



Media Release

(all figures in US\$ unless otherwise stated)

GATE Announces 1Q16 EBITDA Of \$30.1M

Singapore, 3 May 2016 – Global A&T Electronics Ltd (GATE or the Company), subsidiary of UTAC Holdings Ltd (UTAC), a global semiconductor testing and assembly services provider headquartered in Singapore, today announced adjusted EBITDA of \$30.1M and adjusted EBITDA margin of 19.1% on sales of \$157.0M for 1Q16.

“Our first quarter sales were in line with expectations and reflected a seasonally softer quarter with weakness in some segments of the smartphone and PC end markets. We do see the industry resuming seasonal growth in 2Q but remain cautious of the speed of recovery as challenges remain. We are maintaining our cost and capital discipline, while investing prudently in capabilities for new businesses,” said Dr. John Nelson, Chief Executive Officer of UTAC.

GATE’s 1Q16 Results Highlight

- **Sales** declined 9.2% qoq to \$157.0M due to lower memory and MSLP sales. Analog sales were flat and above seasonality in 1Q16. Test revenue declined 17.1% qoq in line with lower MSLP and memory revenue, which have a higher test to assembly revenue contribution.
- **Gross profit margin** declined to 11.8% from 17.1% in 4Q15 mainly due to unfavorable product mix, lower sales and price erosion. Product mix negatively impacted margins by 1.5% with lower test revenue and mix of larger analog packages with more material content.
- **Adjusted EBITDA** declined 29.0% qoq to \$30.1M in line with lower gross margin and slight increase in R&D expenses.
- **Other Operating Expenses** was \$2.5M mainly due to the cost restructuring exercise in March 2016.
- **Tax** declined to \$260K mainly due to higher losses in 1Q16.
- **Cash and cash equivalents** was lower at \$134.9M compared to \$183.9M as at end 4Q15 mainly due to the \$56.9M semi-annual bond interest payment, lower cash from operations and higher cash used for capital investments. Cash used in capital investment was higher as capex was higher at \$26.5M compared to \$18.9M in 4Q15, partially offset by \$6.5M in sales proceed of underutilized testers in 1Q16.

GATE's 2Q16 Outlook

Based on current visibility, GATE has the following expectations for 2Q16:

- Sales expected to increase 5-9% qoq in line with seasonal strength.
- Gross margin expected to be between 12-14% with higher sales and full quarter impact from cost restructuring initiative in March 2016.
- Cash is expected to be approximately flat. Maintained guidance on FY2016 cash capex which is expected to be around \$100M, the same level as FY2015.

Tessera Settlement

Subsequent to close of the quarter, UTAC (Taiwan) Corporation (UTC) and Tessera, Inc. reached a settlement that entails, among other terms, dismissal of the lawsuit with prejudice and a payment by UTC of a total of \$18 million over a period of approximately three years. The settlement is to be implemented in a written agreement, which the parties are currently discussing. The first payment of \$6.0M is expected to be made after the written agreement is finalized.

~End~

Segmental Revenue

| US\$ Millions | 1Q16 | 1Q15 | YOY | 4Q15 | QOQ |
|----------------------|-------------|-------------|------------|-------------|------------|
| Memory | 16.5 | 18.7 | -11.8% | 21.7 | -24.0% |
| MS & Logic | 72.4 | 83.0 | -12.8% | 82.7 | -12.5% |
| Analog | 68.1 | 70.5 | -3.4% | 68.5 | -0.6% |
| Total Revenue | 157.0 | 172.2 | -8.8% | 172.9 | -9.2% |

| US\$ Millions | 1Q16 | 1Q15 | YOY | 4Q15 | QOQ |
|----------------------|-------------|-------------|------------|-------------|------------|
| Assembly | 108.2 | 111.9 | -3.3% | 114.0 | -5.1% |
| Test | 48.8 | 60.3 | -19.1% | 58.9 | -17.1% |
| Total Revenue | 157.0 | 172.2 | -8.8% | 172.9 | -9.2% |

Note:

* Certain amounts and percentages have been rounded; consequently, certain figures may add up to be more or less than the total amount.

Global A&T Electronics Ltd
Summary of Unaudited Consolidated Statement of Income and Cash Flows
(all figures in US\$)

