated by adjusting our loss after tax of \$29.7 million by (i) non-cash and other items, such as \$30.1 million of depreciation of property, plant and equipment, \$30.5 million in finance expense, \$3.6 million of amortization of intangible assets, \$5.1 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash in the three months ended September 30, 2015 included primarily a \$12.8 million increase in cash as a result of the increase in trade and other payables which were partially offset by a \$1.9 million decrease in cash resulting from an increase in trade and other receivables, a \$0.9 million decrease in cash resulting from derivative financial instruments and \$0.6 million increase in inventories. In the three months ended September 30, 2015, we made cash payments of \$6.4 million in respect of income tax expenses.

We generated \$47.4 million in net cash from our operating activities for the three months ended September 30, 2014. Our cash flows generated from operating activities are calculated by adjusting our profit after tax of \$10.5 million by (i) non-cash and other items, such as \$32.9 million of depreciation of property, plant and equipment, \$29.7 million in finance expense, \$4.0 million of amortization of intangible assets and \$3.0 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash in the three months ended September 30, 2014 included primarily a \$5.8 million increase in cash resulting from an increase in trade and other payables, which was offset by a decrease in cash

of \$5.0 million from an increase in trade and other receivables and a decrease in cash of \$2.9 million resulting from an increase in inventories. In the three months ended September 30, 2014, we made cash payments of \$4.8 million in respect of income tax expenses.

Cash Flows from Investing Activities

Net cash used in investing activities was \$23.2 million during the three months ended September 30, 2015. The principal component of the cash outflow was \$19.9 million and \$3.7 million used for payments related to the purchases of property, plant and equipment and intangible assets respectively.

Net cash generated by investing activities was \$31.0 million during the three months ended September 30, 2014. The principal component of the cash inflow was \$59.9 million in proceeds from the disposal of property, plant and equipment, which was partially offset by payments related to the purchases of property, plant and equipment of \$29.0 million.

Cash Flows from Financing Activities

Net cash used in financing activities during the three months ended September 30, 2015 was \$57.0 million, which principally included \$56.9 million in interest payments.

Net cash used in financing activities during the three months ended September 30, 2014 was \$57.5 million, which primarily included \$56.9 million in interest payments.

Nine months ended September 30, 2015 compared to nine months ended September 30, 2014

Cash Flows from Operating Activities

We generated \$118.2 million in net cash from our operating activities for the nine months ended September 30, 2015, a decrease from \$129.1 million for the nine months ended September 30, 2014. Our cash flows generated from operating activities are calculated by adjusting our loss after tax of \$83.8 million by (i) non-cash and other items, such as \$89.9 million of depreciation of property, plant and equipment, \$91.3 million in finance expense, \$11.5 million of amortization of intangible assets and \$1.3 million of gain on disposal of property, plant and equipment and non-current assets held-for-sales, \$11.4 million in income tax expense, \$3.0 million in provision for potential litigation of Tessera's initial audit findings pursuant to the technology license agreement and (ii) changes in working capital described below.

Working capital sources of cash in the nine months ended September 30, 2015 included primarily an increase in cash of \$9.7 million from increase in trade and other payables and a \$1.4 million increase in cash resulting from a decrease in inventories, which was partially offset by a decrease in cash of \$0.9 million from derivative financial instruments and \$1.0 million from decrease in retirement benefit obligations. In the nine months ended September 30, 2015, we made cash payments of \$13.3 million in respect of income tax expenses.

We generated \$129.1 million in net cash from our operating activities for the nine months ended September 30, 2014. Our cash flows generated from operating activities are calculated by adjusting our loss after tax of \$40.0 million by (i) non-cash and other items, such as \$100.7 million of depreciation of property, plant and equipment, \$90.3 million in finance expense, \$12.0 million of amortization of intangible assets and \$5.6 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash in the nine months ended September 30, 2014 included primarily an increase in cash of \$20.7 million from an increase in trade and other payables and an increase in cash of \$4.9 million resulting from a decrease in other current assets and, which was partially offset by an decrease in cash of \$19.0 million from an increase in trade and other receivables and a decrease in cash of \$8.1 million resulting from an increase in inventories. In the nine months ended September 30, 2014, we made cash payments of \$9.9 million in respect of income tax expenses.

