QUARTERLY REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2016

GLOBAL A&T ELECTRONICS LTD.

May 3, 2016

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CERTAIN DEFINITIONS AND CONVENTIONS

In this report, unless otherwise indicated, all references to ñour company,ò ñwe,ò ñour,ò ñus,ò or ñgroupò 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 ñGlobal A&T Electronicsò are to Global A&T Electronics Ltd., on a standalone basis.

All references to ñUSGò refer to United Test and Assembly Center Ltd, all references to ñUHKò refer to UTAC Hong Kong Limited, all references to ñUTCò refer to UTAC (Taiwan) Corporation, all references to ñUTLò refer to UTAC Thai Limited, all references to ñUTHò refer to UTAC Thai Holdings Limited, all references to ñUTAC Caymanò refer to UTAC Cayman Ltd and all references to ñUHQò refer to UTAC Headquarters Pte Ltd.

References to:

- ñindentureò 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;
- ñsenior revolving credit facilityò are to the revolving credit facility extended to Global A&T Electronics under the senior revolving credit facility agreement;
- ñsenior revolving credit facility agreementò 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;
- ñsenior secured notesò 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
- ñsubsidiary guarantorsò 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 ñSingapore dollarsò and ñS$ò in this document, we are referring to Singapore dollars, the legal currency of Singapore. When we refer to ñU.S. dollars,ò ñdollars,ò ñ$ò and ñUS$ò 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 ñManagementôs Discussion and Analysis of Financial Condition and Results of Operationsò 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, Global A&T Electronicsô annual report for the year ended December 31, 2015, dated April 19, 2016. 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, ñforward-looking statementsò within the meaning of U.S. securities laws. The terms ñanticipates,ò ñexpects,ò ñmay,ò ñwill,ò ñshouldò 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 cyclicality 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 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 ñRisk Factorsò 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 MARCH 31, 2016

On April 1, 2016, we announced significant cost reduction and restructuring actions to reduce our total workforce, consolidate certain organizational functions and shutdown of certain corporate and site functions.

In the mandatory settlement conference held on April 20, 2016, we have reached a settlement with Tessera 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 approximately $6.0 million is expected to be made after the written agreement is finalized.

Other than as disclosed above and elsewhere in this quarterly report, there have been no material developments in our business since March 31, 2016.

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 ñRisk Factorsò in our annual report for the year ended December 31, 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 ended March 31, 2016 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, 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:

	Three months ended March 31,			
	2015		2016	
Service type	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**
Assembly	111.9	65.0%	108.2	68.9%
Test	60.3	35.0%	48.8	31.1%
Total	**172.2**	**100.0%**	**157.0**	**100.0%**

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

	Three months ended March 31,			
	2015		2016	
Product category	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**
Analog	70.5	40.9%	68.1	43.4%
Mixed-signal and logic	83.0	48.2%	72.4	46.1%
Memory	18.7	10.9%	16.5	10.5%
Total	**172.2**	**100.0%**	**157.0**	**100.0%**

Sales from our analog product category decreased 3.4% to $68.1 million in the three months ended March 31, 2016 from $70.5 million in the three months ended March 31, 2015 primarily due to price erosion, weak demand in key semiconductor markets and our customersô high inventory balances.

Sales from our mixed-signal and logic product category decreased 12.8% to $72.4 million in the three months ended March 31, 2016 from $83.0 million in the three months ended March 31, 2015 primarily due to price erosion and weak demand in key semiconductor markets.

Sales from our memory product category decreased 11.8% to $16.5 million in the three months ended March 31, 2016 from $18.7 million in the three months ended March 31, 2015 primarily due to the shift to in-house production by one of our key customers and weak demand in key semiconductor markets.

