QUARTERLY REPORT FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2018

UTAC HOLDINGS LTD.

November 6, 2018

TABLE OF CONTENTS

CERTAIN DEFINITIONS AND CONVENTIONS

In this report, unless otherwise indicated, all references to "our company," "we," "our," "us," or "group" refer to UTAC Holdings Ltd., a company incorporated in Singapore, and its consolidated subsidiaries, and all references to "UTAC Holdings" are to UTAC Holdings Ltd., on a standalone basis.

All references to "GATE" refer to Global A&T Electronics Ltd., all references to "USG1" 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 "USC" refer to UTAC (Shanghai) Co., Ltd., 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, all references to "UHQ" refer to UTAC Headquarters Pte. Ltd., all references to "UMS" refer to UTAC Manufacturing Services Pte. Ltd., all references to "UMS Holdings" refer to UTAC Manufacturing Services Holdings Pte. Ltd., all references to "UMS HK" refer to UTAC Manufacturing Services Limited, all references to "UID" refer to PT UTAC Manufacturing Services Indonesia, all references to "USG2" refer to UTAC Manufacturing Services Singapore Pte. Ltd., all references to "UGGS" refer to UTAC Group Global Sales Ltd., all references to "UTAC Japan" refer to UTAC Japan Co. Ltd. and all references to "UGS America" refer to UGS America Sales, Inc.

References to:

- "2019 Indenture" are to the indenture dated February 7, 2013, as amended and supplemented from time to time, entered into among GATE, the GATE subsidiary guarantors and Citicorp International Limited, as trustee and security agent;
- "2023 Indenture" are to the indenture dated January 12, 2018, as amended and supplemented from time to time, entered into among GATE as issuer, UTAC Holdings, the Original subsidiary guarantors and Wilmington Savings Fund Society FSB as trustee and security agent;
- "2019 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 2019 Indenture;
- "2023 Notes" are to the 8.50% Senior Secured Notes due 2023, issued on January 12, 2018, pursuant to the terms of the 2023 Indenture;
- "GATE subsidiary guarantors" are to certain subsidiaries of GATE, being for the time being: USG, UHK, UTC, UTAC Cayman, UTH, UTL and UHQ; and
- "Original subsidiary guarantors" are to certain subsidiaries of UTAC Holdings, being for the time being: UHK, UID, UMS, UMS HK, USG1, USG2, UMS Holdings, UTAC Cayman, UTAC Japan, UHQ, UTC, UGS America and UGGS.

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

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this quarterly report, UTAC Holdings' annual report for the year ended December 31, 2017 dated May 3, 2018, its quarterly report for the three months ended March 31, 2018 dated May 3, 2018, and its quarterly report for the three months and six months ended June 30, 2018 dated August 7, 2018. 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.

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.

MATERIAL RECENT DEVELOPMENTS SINCE SEPTEMBER 30, 2018

Other than as disclosed elsewhere in this quarterly report, there have been no material developments in our business since September 30, 2018.

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, 2018, and the related notes thereto, included elsewhere in this quarterly report.

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 mobile, Bluetooth and WiFi), consumer devices, computing devices, automotive applications and industrial and medical applications. We provide assembly and test services primarily for four key semiconductor product categories, namely, analog, mixed-signal and logic, memory and others (primarily optical and discrete).

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 September 30,				**Nine Months ended September 30,**			
	2017		**2018**		**2017**		**2018**	
Service type	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**
Assembly	159.0	69.2%	137.7	68.3%	451.2	69.0%	402.1	68.1%
Test	66.7	29.0%	60.8	30.2%	189.6	29.0%	176.8	30.0%
Liquidated damages	4.1	1.8%	3.0	1.5%	13.3	2.0%	11.1	1.9%
Total	229.8	100.0%	201.5	100.0%	654.1	100.0%	590.0	100.0%

The following table sets forth the composition of our sales by product category 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:

	Three Months ended September 30,				**Nine Months ended September 30,**			
	2017		**2018**		**2017**		**2018**	
Product category	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**
Analog	100.1	43.6%	98.5	48.9%	287.3	43.9%	289.8	49.1%
Mixed-signal and logic	90.7	39.5%	69.4	34.4%	243.3	37.2%	197.9	33.5%
Memory	18.0	7.8%	16.7	8.3%	57.6	8.8%	47.2	8.0%
Others	16.9	7.3%	13.9	6.9%	52.6	8.1%	44.0	7.5%
Liquidated damages	4.1	1.8%	3.0	1.5%	13.3	2.0%	11.2	1.9%
Total	229.8	100.0%	201.5	100.0%	654.1	100.0%	590.1	100.0%

For information about our liquidated damages service type and product category, see "*Management's Discussions and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Liquidated damages under take-or-pay contracts*" of our annual report for the year ended December 31, 2017 incorporated by reference into this quarterly report.