Cash Flows from Investing Activities

Net cash used in investing activities was \$67.5 million during the nine months ended September 30, 2015. The principal component of the cash outflow was \$78.0 million and \$4.3 million used for payments related to the purchases of property, plant and equipment and intangible assets respectively, which was partially offset by \$12.1 million repayment of loan (in respect of principal and interest) from Global A&T Electronics' parent company, UTAC Holdings Ltd.

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 payments related to the purchases of property, plant and equipment and a loan of \$11.0 million to Global A&T Electronics' parent company, UTAC Holdings Ltd., which was partially offset by proceeds of \$61.7 million from the disposal of certain property, plant and equipment and \$0.9 million of interest income.

Cash Flows from Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2015 was \$115.4 million, which principally included \$114.4 million in interest payments and \$0.7 million in dividends paid to minority shareholders of UTL.

Net cash used in financing activities during the nine months ended September 30, 2014 was \$109.0 million, which principally included \$106.2 million in interest payments, \$1.5 million in dividends paid to minority shareholders of UTL and \$1.2 million in financing fee payments.

Capital Expenditures

We had cash outflows in respect of capital expenditures, or cash capital expenditures, of \$82.3 million for the nine months ended September 30, 2015 compared to \$81.2 million for the nine months ended September 30, 2014. For the nine months ended September 30, 2015, our cash capital expenditure related mainly to broadening of our test capabilities for mixed-signal and logic products and wafer level chip scale packaging capacity.

For the nine months ended September 30, 2014, our cash capital expenditure related mainly to expansion in purchases of mixed-signal and logic test equipment.

As a percentage of sales, our cash capital expenditure for the nine months ended September 30, 2015 was consistent with our expectations as we recorded a decrease in sales. We have limited flexibility to adjust our capital expenditure commitments mid-term despite any weakness in market conditions.

We plan our capital expenditure based on the expected sales and seek to invest only when we believe there are opportunities to generate certain expected returns on investment. We expect to fund our budgeted capital expenditure through existing cash, cash generated from operations, and possible asset sales. We periodically review our budgeted capital expenditure during the year. We may adjust our capital expenditures based on market conditions, the progress of our expansion plans and cash flow from operations.

Total Borrowings

As of September 30, 2015, the total amount outstanding under our long-term and short-term borrowings (excluding finance leases) was \$1,103.0 million (after deducting unamortized loan facility and related issuance costs).

Long-Term Borrowings

The following table sets out certain details relating to our long-term borrowings (not including finance leases):

Facility	Borrower/ Issuer	Amount outstanding as of September 30, 2015	Total committed amount	Interest rate	Maturity
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			(\$ in millions)		
Senior secured notes	Global A&T Electronics	1,127.3 ⁽¹⁾	1,127.3	10.0%	February 2019
Senior revolving credit facility	Global A&T Electronics	-	125.0	LIBOR + applicable margin ⁽²⁾	February 7, 2018 or earlier ⁽²⁾

Notes:

- (1) This amount represented the total indebtedness outstanding under the senior secured notes as of September 30, 2015, without deducting unamortized loan facility and related issuance costs of \$24.3 million.
- (2) See “Description of Certain Indebtedness —Senior Revolving Credit Facility” in our annual report for the year ended December 31, 2014 for details of the applicable margin and maturity date.

Sales of our subsidiaries (who are not guarantors of the senior secured notes) accounted for approximately \$29.2 million, or 5.8%, of our total sales for the nine months ended September 30, 2015, and assets accounted for approximately \$88.2 million, or 5.8%, of our total assets, and liabilities accounted for approximately \$19.5 million, or 1.5%, of our total liabilities, in each case as of September 30, 2015.¹

Short-Term Borrowings

Our short-term borrowings comprise primarily of conventional revolving credit facilities and trade financing facilities.

UTL currently has a revolving credit facility of up to 175.0 million Thai Baht with The Siam Commercial Bank Public Company Limited, which may be utilized for working capital purposes. As of September 30, 2015, this facility has not been utilized.

