



GATE Announces \$12.5M Cost Reduction Plans

Singapore, 1 April 2016 – Global A&T Electronics Ltd (GATE or the Company) today announced significant cost reduction and restructuring actions that will reduce SG&A and COGs costs by approximately US\$12.5M in 2016 while still investing in growth areas.

“As we indicated in our last quarter’s results briefing, we are taking decisive actions to align our cost structure to current market demand. These steps include reducing our total workforce, consolidating certain organization functions as well as planned shutdowns of corporate and site functions.

We believe these actions will allow us to operate more efficiently and focus resources on new businesses. We are maintaining our capex and opex spend on R&D and new capabilities with 2016 group capex expected at the same level as 2015,” said Dr. John Nelson, Chief Executive Officer of UTAC.

GATE expects to incur a cash restructuring charge of about US\$4.0 million in 2016 (US\$3.2M in 1Q16) for the headcount reduction exercise for employee termination benefits including severance payments and outplacement services.

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