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 five regions: United States, Japan, Asia (excluding Japan), Europe and Others. The table below sets forth the geographic distribution of our sales:

	Three months ended March 31,			
	2015		**2016**	
Geographical region	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**
United States	109.9	63.8%	92.9	59.2%
Asia (excluding Japan)	38.0	22.1%	40.7	25.9%
Europe	18.1	10.5%	17.1	10.9%
Japan	5.5	3.2%	5.4	3.4%
Others	0.7	0.4%	0.9	0.6%
Total	**172.2**	**100.0%**	**157.0**	**100.0%**

Sales from our customers headquartered in United States decreased in the three months ended March 31, 2016 compared to the three months ended March 31, 2015 due to price erosion, weak demand in key semiconductor markets and the shift to in-house production by one of our key customers. Our sales to customersô headquartered in Asia (excluding Japan) increased primarily due to stronger customer demand in the 4G device market in China.

Sales of our subsidiaries (who are not guarantors of the senior secured notes) accounted for approximately $17.0 million, or 10.8%, of our total sales for the three months ended March 31, 2016, and assets accounted for approximately $84.3 million, or 5.9%, of our total assets, and liabilities accounted for approximately $28.3 million, or 2.2%, of our total liabilities, in each case as of March 31, 2016.

Sales of our subsidiaries (who are not guarantors of the senior secured notes) accounted for approximately $8.9 million, or 5.1%, of our total sales for the three months ended March 31, 2015, and assets accounted for approximately $84.4 million, or 5.4%, of our total assets, and liabilities accounted for approximately $15.3 million, or 1.2%, of our total liabilities, in each case as of March 31, 2015

Results of Operations

	Three months ended March 31,			
	2015		**2016**	
	($ in millions, except percentages)			
Sales	172.2	100.0%	157.0	100.0%
Cost of sales	(142.8)	(82.9%)	(138.5)	(88.2%)
Gross profit	29.5	17.1%	18.5	11.8%
Other income	1.8	1.0%	1.2	0.8%
Other gains/(losses) ð net	0.7	0.4%	(1.1)	(0.7%)
Expenses:				
Selling, general and administrative	(17.8)	(10.3%)	(16.8)	(10.7%)
Research and development	(2.1)	(1.2%)	(2.9)	(1.8%)
Finance	(30.1)	(17.5%)	(30.2)	(19.2%)
Others	(0.4)	(0.2%)	(2.5)	(1.6%)
Loss before tax	(18.4)	(10.7%)	(33.9)	(21.6%)

Income tax expense..	(1.9)	(1.1%)	(0.3)	(0.2%)
Loss after tax..	(20.3)	(11.8%)	(34.1)	(21.7%)
Non-controlling interest..................................	0.3	0.2%	0.1	0.1%
Loss after non-controlling interest...................	(20.6)	(12.0%)	(34.2)	(21.8%)

Three months ended March 31, 2016 compared to three months ended March 31, 2015

Sales. Sales decreased 8.8% to $157.0 million in the three months ended March 31, 2016 from $172.2 million in the three months ended March 31, 2015.

Our assembly service sales decreased 3.3% to $108.2 million in the three months ended March 31, 2016 from $111.9 million in the three months ended March 31, 2015 primarily due to the decrease in sales from our analog product category. Our test service sales decreased 19.1% to $48.8 million in the three months ended March 31, 2016 from $60.3 million in the three months ended March 31, 2015 primarily due to the decrease in sales from our mixed-signal and logic product category.

Cost of sales. Cost of sales decreased 3.0% to $138.5 million in the three months ended March 31, 2016 from $142.8 million in the three months ended March 31, 2015 principally due to lower sales and depreciation expenses which were partially offset by higher material costs as assembly services constituted a higher percentage of our sales for the period. Our cost of sales as a percentage of sales increased to 88.2% in the three months ended March 31, 2016 compared to 82.9% in the three months ended March 31, 2015 primarily due to our fixed costs being spread over lower sales and higher material costs.

Gross profit. Gross profit decreased 37.3% to $18.5 million in the three months ended March 31, 2016 from $29.5 million in the three months ended March 31, 2015. Gross profit as a percentage of sales, or gross profit margin, was 11.8% in the three months ended March 31, 2016 compared to 17.1% in the three months ended March 31, 2015. The decrease in our gross profit and gross profit margin was primarily due to lower sales, price erosion and higher material costs as assembly services constituted a higher percentage of our sales for the period, which was partially offset by lower depreciation expenses.