UTL also currently has bank guarantee facilities for an aggregate of up to 110.0 million Thai Baht provided by The Siam Commercial Bank Public Company Limited and Krung Thai Bank Public Company Limited, which may be utilized for working capital purposes. As of September 30, 2015, guarantees of an aggregate amount of 74.0 million Thai Baht have been issued under this facility.

UTC has a letter of credit facility of an amount of \$7.0 million with Ta Chong Bank, which has an undrawn balance of \$5.7 million as of September 30, 2015.

USG currently has bank guarantee facilities for an aggregate of up to \$1.1 million with Citibank, which has been fully utilized as of September 30, 2015.

Finance leases

We have leased certain plant and equipment under finance leases. As of September 30, 2015, 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, 2015, we had no off-balance sheet arrangements.

¹ Sales of our subsidiaries (who are not guarantors of the senior secured notes) accounted for approximately \$10.9 million, or 5.4%, of our total sales for the nine months ended September 30, 2014, and assets accounted for approximately \$101.3 million, or 6.3%, of our total assets, and liabilities accounted for approximately \$21.2 million, or 1.6%, of our total liabilities, in each case as of September 30, 2014.

Contingent Liabilities

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

In February 2013, a complaint was filed in the Supreme Court of the State of New York, New York County, by certain purported holders of Global A&T Electronics' senior secured notes, 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 plaintiffs alleged that the September 30, 2013 exchange transaction caused an event of default under the indenture and sought monetary damages and other relief, including an injunction "unwinding" the September 30, 2013 transaction and/or "subordinating the liens" securing the senior secured notes issued on September 30, 2013 to the liens on those senior secured notes issued on February 7, 2013.

We are of the view that we have substantial defenses to these claims and intend to vigorously defend the plaintiffs' lawsuit. On May 30, 2014, we filed a motion to dismiss the plaintiffs' complaint. On July 14, 2015, the court granted our motion to dismiss the plaintiffs' February 2014 complaint in its entirety. On July 21, 2015, certain plaintiffs filed a notice of intent to appeal the court's decision and, on September 8, 2015, those plaintiffs-appellants filed a brief and record in support of their appeal. We are of the view that we have substantial defenses to these claims and will continue to vigorously defend the plaintiff's lawsuit, including by opposing the appeal of the court's decision dismissing the complaint in appellate briefing and any appellate argument. Any adverse ruling from this litigation could have a material and adverse effect on our business, financial condition and results of operations.

Litigation with Tessera

On September 30, 2010, Tessera, Inc., or 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. As a result, in order to be entitled to royalties under the patent license agreement, Tessera would need to show that one or more of its patents cover UTC's products. 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 January 30, 2015, the magistrate judge issued a ruling denying Tessera's request for discovery concerning the testing services that UTC provides for packages made by other companies, finding that Tessera's complaint does not include a claim with respect to such testing services. Tessera filed with the court an objection to this ruling, and Tessera also filed a motion requesting leave to amend its complaint to add a claim concerning UTC's testing services. On May 26, 2015, the Court issued an order denying Tessera's motion for leave to amend its complaint to add a claim concerning UTC's testing services. In addition, on May 26, 2015 the Court issued an order scheduling the trial of the suit (if a trial is needed) to begin on February 23, 2016. The parties completed expert discovery on July 17, 2015. On August 6, 2015, the court entered an order providing that summary judgment motions will be due eight weeks after the court issues a claim construction order concerning the patent claims Tessera is asserting. The case is ongoing. We will continue to vigorously defend our interests in this suit. Any adverse ruling from this litigation could have a material and adverse effect on our business, financial condition and results of operations.