Sales from our analog product category was relatively flat at $289.8 million for the nine months ended September 30, 2018 compared to $287.3 million for the nine months ended September 30, 2017.

Sales from our mixed-signal and logic product category decreased by 18.7% to $197.9 million for the nine months ended September 30, 2018 from $243.3 million for the nine months ended September 30, 2017 primarily due to the closure of USC and decreased demand from mobile customers.

Sales from our memory product category decreased by 18.1% to $47.2 million for the nine months ended September 30, 2018 from $57.6 million for the nine months ended September 30, 2017 primarily due to an exit from lower margin memory businesses in China.

Sales from our others product category decreased by 16.3% to $44.0 million for the nine months ended September 30, 2018 from $52.6 million for the nine months ended September 30, 2017 primarily due to decreased sales to a Japanese customer.

Sales attributed to liquidated damages under take-or-pay contracts decreased by 15.8% to $11.2 million for the nine months ended September 30, 2018 from $13.3 million for the nine months ended September 30, 2017, primarily due to the scheduled decrease in the amount of services and products that our customer has committed to purchase under our take-or-pay contract with such customer through June 2019. For further details about liquidated damages, see "*Management's Discussions and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Liquidated damages under take-or-pay contracts*" of our annual report for the year ended December 31, 2017 incorporated by reference into this quarterly report.

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, Europe, Asia (excluding Japan) and Others. The table below sets forth the geographical distribution of our sales.

	Three Months ended September 30,				**Nine Months ended September 30,**			
	2017		**2018**		**2017**		**2018**	
Service type	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**	**Amount ($ in millions)**	**Percentage of sales**
United States	121.3	52.7%	110.7	54.9%	338.9	51.8%	310.2	52.6%
Japan	55.5	24.1%	46.0	22.8%	155.0	23.7%	144.6	24.5%
Europe	28.7	12.5%	26.9	13.4%	79.4	12.1%	81.3	13.8%
Asia (excluding Japan)	23.5	10.3%	17.1	8.5%	78.4	12.0%	50.0	8.5%
Others	0.8	0.4%	0.8	0.4%	2.4	0.4 %	4.0	0.6%
Total	229.8	100.0%	201.5	100.0%	654.1	100.0%	590.1	100.0%

Sales from our customers in the United States decreased to $310.2 million for the nine months ended September 30, 2018 compared to $338.9 million for the nine months ended September 30, 2017. This decrease was primarily due to decreased demand from mobile customers. Our sales in Asia (excluding Japan) decreased to $50.0 million for the nine months ended September 30, 2018 from $78.4 million for the nine months ended September 30, 2017, primarily due to the decrease in production resulting from the closure of USC.

Results of Operations

	Three Months ended September 30,				Nine Months ended September 30,			
	2017		2018		2017		2018	
	Amount	Percentage of sales	Amount	Percentage of sales	Amount	Percentage of sales	Amount	Percentage of sales
	($ in millions, except percentages)							
Sales	229.8	100.0%	201.5	100.0%	654.1	100.0%	590.1	100.0%
Cost of sales	(175.7)	(76.5%)	(161.2)	(80.0%)	(511.1)	(78.1%)	(479.2)	(81.2%)
Gross profit	54.1	23.5%	40.3	20.0%	143.0	21.9%	110.9	18.8%
Other income	8.6	3.7%	2.1	1.0%	16.6	2.5%	253.3	42.9%
Other gains/(losses) — net	(0.3)	(0.1%)	(2.0)	(1.0%)	0.5	0.1%	(2.1)	(0.4%)
Expenses:								
Selling, general and administrative	(30.7)	(13.4%)	(17.7)	(8.8%)	(72.0)	(11.0%)	(70.8)	(12.0%)
Research and development	(4.4)	(1.9%)	(3.9)	(1.9%)	(13.1)	(2.0%)	(11.8)	(2.0%)
Finance	(31.2)	(13.6%)	(14.2)	(7.0%)	(93.3)	(14.3%)	(42.4)	(7.2%)
Others	(2.8)	(1.2%)	0.3	0.1%	(10.6)	(1.6%)	(3.1)	(0.5%)
Profit/(Loss) before tax	(6.7)	(2.9%)	4.9	2.4%	(28.9)	(4.4%)	234.0	39.7%
Income tax (expense) / credit	(1.6)	(0.7%)	(1.5)	(0.7%)	(2.7)	(0.4%)	(5.5)	(0.9%)
Profit/(Loss) after tax	(8.3)	(3.6%)	3.4	1.7%	(31.6)	(4.8%)	228.5	38.7%
Non-controlling interests	0.1	0.0%	0.2	0.1%	0.4	0.1%	0.5	0.1%
Profit/(Loss) after non-controlling interest	(8.4)	(3.7%)	3.2	1.6%	(32.0)	(4.9%)	228.0	38.6%