| Income Statement (\$'000) | After audit adjustment | | |
|---|------------------------|-----------------|-----------------|
| | Q1'15 | Q4'15 | Q1'16 |
| Sales | 172,238 | 172,900 | 157,034 |
| Cost of Sales | (142,624) | (143,307) | (138,505) |
| Gross Profit | 29,614 | 29,593 | 18,529 |
| <i>Gross Profit Margin</i> | <i>17.2%</i> | <i>17.1%</i> | <i>11.8%</i> |
| SG&A | (17,815) | (16,708) | (16,782) |
| R&D | (2,111) | (2,379) | (2,910) |
| Other operating expenses | (387) | (4,504) | (2,529) |
| Operating Profit | 9,301 | 6,002 | (3,692) |
| Other income | 1,699 | 1,215 | 1,150 |
| Other gain/(loss) - net | 657 | (3,561) | (1,067) |
| Finance cost | (30,063) | (30,609) | (30,245) |
| Loss before tax | (18,406) | (26,954) | (33,854) |
| Income tax expense | (1,871) | (6,744) | (260) |
| Net loss | (20,277) | (33,698) | (34,114) |
| Income tax expense | 1,871 | 6,744 | 260 |
| Finance expenses | 30,063 | 30,609 | 30,245 |
| EBIT | 11,657 | 3,655 | (3,609) |
| Depreciation of property, plant and equipment | 30,158 | 28,884 | 27,588 |
| Amortization of intangible assets | 3,984 | 4,250 | 3,993 |
| EBITDA | 45,799 | 36,790 | 27,972 |
| Restructuring cost | 443 | 167 | 2,405 |
| Net (gain)/loss on sales or impairment of fixed assets | (938) | 6,923 | (392) |
| Settlement fee to Tessera | - | - | 86 |
| Reversal of legal provisions for Tessera | - | (2,000) | - |
| Foreign currency exchange - unrealised | - | 666 | - |
| Others | 1,650 | (178) | - |
| Adjusted EBITDA | 46,953 | 42,368 | 30,071 |
| <i>Adjusted EBITDA Margin</i> | <i>27.3%</i> | <i>24.5%</i> | <i>19.1%</i> |
| Cash Flow (\$'000) | | | |
| Cash Balance at beginning of Period | 241,253 | 176,579 | 183,900 |
| Loss after tax | (20,277) | (33,698) | (34,114) |
| Depreciation | 30,158 | 28,884 | 27,588 |
| Amortisation | 3,984 | 4,250 | 3,993 |
| Finance Expense and Interest Income | 29,542 | 30,286 | 30,001 |
| Fair value loss on derivative financial instruments | - | (983) | - |
| Reversal of provision | - | (2,000) | - |
| Impairment loss on and written off of property, plant and equipment | - | 4,122 | - |
| Impairment loss on non-current assets held-for-sale | - | 521 | - |
| Non-trade receivables written off | - | 1,799 | - |
| Change in Working Capital | (4,057) | (12,713) | 2,020 |
| Others | 610 | 5,183 | (244) |
| Net Cash Provided by Operating Activities | 39,960 | 25,651 | 29,244 |
| Payment for Acquisition of Fixed Assets and Intangible Assets | (33,977) | (18,871) | (26,489) |
| Proceeds from the Sale of Fixed Assets and asset held for sales | 2,114 | 600 | 6,514 |
| Interest | 232 | 325 | 147 |
| (Amount due from)/repayment of loan from intercompany | - | 247 | - |
| Others | (466) | 233 | - |
| Net Cash used in Investing Activities | (32,097) | (17,466) | (19,828) |
| Interest paid | (56,922) | (654) | (56,915) |
| Dividend paid to non-controlling interests** | - | - | (1,371) |
| Proceed/repayment loan and borrowing, net | (87) | (164) | (98) |
| Others | (696) | - | - |
| Net Cash Used in Financing Activities | (57,705) | (818) | (58,384) |
| Restricted cash | 47 | (46) | - |
| Cash Balance at End of Period | 191,458 | 183,900 | 134,932 |

Note:

* Certain amounts and percentages have been rounded; consequently, certain figures may add up to be more or less than the total amount.

**\$1.4 million in dividends paid to minority shareholders of UTAC Thailand.

Global A&T Electronics Ltd
Summary of Unaudited Consolidated Balance Sheet
(all figures in US\$)

| Balance Sheet (\$'000) | Q1'15 | Q4'15 | Q1'16 |
|--------------------------------------|------------------|------------------|------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 191,458 | 183,900 | 134,932 |
| Trade and Other Receivables | 111,711 | 122,352 | 111,200 |
| Inventories | 41,437 | 39,003 | 39,994 |
| Other Current Assets | 10,719 | 6,826 | 7,692 |
| Total Current Assets | 355,325 | 352,081 | 293,818 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 490,593 | 464,529 | 452,553 |
| Goodwill | 643,405 | 643,405 | 643,405 |
| Intangible Assets | 45,698 | 39,320 | 34,594 |
| Trade and Other Receivables | 12,014 | - | - |
| Other Non-Current Assets | 6,714 | 6,515 | 5,706 |
| Total Non-Current Assets | 1,198,424 | 1,153,769 | 1,136,258 |
| Total Assets | 1,553,749 | 1,505,850 | 1,430,076 |
| Current Liabilities | | | |
| Trade and other payables | 108,258 | 125,121 | 115,378 |
| Accrued interest payables | 18,474 | 46,969 | 18,474 |
| Deferred Income | - | 217 | 93 |
| Other current liabilities | 14,213 | 12,019 | 9,818 |
| Total Current Liabilities | 140,945 | 184,326 | 143,763 |
| Non-Current Liabilities | | | |
| Long Term Debt | 1,100,156 | 1,104,833 | 1,106,352 |
| Deferred Tax Liabilities | 6,066 | 9,155 | 8,521 |
| Deferred Income | 63 | - | - |
| Long Term Benefit Obligations | 22,598 | 21,324 | 20,698 |
| Total Non-Current Liabilities | 1,128,883 | 1,135,312 | 1,135,571 |
| Total Liabilities | 1,269,828 | 1,319,638 | 1,279,334 |
| Total Equity | 283,921 | 186,212 | 150,742 |
| Total Equity and Liabilities | 1,553,749 | 1,505,850 | 1,430,076 |

For more information, please visit www.utacgroup.com or contact:

Roger NG

Director, Investor Relations, Treasury and Communications

DID: (65) 67142245; HP: (65) 90050132

Email: roger_ng@utacgroup.com

Sherena LIEW

Manager, Communications

DID: (65) 6714 2280; HP: (65) 9742 1436

Email: sherena_liewls@utacgroup.com

Forward-looking statements

This press release includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of U.S. securities laws. These statements appear in a number of places throughout this press release 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 industries 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 press release. 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 manufacturing 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 retain 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.

Given the risks and uncertainties which may cause actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this press release, undue reliance must not be placed on those statements or information. GATE does not represent or warrant that their actual future results, performance or achievements will be as discussed in those forward looking statements. Further, GATE disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this press release to reflect any change in their expectations with respect to such statements or information after the date of this press release or to reflect any change in events, conditions or circumstances on which GATE based any such statements.