Suit filed by Amkor Technology

On April 4, 2014, Amkor filed a complaint against Global A&T Electronics and certain of its subsidiaries in the Superior Court of Arizona. The suit relates to patent licenses between Amkor and certain of Global A&T Electronics' subsidiaries. We filed a motion to dismiss Amkor's complaint on August 12, 2014 and on January 5, 2015, the court dismissed seven out of the nine claims made by Amkor in the complaint. On February 13, 2015, Amkor filed an amended complaint in which it reasserted the two claims that were not dismissed and one of the claims that were dismissed. Amkor's amended complaint also confirmed that it was not seeking to reassert the dismissed claims, but had reserved the right to appeal the dismissal of those claims. The nature of the remaining three claims made by Amkor relate to the payment of royalties by certain of our subsidiaries, a claim that certain alleged events triggered a right for Amkor to seek the purchase of certain patents belonging to ASAT Limited (now known as UHK) and a breach of an implied covenant of good faith and fair dealing. On March 24, 2015, we filed a motion to dismiss the claims against UHK (formerly ASAT Limited) and an answer to the other claims. The court will hear oral argument on our motion to dismiss on September 18, 2015. In addition, on July 28, 2015, we filed a motion for partial summary judgment against Amkor's royalty claim against one of our subsidiaries, UTL, on the basis that UTL ceased to be covered by the royalty-bearing license when it ceased to be a subsidiary of USG in September 2010. On September 11, 2015, the court issued an order providing for limited discovery on the issues raised by defendants' motion for partial summary judgment. The case is ongoing. We will continue to vigorously defend our interests in this suit. Any adverse ruling from this litigation could have a material and adverse effect on our business, financial condition and results of operations.

Critical Accounting Policies

Our critical accounting policies are disclosed in our annual report for the year ended December 31, 2014. During the nine months ended September 30, 2015, there have been no significant changes in our critical accounting policies.

Recent Accounting Pronouncements under SFRS

New Accounting Standards and SFRS Interpretations Effective 2015

Certain new standards, amendments and interpretations to existing standards that have been published, and are relevant for Global A&T Electronics' accounting periods beginning on or after January 2015 or later periods and which Global A&T Electronics has not already adopted. We anticipate that the adoption of these Financial Reporting Standards, or FRS, International Financial Reporting Standards and amendments to the FRS in the future periods will not have a material impact on the financial statements of the Global A&T Electronics in the period of their initial adoption.

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, 2014.

UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

1..... Global A&T Electronics Ltd. Unaudited Consolidated Condensed Interim Financial Information for the nine months ended September 30, 2015

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, 2015

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2014	2015	2014	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Sales	199,500	167,102	544,935	506,167
Cost of sales	(163,061)	(140,508)	(460,137)	(426,432)
Gross profit	36,439	26,594	84,798	79,735
Other income	1,810	1,118	5,399	3,856
Other gains – net	32,390	862	31,820	1,693
Expenses				
Selling, general and administrative expenses	(16,919)	(19,681)	(47,027)	(54,879)
Research and development costs	(2,716)	(2,674)	(8,540)	(6,861)
Finance costs	(29,723)	(30,484)	(90,272)	(91,300)
Other expenses	(7,806)	(387)	(10,640)	(4,650)
Profit / (Loss) before income tax	13,475	(24,652)	(34,462)	(72,406)
Income tax expense	(3,014)	(5,092)	(5,564)	(11,358)
Total Profit / (Loss)	10,461	(29,744)	(40,026)	(83,764)
Other comprehensive income/(loss):				
Cash flow hedges				
- Fair value gains/ (losses)	275	(2,322)	608	(2,492)
Share option reserve	-	-	(8)	-
Currency translation differences arising from consolidation	(8)	-	(25)	-
Post-employment benefit obligation, net of tax	-	(23)	-	(282)
Other comprehensive income, net of tax	267	(2,345)	575	(2,774)
Total comprehensive income / (loss)	10,728	(32,089)	(39,450)	(86,538)
Profit/(Loss) attributable to:				
Equity holders of the Company	10,020	(29,939)	(41,261)	(84,754)
Non-controlling interests	441	195	1,235	990
	10,461	(29,744)	(40,026)	(83,764)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	10,282	(32,244)	(40,708)	(87,479)
Non-controlling interests	446	155	1,258	941
	10,728	(32,089)	(39,450)	(86,538)