Other income. Other income decreased to $1.2 million in the three months ended March 31, 2016 from $1.8 million in the three months ended March 31, 2015 primarily due to decrease in interest income and sales of scrap.

Other gains/(losses) - net. Other losses - net were $1.1 million in the three months ended March 31, 2016 compared to other gains - net of $0.7 million in the three months ended March 31, 2015, primarily due to depreciation of the U.S. dollar against the Thai Baht in the three months ended March 31, 2016.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased 5.6% to $16.8 million in the three months ended March 31, 2016 from $17.8 million in the three months ended March 31, 2015 due to lower legal and professional expenses and costs associated with corporate actions.

Research and development expenses. Research and development expenses increased 38.1% to $2.9 million in the three months ended March 31, 2016 from $2.1 million in the three months ended March 31, 2015 primarily due to additional research and development personnel and higher depreciation expenses.

Finance expenses. Finance expenses were $30.2 million in the three months ended March 31, 2016 compared to $30.1 million in the three months ended March 31, 2015 and relate to the interest charges on our long term borrowings, which were fairly consistent in the two comparative periods.

Other expenses. Other expenses were $2.5 million in the three months ended March 31, 2016 compared to $0.4 million in the three months ended March 31, 2015. This increase was primarily due to increased payments and expenses from a restructuring exercise that took place during the three months ended March 31, 2016.

Loss before tax. Our loss before tax was $33.9 million in the three months ended March 31, 2016 compared to a loss before tax of $18.4 million in the three months ended March 31, 2015.

Income tax expense. Our income tax expense was $0.3 million in the three months ended March 31, 2016 compared to $1.9 million in the three months ended March 31, 2015. The decrease was primarily due to lower profits from certain of our subsidiaries which resulted in lower income tax expense.

Non-SFRS Measures

EBITDA and adjusted EBITDA 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) gain on disposal of non-current asset held for sale; (ii) restructuring costs; (iii) settlement fee to Tessera and (iv) legal and professional fees which relate to corporate activities.

EBITDA and adjusted EBITDA 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 and adjusted EBITDA, in each case, for the periods indicated:

	Three months ended March 31,	
	2015	**2016**
	(in $ millions)	
Loss after tax	**(20.3)**	**(34.1)**
Add/(deduct):		
Income tax expense	1.9	0.3
Finance expenses	30.1	30.2
Depreciation of property, plant and equipment	30.2	27.6
Amortization of intangible assets	4.0	4.0
EBITDA	**45.8**	**28.0**
Add/(deduct):		
Restructuring costs	0.4	2.4
Gain on disposal of non-current asset held for sale	(0.9)	(0.4)
Settlement fee to Tessera(1)	-	0.1
Legal and professional fees	1.7	-
Adjusted EBITDA	**47.0**	**30.1**

Note:

(1) On February 19, 2016, we announced that USG would pay $3.1 million related to the settlement of an audit dispute regarding a packaging technology license agreement with Tessera. We made a $3.0 million provision in the year ended December 31, 2015 for this dispute based on initial findings by Tesseraœs auditors.

Liquidity and Capital Resources

Our operations are capital intensive. We have funded our operations and growth primarily through a mixture of short-term and long-term loans and cash flows from operations. As of March 31, 2016, our primary sources of liquidity included cash and cash equivalents of $134.9 million and our undrawn credit facilities under our senior revolving credit facility of $125.0 million, other undrawn facilities of $11.2 million and unutilized bank guarantee facilities of $0.3 million.

We believe that after taking into account the expected cash to be provided by 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 other cash requirements, for at least 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 March 31,	
	2015	**2016**
	($ in millions)	
Net cash provided by operating activities	40.0	29.2
Net cash used in investing activities	(32.1)	(19.8)
Net cash used in financing activities	(57.7)	(58.4)
Net decrease in cash and cash equivalents	(49.8)	(49.0)
Cash and cash equivalents at beginning of financial period	241.3	183.9
Cash and cash equivalents at end of financial period	191.4[1]	134.9

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.