Three months ended September 30, 2018 compared to three months ended September 30, 2017

Sales. Sales decreased by 12.3% to $201.5 million for the three months ended September 30, 2018 from $229.8 million for the three months ended September 30, 2017 primarily due to the closure of USC, a softer mobile market and our shift in focus away from certain lower margin memory businesses in China.

Our assembly services sales decreased by 13.4% to $137.7 million for the three months ended September 30, 2018 from $159.0 million for the three months ended September 30, 2017 primarily due to a decrease in sales of our mixed-signal and logic products, memory products and other products.

Our test services sales decreased by 8.8% to $60.8 million for the three months ended September 30, 2018 from $66.7 million for the three months ended September 30, 2017 primarily due to a decrease in sales of our mixed-signal and logic products, memory products and other products.

Cost of sales. Cost of sales decreased by 8.3% to $161.2 million for the three months ended September 30, 2018 from $175.7 million for the three months ended September 30, 2017. The decrease was primarily attributable to a decrease in sales, the closure of USC and lower depreciation expenses, which were partially offset by higher costs of utilities due to increased rates.

Gross profit. Gross profit decreased by 25.5% to $40.3 million for the three months ended September 30, 2018 from $54.1 million for the three months ended September 30, 2017. Gross profit as a percentage of sales, or gross profit margin, was 20.0% for the three months ended September 30, 2018 compared to 23.5% for the three months ended September 30, 2017. The decreases in our gross profit and gross profit margin were primarily due to decreased sales, higher costs of utilities due to increased rates, which were partially offset by lower depreciation expenses.

Other income. Other income decreased to $2.1 million for the three months ended September 30, 2018 from $8.6 million for the three months ended September 30, 2017 primarily due to a decrease in sales of scrap and a one-off reversal of impairment of fixed assets and reversal of provision for onerous contract resulting from the closure of USC.

Other gains/(losses) - net. We had other losses – net of $2.0 million for the three months ended September 30, 2018 compared to other losses – net of $0.3 million for the three months ended September 30, 2017 primarily due to an increase in loss on disposal of property, plant and equipment which arose from the sale of one floor of UTC factory.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased to $17.7 million for the three months ended September 30, 2018 from $30.7 million for the three months ended September 30, 2017 primarily due to lower legal and professional expenses and costs related to debt restructuring and lower depreciation expenses as more of our assets had been fully depreciated in prior periods.

Research and development expenses. Research and development expenses decreased to $3.9 million for the three months ended September 30, 2018 from $4.4 million for the three months ended September 30, 2017 primarily due to lower depreciation expenses related to plant and equipment used for research and development purposes.

Finance expenses. Finance expenses were $14.2 million for the three months ended September 30, 2018 and $31.2 million for the three months ended September 30, 2017. The decrease was primarily attributable to lower interest expenses in relation to our long-term borrowings as a result of the restructuring of the 2019 Notes.

Other income/(expenses). Other income was $0.3 million for the three months ended September 30, 2018 compared to other expenses of $2.8 million for the three months ended September 30, 2017. Other income in the three months ended September 30, 2018 was due to the reversal of accrued severance costs, which offset other expenses for the period.

Profit/(Loss) before tax. Our profit before tax was $4.9 million for the three months ended September 30, 2018 compared to a loss before tax of $6.7 million for the three months ended September 30, 2017 primarily due to lower legal and professional expenses and costs related to debt restructuring and lower interest expenses, offset by a decrease in gross profit for the reasons described above.