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

As at September 30, 2015

	December 31, 2014	September 30, 2015
	US\$'000	US\$'000
ASSETS		
Current assets		
Cash and bank deposits.....	241,253	176,626
Trade and other receivables.....	111,624	111,817
Inventories.....	41,045	39,668
Other assets	7,010	7,964
	<u>400,932</u>	<u>336,075</u>
Non-current assets held-for-sale	3,271	1,516
	<u>404,203</u>	<u>337,591</u>
Non-current assets		
Trade and other receivables.....	11,725	-
Other assets	7,230	5,428
Deferred income tax assets	316	312
Available-for-sale financial assets.....	1,020	965
Property, plant and equipment.....	503,486	485,106
Goodwill.....	643,405	643,405
Intangible assets	49,679	42,449
	<u>1,216,861</u>	<u>1,177,665</u>
Total assets	<u>1,621,064</u>	<u>1,515,256</u>
LIABILITIES		
Current liabilities		
Trade and other payables.....	177,973	151,983
Derivative financial instrument	-	2,739
Current income tax liabilities.....	8,729	8,371
Deferred income	-	26
Borrowings	273	299
Provisions.....	2,000	5,000
	<u>188,975</u>	<u>168,418</u>
Non-current liabilities		
Borrowings	1,098,977	1,103,352
Deferred income tax liabilities.....	6,450	4,934
Deferred income	81	-
Long term benefit obligations.....	22,356	20,865
	<u>1,127,864</u>	<u>1,129,151</u>
Total liabilities	<u>1,316,839</u>	<u>1,297,569</u>
NET ASSETS	<u>304,225</u>	<u>217,687</u>
EQUITY		
Capital and reserves attributable to the equity holder of the Company		
Share capital	*	*
Capital contribution	698,000	698,000
Other reserves.....	(5,876)	(8,607)
Accumulated losses	(392,174)	(476,922)
	<u>299,950</u>	<u>212,471</u>
Non-controlling interests	4,275	5,216
Total equity	<u>304,225</u>	<u>217,687</u>

* denotes amount less than \$1,000

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at September 30, 2015

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
Balance as at January 1, 2015	*	698,000	(5,876)	(392,174)	4,275	304,225
Reclassification	-	-	(6)	6	-	-
Total comprehensive income/(loss) for the period	-	-	(2,725)	(84,754)	941	(86,538)
Balance as at September 30, 2015	*	698,000	(8,607)	(476,922)	5,216	217,687
Balance as at January 1, 2014	*	698,000	(6,736)	(334,898)	5,430	361,796
Dividends paid to non-controlling interest	-	-	-	-	(1,466)	(1,446)
Total comprehensive income/(loss) for the period	-	-	553	(41,261)	1,258	(39,450)
Balance as at September 30, 2014	*	698,000	(6,183)	(376,159)	5,222	320,900

* denotes amount less than \$1,000

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, 2015

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2014	2015	2014	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Net profit/(loss) after tax	10,461	(29,744)	(40,026)	(83,764)
Adjustments for:				
- Tax	3,014	5,092	5,564	11,358
- Depreciation of property, plant and equipment	32,933	30,068	100,736	89,881
- Amortization of intangible assets	3,953	3,603	12,039	11,533
- Net gain on disposal of property, plant and equipment and non-current assets held-for-sales	(33,228)	(363)	(34,275)	(1,295)
- Impairment loss of property, plant and equipment	6,295	-	6,295	705
- Write off of property, plant and equipment	419	-	430	-
- Provision for potential litigation of Tessera's initial audit findings pursuant to the technology license agreement	-	-	-	3,000
- Finance expenses	29,723	30,484	90,272	91,300
- Interest income	(494)	(132)	(1,292)	(859)
- Government grant income	(46)	(81)	(93)	(124)
- Fair value loss on derivative financial instruments	-	66	-	103
	53,030	38,993	139,650	121,838
Change in working capital:				
- Derivative financial instruments	24	(895)	(92)	(891)
- Trade and other receivables	(4,960)	(1,878)	(18,996)	173
- Inventories	(2,908)	(632)	(8,113)	1,377
- Other current assets	807	168	4,890	101
- Trade and other payables	5,796	12,793	20,733	9,682
- Retirement benefit obligations	405	(290)	410	(985)
- Currency translation difference	46	(80)	517	111
Cash generated from operations	52,240	48,179	138,999	131,406
Government grant received	24	64	28	70
Income tax paid	(4,841)	(6,358)	(9,864)	(13,288)
Net cash provided by operating activities	47,423	41,885	129,163	118,188
Cash flows from investing activities				
Payments for purchase of property, plant and equipment	(29,044)	(19,890)	(81,026)	(78,045)
(Loan to)/repayment of loan immediate holding company	-	-	(11,000)	12,084
Proceeds from disposal of available-for-sale financial asset	-	55	-	55
Investment in short term bank deposits – restricted cash	-	-	-	(47)
Payments for purchase of intangible assets	(8)	(3,724)	(168)	(4,303)
Proceeds from disposal of property, plant and equipment and non-current assets held-for-sales	59,917	520	61,697	2,636
Increase in amounts due to intercompany	-	(247)	-	(363)
Interest received	198	130	862	498
Net cash provided by/(used in) investing activities	31,063	(23,156)	(29,635)	(67,485)
Cash flows from financing activities				
Repayment of finance lease liabilities	(73)	(77)	(189)	(307)
Payment of financing fee	(522)	-	(1,197)	-
Interest paid	(56,944)	(56,892)	(106,176)	(114,374)
Dividend paid to non-controlling interests	-	-	(1,466)	(696)
Net cash used in financing activities	(57,539)	(56,969)	(109,028)	(115,377)
Net increase/(decrease) in cash and cash equivalents	20,947	(38,240)	(9,500)	(64,674)
Cash and cash equivalents at the beginning of the financial period	187,359	214,819	217,806	241,253
Cash and cash equivalents at the end of the financial period	208,306	176,579	208,306	176,579