Cash Flows from Operating Activities

We generated $29.2 million in net cash from our operating activities for the three months ended March 31, 2016, a decrease from $40.0 million for the three months ended March 31, 2015. Our cash flows generated from operating activities are calculated by adjusting our loss after tax of $34.1 million by (i) non-cash and other items, such as $27.6 million of depreciation of property, plant and equipment, $30.2 million in finance expense, $4.0 million of amortization of intangible assets, $0.3 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash in the three months ended March 31, 2016 included primarily a $6.0 million increase in cash from our trade and other receivables which was partially offset by the working capital use of cash of $1.9 million in trade and other payables and $1.0 million in inventories. For the three months ended March 31, 2016, we made cash payments of $0.1 million in respect of income tax expenses.

We generated $40.0 million in net cash from our operating activities for the three months ended March 31, 2015. Our cash flows generated from operating activities are calculated by adjusting our loss after tax of $20.3 million by (i) non-cash and other items, such as $30.2 million of depreciation of property, plant and equipment, $30.1 million in finance expense, $4.0 million of amortization of intangible assets and $0.9 million of gain on disposal of certain of our plant and equipment classified under non-current assets held for sale, $1.9 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash in the three months ended March 31, 2015 included primarily a $4.6 million decrease in cash from our trade and other payables and inventories of $0.4 million, which was offset by the increase in cash from other assets of $0.7 million.

Cash Flows from Investing Activities

Net cash used in investing activities was $19.8 million during the three months ended March 31, 2016. Cash flows from investing activities consisted primarily of $25.6 million used for the purchases of property, plant and equipment and $0.9 million used for purchases of intangible assets, which were partially offset by proceeds of $5.9 million from the disposal of our plant and equipment and proceeds of $0.6 million from the disposal of certain of our plant and equipment classified under non-current assets held for sale.

Net cash used in investing activities was $32.1 million during the three months ended March 31, 2015. The principal component of the cash outflow was $34.0 million used for purchases of property, plant and equipment, which was partially offset by proceeds of $2.0 million from the disposal of certain of our plant and equipment classified under non-current assets held for sale.

Cash Flows from Financing Activities

Net cash used in financing activities during the three months ended March 31, 2016 was $58.4 million, which principally included $56.9 million in interest payments, $0.1 million in repayment of finance liabilities and $1.4 million in dividends paid to minority shareholders of UTL.

Net cash used in financing activities during the three months ended March 31, 2015 was $57.7 million, which principally included $56.9 million in interest payment, $0.1 million in repayment of finance lease liabilities and $0.7 million of dividends paid to minority shareholders of UTL.

Capital Expenditures

We had cash outflows in respect of capital expenditures, or cash capital expenditures, of $26.5 million for the three months ended March 31, 2016 compared to $34.0 million for the three months ended March 31, 2015.

Subject to market conditions and our financial performance for 2016, we currently expect our cash capital expenditure as a percentage of our sales for 2016 to be of similar value as our capital expenditures in 2015, with approximately 60% of such expenditures relating to purchase commitments from 2015 and the remainder relating to investments in capabilities for new business and products.

We plan our capital expenditure based on the expected sales and seek to invest only when we believe there are opportunities to general 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 budged 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 March 31, 2016, the total amount outstanding under our long-term and short-term borrowings and finance leases was $1,106.6 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 (without including finance leases):

Facility	Borrower/ Issuer	Amount outstanding as of March 31, 2016	Total committed amount	Interest rate	Maturity
			($ 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 March 31, 2016, without deducting unamortized loan facility and related issuance costs of $21.2 million.

(2) See ñDescription of Certain Indebtedness ð Senior Revolving Credit Facilityò in our annual report for the year ended December 31, 2015 for details of the applicable margin and maturity date.

The senior revolving credit facility requires us to maintain a debt service coverage ratio (as defined in the senior revolving credit facility agreement) of at least 1.20 to 1.00 as a condition to any utilization of the facility where the aggregate amount of outstanding revolving credit loans (including any amounts to be drawn) and letters of credit (including any amounts to be issued) under the senior revolving credit facility exceeds a trigger amount, being 13.3% of the total commitments under such facility. We will also be required to maintain the same debt service coverage ratio as of the end of each financial quarter if we have drawn more than the trigger amount under the senior revolving credit facility. As of March 31, 2016, we did not meet this ratio.