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2014	2015	2014	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents in the Group's statement of financial position	208,354	176,626	208,354	176,626
Less: Cash subject to restrictions	(48)	(47)	(48)	(47)
Cash and cash equivalents per consolidated statement of cash flows	<u>208,306</u>	<u>176,579</u>	<u>208,306</u>	<u>176,579</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, 2015

1. Interim financial information

The consolidated condensed financial information and related disclosures as of September 30, 2015 and for the nine months ended September 30, 2015 are unaudited. The December 31, 2014 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 information. In the opinion of the management of Global A&T Electronics Ltd, the accompanying unaudited consolidated condensed financial information 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 of Global A&T Electronics Ltd for the financial year ended December 31, 2014, issued by the Board of Directors dated April 20, 2015.

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 \$506.2 million for the nine months ended September 30, 2015 from \$544.9 million for the nine months ended September 30, 2014. Breakdown of sales by service and product category types are as follows:

Sales	Nine months ended September 30,			
	2014		2015	
	(in thousands of U.S. dollars, except percentages)			
Test	184,316	33.8%	179,873	35.5%
Assembly	360,619	66.2%	326,274	64.5%
Total	544,935	100.0%	506,167	100.0%

Sales	Nine months ended September 30,			
	2014		2015	
	(in thousands of U.S. dollars, except percentages)			
Memory	71,340	13.1%	61,354	12.1%
Mixed-Signal and Logic	253,070	46.4%	238,254	47.1%
Analog	220,525	40.5%	206,559	40.8%
Total	544,935	100.0%	506,167	100.0%

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, 2015

Sales decreased to \$167.1 million for the three months ended September 30, 2015 from \$199.5 million for the three months ended September 30, 2014. Breakdowns of sales by service and product category types are as follows:

Sales	Three months ended September 30,			
	2014		2015	
	<i>(in thousands of U.S. dollars, except percentages)</i>			
Test	66,897	33.4%	58,976	35.3%
Assembly	132,603	66.5%	108,126	64.7%
Total	199,500	100.0%	167,102	100.0%

Sales	Three months ended September 30,			
	2014		2015	
	<i>(in thousands of U.S. dollars, except percentages)</i>			
Memory	25,435	12.8%	22,840	13.7%
Mixed-Signal and Logic	93,213	46.7%	78,002	46.7%
Analog	80,852	40.5%	66,260	39.6%
Total	199,500	100.0%	167,102	100.0%

3. Cost of sales

Cost of sales includes cost of materials, depreciation and overhead and labor. Cost of sales increased to \$426.4 million for the nine months ended September 30, 2015 compared to \$460.1 million for the nine months ended September 30, 2014. Cost of sales decreased to \$140.5 million in the three months ended September 30, 2015 from \$163.1 million in the three months ended September 30, 2014.