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 Siam Commercial Bank Public Company Limited, which may be utilized for working capital purposes. As of March 31, 2016, this facility has not been utilized.

UTL also currently has bank guarantee facilities for an aggregate of up to 85.1 million Thai Baht with Siam Commercial Bank Public Company Limited and Krung Thai Bank Public Company Limited, which may be utilized for working capital purposes. As of March 31, 2016, guarantees of an aggregate amount of 74.0 million Thai Baht have been issued under these facilities.

UTC has a letter of credit facility of an amount of $7.0 million with Ta Chong Bank, which has an undrawn balance of $6.2 million as of March 31, 2016.

Finance leases

We have leased certain plant and equipment under finance leases. As of March 31, 2016, our total finance lease obligations were $0.5 million. Lease terms generally range from one to four 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 March 31, 2016, we had no off-balance sheet arrangements.

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

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 Electronicsô 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 allege that the September 30, 2013 exchange transaction caused an event of default under the indenture and seek monetary damages and other relief, including an injunction ñunwindingò the September 30, 2013 transaction and/or ñsubordinating the liensò securing the senior secured notes issued on September 30, 2013 to the liens on those senior secured notes issued on February 7, 2013.

On May 30, 2014, we filed a motion to dismiss the plaintiffsô complaint. On July 14, 2015, the court granted our motion and dismissed all the claims made against Global A&T Electronics by the plaintiffs. On July 21, 2015, certain plaintiffs filed a notice of appeal of the courtøs decision and, on September 8, 2015, those plaintiffs-appellants filed a brief and record in support of their appeal. We filed a brief in opposition on November 16, 2015, and the plaintiffs-appellants filed their reply on December 16, 2015. The appellate argument was initially noticed for the

January 2016 appellate term in the Appellate Division of the Supreme Court of the State of New York, First Department and was heard during the April 2016 appellate term. The Appellate Division reserved decision. We are of the view that we have substantial defenses to these claims and will continue to vigorously defend the plaintiffôs lawsuit. For further details, see ñRisk Factors ˈ Pending litigation by certain holders of senior secured notes issued by our wholly-owned subsidiary, Global A&T Electronics, and guaranteed by certain of our subsidiaries, may expose us to significant liabilities, result in negative publicity and have a material adverse effect on our reputation, business, financial condition, results of operations and prices of our securitiesò in our annual report for the year ended December 31, 2015. 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 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 UTCôs patent license agreement with Tessera obligates it to continue paying royalties to Tessera. Tesseraôs 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 attorneysô fees. UTC filed a motion to dismiss the complaint on March 16, 2011. On March 28, 2012, the court granted UTCôs 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 Tesseraôs 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 UTCôs motion and denied Tesseraôs motion, thereby adopting UTCôs 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 UTCôs products. On July 8, 2014, Tessera identified its patents that it contends cover UTCôs products. Following completion of discovery concerning Tesseraôs patent claims, both parties submitted motions for summary judgment, which are pending. The court has scheduled trial to begin on August 30, 2016 and directed the parties to participate in a mandatory settlement conference with the magistrate judge by April 30, 2016. In the mandatory settlement conference held on April 20, 2016, we have reached a settlement with Tessera 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 approximately $6.0 million is expected to be made after the written agreement is finalized.

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 Electronicsô subsidiaries. We filed a motion to dismiss Amkorôs 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 had been dismissed. Amkorôs amended complaint also confirmed that it was not seeking to reassert the other dismissed claims, but had reserved the right to appeal the dismissal of those claims. The remaining three claims made by Amkor relate to the payment of royalties by one 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. In addition, on July 28, 2015, we filed a motion for partial summary judgment against Amkorôs royalty claim against UTL on the basis that UTL ceased to be covered by the royalty-bearing license when it ceased to be a subsidiary of United Test and Assembly Center Limited in September 2010. On September 11, 2015, the court issued an order providing for limited discovery on the issues raised by our motion for partial summary judgment. We will continue to vigorously defend our interests in this suit. The case is ongoing. 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, 2015. During the three months ended March 31, 2016, there have been no significant changes in our critical accounting policies.

Recent Accounting Pronouncements under SFRS

New Accounting Standards and SFRS Interpretations Effective 2016

Certain new standards, amendments and interpretations to existing standards that have been published, and are relevant for Global A&T Electronicsô accounting periods beginning on or after January 1, 2016 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 ñManagementôs Discussion and Analysis of Financial Condition and Results of Operations ð Quantitative and Qualitative Disclosures about Market Riskò in our annual report for the year ended December 31, 2015.

UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

1 .... Global A&T Electronics Ltd. Unaudited Consolidated Condensed Interim Financial Information for the three months ended March 31, 2016

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the three months ended March 31, 2016

	Three months ended March 31, 2015	Three months ended March 31, 2016
	US$'000	**US$'000**
Sales	172,238	157,034
Cost of sales	(142,757)	(138,505)
Gross profit	29,481	18,529
Other income	1,832	1,150
Other gains/(loss) ï net	657	(1,067)
Expenses		
Selling, general and administrative	(17,815)	(16,782)
Research and development	(2,111)	(2,910)
Finance	(30,063)	(30,245)
Other	(387)	(2,529)
Loss before tax	(18,406)	(33,854)
Income tax expense	(1,871)	(260)
Loss after tax	**(20,277)**	**(34,114)**
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss:		
Remeasurements on post-employment benefit obligation	(27)	15
Other comprehensive income, net of tax	**(27)**	**15**
Total comprehensive loss	**(20,304)**	**(34,099)**
(Loss)/profit attributable to:		
Equity holders of the Company	(20,606)	(34,168)
Non-controlling interests	329	54
	(20,277)	**(34,114)**
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	(20,632)	(34,154)
Non-controlling interests	328	55
	(20,304)	**(34,099)**

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at March 31, 2016

	December 31, 2015	March 31, 2016
	US$'000	US$'000
ASSETS		
Current assets		
Cash and bank deposits	183,900	134,932
Trade and other receivables	122,352	111,200
Inventories	39,003	39,994
Other assets	6,374	7,479
	351,629	293,605
Non-current assets held-for-sale	452	213
	352,081	293,818
Non-current assets		
Other assets	5,220	4,410
Deferred income tax assets	310	311
Available-for-sale financial assets	985	985
Property, plant and equipment	464,529	452,553
Goodwill	643,405	643,405
Intangible assets	39,320	34,594
	1,153,769	1,136,258
Total assets	1,505,850	1,430,076
LIABILITIES		
Current liabilities		
Trade and other payables	172,090	133,852
Current income tax liabilities	8,731	9,551
Deferred income	217	93
Borrowings	288	267
Provisions	3,000	–
	184,326	143,763
Non-current liabilities		
Borrowings	1,104,833	1,106,352
Deferred income tax liabilities	9,155	8,521
Long term benefit obligations	21,324	20,698
	1,135,312	1,135,571
Total liabilities	1,319,638	1,279,334
NET ASSETS	186,212	150,742
EQUITY		
Capital and reserves attributable to the equity holder of the Company		
Share capital	*	*
Capital contribution	698,000	698,000
Other reserves	(6,446)	(6,432)
Accumulated losses	(510,698)	(544,866)
	180,856	146,702
Non-controlling interests	5,356	4,040
Total equity	186,212	150,742