4. Cash and cash equivalents

Cash and Cash Equivalents	As at December 31,	As at September
	2014	30, 2015
	<i>(in thousands of U.S. dollars)</i>	
Cash at bank and on hand	178,547	158,716
Short-term bank deposits	62,706	17,910
Total	241,253	176,626

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, 2015

5. Trade and other receivables

Trade and Other Receivables	As at December 31, 2014	As at September 30, 2015
	<i>(in thousands of U.S. dollars)</i>	
<i>Current</i>		
Trade receivables – non-related parties	105,087	105,578
Less: Allowance for impairment of receivables - non-related parties	(76)	(76)
	105,011	105,502
<i>Non-trade receivables</i>		
- non-related parties.....	5,577	4,600
- immediate holding corporation	37	50
- related corporation	999	1,665
Total current	111,624	111,817
<i>Non-current</i>		
Non-trade receivables – immediate holding corporation	11,725	-
	123,349	111,817

6. Trade and other payables

Trade and Other Payables	As at December 31, 2014	As at September 30, 2015
	<i>(in thousands of U.S. dollars)</i>	
Trade payables to non-related parties		
- Purchase of property, plant and equipment.....	39,013	35,370
- Other purchases	46,609	51,978
	85,622	87,348
Other payables – non-related parties	6,347	5,899
Accrued interest payable	46,969	18,808
Dividends payable to non-controlling interests	696	-
Other accrual for operating expenses	36,230	38,148
Deposits and advances from customers	2,109	1,780
Total	177,973	151,983

7. Intangibles assets

Intangible assets decreased by \$7.3 million to \$42.4 million as at September 30, 2015 from \$49.7 million as at December 31, 2014, mainly due to amortization charge of \$11.5 million and partially offset by purchases of intangible assets of \$4.3 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, 2015

8. Property, Plant and Equipment

Property, plant and equipment decreased by \$18.4 million to \$485.1 million as at September 30, 2015 from \$503.5 million as at December 31, 2014. The decrease was primarily due to depreciation charge of \$89.9 million, which was partially offset by purchases of property, plant and the equipment of \$74.7 million.

9. Capital commitments

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

	As at December 31, 2014	As at September 30, 2015
	<i>(in thousands of U.S. dollars)</i>	
Capital Commitments		
Property, plant and equipment	16,605	17,514

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.

11. Segment Information

Nine months ended	Assembly	Test	Group
September 30, 2015	<i>(in thousands of U.S. dollars)</i>		
Segment sales/ Sales to external parties	326,294	179,873	506,167
Segment gross profit	33,839	45,896	79,735
September 30, 2014			
Segment sales/ Sales to external parties	360,619	184,316	544,935
Segment gross profit	45,985	38,813	84,798
Three months ended	Assembly	Test	Group
September 30, 2015	<i>(in thousands of U.S. dollars)</i>		
Segment sales/ Sales to external parties	108,126	58,976	167,102
Segment gross profit	12,773	13,821	26,594
September 30, 2014			

Segment sales/ Sales to external parties	132,603	66,897	199,500
Segment gross profit	17,910	18,529	36,439

Reconciliation

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

	Group	
	Nine months ended September 30,	
	2014	2015
	<i>(in thousands of U.S. dollars)</i>	
Segment gross profit of reportable segments	84,798	79,735
Other income	5,399	3,856
Other gains - net	31,820	1,693
Selling, general and administrative expenses	(47,027)	(54,879)
Research and development costs	(8,540)	(6,861)
Finance costs	(90,272)	(91,300)
Other expenses	(10,640)	(4,650)
Loss before income tax	(34,462)	(72,406)

	Group	
	Three months ended September 30,	
	2014	2015
	<i>(in thousands of U.S. dollars)</i>	
Segment gross profit of reportable segments	36,439	26,594
Other income	1,810	1,118
Other gains - net	32,390	862
Selling, general and administrative expenses	(16,919)	(19,681)
Research and development costs	(2,716)	(2,674)
Finance costs	(29,723)	(30,484)
Other expenses	(7,806)	(387)
Profit before income tax	13,475	(24,652)