* Denotes amount less than US$1,000

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at March 31, 2016

← Attributable to equity holder of the Company →

	Share capital	Capital contribution	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
As at January 1, 2016	*	698,000	(6,446)	(510,698)	180,856	5,356	186,212
Dividend to non-controlling interests	–	–	–	–	–	(1,371)	(1,371)
Total comprehensive income/(loss) for the period	–	–	14	(34,168)	(34,154)	55	(34,099)
As at March 31, 2016	*	**698,000**	**(6,432)**	**(544,866)**	**146,702**	**4,040**	**150,742**
As at January 1, 2015	*	698,000	(5,876)	(392,174)	299,950	4,275	304,225
Reclassification	–	–	(6)	6	–	–	–
Total comprehensive income/(loss) for the period	–	–	(26)	(20,606)	(20,632)	328	(20,304)
As at March 31, 2015	*	**698,000**	**(5,908)**	**(412,774)**	**279,318**	**4,603**	**283,921**

* Denotes amount less than US$1,000

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the three months ended March 31, 2016

	Three months ended March 31,	
	2015	**2016**
	US$'000	**US$'000**
Cash flows from operating activities		
Loss after tax	(20,277)	(34,114)
Adjustments for:		
- Income tax expense	1,871	260
- Depreciation of property, plant and equipment	30,158	27,588
- Amortization of intangible assets	3,984	3,993
- Net gain on disposal of property, plant and equipment	(99)	(10)
- Net gain on disposal of non-current asset held for sale	(938)	(393)
- Finance expense	30,063	30,245
- Interest income	(521)	(244)
- Government grant income	(19)	(65)
Change in working capital		
- Trade and other receivables	41	6,034
- Inventories	(392)	(991)
- Other assets	684	(447)
- Trade and other payables	(4,632)	(1,887)
- Long term benefit obligations	253	(638)
- Currency translation difference	(11)	(51)
Government grant received	–	62
Income tax paid	(205)	(98)
Net cash provided by operating activities	**39,960**	**29,244**
Cash flows from investing activities		
Purchases of property, plant and equipment	(33,977)	(25,551)
Purchases of intangible assets	(2)	(938)
Increase in amount due from immediate holding company ï non-trade	(417)	–
Investment in short term bank deposits ï restricted cash	(47)	–
Proceeds from disposal of property, plant and equipment	147	5,882
Proceeds from disposal of non-current assets held for sale	1,967	632
Interest received	232	147
Net cash used in investing activities	**(32,097)**	**(19,828)**
Cash flows from financing activities		
Repayment of finance lease liabilities	(87)	(98)
Interest paid	(56,922)	(56,915)
Dividend paid to a non-controlling interest	(696)	(1,371)
Net cash used in financing activities	**(57,705)**	**(58,384)**
Net decrease in cash and cash equivalents	(49,842)	(48,968)
Cash and cash equivalents at the beginning of the financial period	241,253	183,900
Cash and cash equivalents at the end of the financial period	**191,411**	**134,932**
Cash and cash equivalents in the Group's financial position	**191,458**	**134,932**
Less: Cash subject to restrictions	(47)	–
Cash and cash equivalents in consolidated cash flow statement	**191,411**	**134,932**
Net cash provided by/(used in):		
Operating activities	39,960	29,244
Investing activities	(32,097)	(19,828)
Financing activities	(57,705)	(58,384)
Total	(49,842)	(48,968)

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1. Basis of preparation

The Consolidated Financial Information and related disclosures as of March 31, 2015 and 2016 and for the three months ended March 31, 2015 and 2016 are unaudited. The December 31, 2015 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. Intercompany accounts and transactions have been eliminated. The preparation of these Consolidated Financial Information requires our management to make estimates and assumptions that affect the amounts reported in these Consolidated Financial Information. Actual results could differ materially from those estimates. The unaudited consolidated condensed financial information should be read in conjunction with the audited consolidated financial statements and related notes thereto for the financial year ended December 31, 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 $157.0 million for the three months ended March 31, 2016 from $172.2 million for the three months ended March 31, 2015. Breakdowns of sales by service type and product category are as follows:

	Three months ended March 31,			
Service type	**2015**		**2016**	
	(in thousands of U.S. dollars, except percentages)			
Assembly	111,907	65.0%	108,154	68.9%
Test	60,331	35.0%	48,880	31.1%
Total	**172,238**	**100.0%**	**157,034**	**100.0%**

	Three months ended March 31,			
Product category	**2015**		**2016**	
	(in thousands of U.S. dollars, except percentages)			
Analog	70,509	40.9%	68,104	43.4%
Mixed-signal and logic	82,983	48.2%	72,383	46.1%
Memory	18,746	10.9%	16,547	10.5%
Total	**172,238**	**100.0%**	**157,034**	**100.0%**

3. Cost of sales

Cost of sales consists principally of direct materials and direct labor, indirect labor, indirect materials (being ancillary materials and other supplies used in the assembly and test process), utilities, equipment maintenance, operating supplies and tooling, and depreciation and general expenses incurred in maintaining our facilities.

Cost of sales decreased to $138.5 million for the three months ended March 31, 2016 from $142.8 million for the three months ended March 31, 2015.

4. Cash and bank deposits

Cash and bank deposits	As at December 31, 2015	As at March 31, 2016
	(in thousands of U.S. dollars)	
Cash at bank and on hand	157,090	99,897
Short-term bank deposits	26,810	35,035
Total	183,900	134,932

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

5. Trade and other receivables

Trade and other receivables	As at December 31, 2015	As at March 31, 2016
	(in thousands of U.S. dollars)	
Current		
Trade receivables ï non-related parties	110,841	104,344
Less: Allowance for impairment of receivables - non-related parties	(82)	(82)
	110,759	104,262
Non-trade receivables		
- non-related parties	7,608	2,737
- immediate holding corporation	1,321	1,340
- a related corporation	2,664	2,861
Total	122,352	111,200

Amount due from immediate holding corporation and a related corporation are unsecured, non-interest bearing and repayable on demand.

6. Trade and other payables

Trade and other payables	As at December 31, 2015	As at March 31, 2016
	(in thousands of U.S. dollars)	
Trade payables to non-related parties		
- Purchase of property, plant and equipment	32,280	22,363
- Development of intangible assets	938	–
- Other purchases	49,039	52,563
	82,257	74,926
Other payables ï non-related parties	8,299	6,261
Accrued interest payable	46,969	18,474
Other accrual for operating expenses	32,803	32,493
Deposits and advances from customers	1,762	1,698
Total	172,090	133,852

Trade and other payables decreased to $133.9 million as at March 31, 2016 from $172.1 million as at December 31, 2015 mainly due to repayment of accrued interest payable due in January 2016 and trade payables to non-related parties for purchase of property, plant and equipment.

7. Intangible assets

Intangible assets decreased by $4.7 million to $34.6 million as at March 31, 2016 from $39.3 million as at December 31, 2015, primarily due to amortization charge of $4.0 million for the three months ended March 31, 2016.

8. Property, Plant and Equipment

Property, plant and equipment decreased by $12.0 million to $452.6 million as at March 31, 2016 from $464.5 million as at December 31, 2015. The decrease was primarily due to a depreciation charge of $27.6 million, which was partially offset by addition of property, plant and equipment of $15.6 million.

9. Capital commitments

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

Capital Commitments	As at December 31, 2015	As at March 31, 2016
	(in thousands of U.S. dollars)	
Property, plant and equipment	18,095	19,721

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. See also ñManagementôs Discussion and Analysis of Financial Condition and Results of Operations ï Contingent Liabilitiesò.

11. Segment Information

Three months ended	Assembly	Test	Total
March 31, 2016	(*in thousands of U.S. dollars*)		
Segment sales/ Sales to external parties	108,154	48,880	157,034
Segment gross profit	9,949	8,580	18,529
March 31, 2015			
Segment sales/ Sales to external parties	111,907	60,331	172,238
Segment gross profit	11,774	17,707	29,481

Reconciliation

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

	Three months ended March 31,	
	2015	**2016**
	(in thousands of U.S. dollars)	
Segment gross profit of reportable segments	29,481	18,529
Other income	1,832	1,150
Other gains/(loss) ï net	657	(1,067)
Selling, general and administrative expenses	(17,815)	(16,782)
Research and development costs	(2,111)	(2,910)
Finance costs	(30,063)	(30,245)
Other expenses	(387)	(2,529)
Loss before income tax	(18,406)	(33,854)