Income tax expense. Our income tax expense was consistent at $1.5 million for the three months ended September 30, 2018 compared to $1.6 million for the three months ended September 30, 2017.

Non-controlling interests. Non-controlling interests were $0.2 million for the three months ended September 30, 2018 compared to $0.1 million for the three months ended September 30, 2017.

Nine months ended September 30, 2018 compared to nine months ended September 30, 2017

Sales. Sales decreased by 9.8% to $590.1 million for the nine months ended September 30, 2018 from $654.1 million for the nine months ended September 30, 2017. Sales in the nine months ended September 30, 2018 were impacted by a weaker than expected smartphone end-market, the closure of USC and our shift in focus away from certain lower margin memory businesses in China.

Our assembly services sales decreased by 10.9% to $402.1 million for the nine months ended September 30, 2018 from $451.2 million for the nine months ended September 30, 2017 primarily due to decreases in sales of our mixed-signal and logic products, memory products and other products, which were partially offset by an increase in sales of our analog products.

Our test services sales decreased by 6.8% to $176.8 million for the nine months ended September 30, 2018 from $189.6 million for the nine months ended September 30, 2017 primarily due to a decrease in sales of our mixed-signal and logic products, memory products and other products.

Cost of sales. Cost of sales decreased by 6.2% to $479.2 million for the nine months ended September 30, 2018 from $511.1 million for the nine months ended September 30, 2017 primarily due to a decrease in sales, the closure of USC and lower depreciation expenses, which were partially offset by a weakened U.S. dollar, which increased our costs in local currencies such as payroll and certain materials, higher costs of utilities due to increased rates.

Gross profit. Gross profit decreased by 22.4% to $110.9 million for the nine months ended September 30, 2018 from $143.0 million for the nine months ended September 30, 2017. Gross profit margin was 18.8% for the nine months ended September 30, 2018 compared to 21.9% for the nine months ended September 30, 2017. The decreases in our gross profit and gross profit margin were primarily due to decreased sales, a weakened U.S. dollar, which increased our costs in local currencies such as payroll and certain materials, higher costs of utilities due to increased rates, which were partially offset by lower depreciation expenses.

Other income. Other income increased to $253.3 million for the nine months ended September 30, 2018 from $16.6 million for the nine months ended September 30, 2017 primarily due to a one-off gain from our debt restructuring of $143.4 million and the reversal of accrued interest on the 2019 Notes of $103.3 million.

Other gains/(losses) - net. We had other losses – net of $2.1 million for the nine months ended September 30, 2018 compared to other gains – net of $0.5 million for the nine months ended September 30, 2017 primarily due to an increase in loss on disposal of property, plant and equipment which arose from the sale of one floor of UTC factory.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased to $70.8 million for the nine months ended September 30, 2018 from $72.0 million for the nine months ended September 30, 2017 primarily due to lower depreciation expenses as more of our assets had been fully depreciated in prior periods.

Research and development expenses. Research and development expenses decreased to $11.8 million for the nine months ended September 30, 2018 from $13.1 million for the nine months ended September 30, 2017 primarily due to lower depreciation expenses related to plant and equipment used for research and development purposes.

Finance expenses. Finance expenses were $42.4 million for the nine months ended September 30, 2018 and $93.3 million for the nine months ended September 30, 2017. The decrease was primarily attributable to lower interest expenses in relation to our long-term borrowings as a result of the restructuring of the 2019 Notes.

Other expenses. Other expenses decreased to $3.1 million for the nine months ended September 30, 2018 compared to $10.6 million for the nine months ended September 30, 2017. Other expenses were higher in the nine months ended September 30, 2017 primarily due to severance costs of $5.4 million and a loss on disposal of inventories and inventories scrap of $1.9 million relating to the closure of USC, as we did not incur such expenses in the nine months ended September 30, 2018.

Profit/(Loss) before tax. Our profit before tax was $234.0 million for the nine months ended September 30, 2018 compared to a loss before tax of $28.9 million for the nine months ended September 30, 2017 primarily due to a one-off gain from our debt restructuring of $143.4 million, the reversal of accrued interest on the 2019 Notes of $103.3 million and lower interest expenses, offset by a decrease in gross profit for the reasons described above.

Income tax (expense)/ credit. Our income tax expense was $5.5 million for the nine months ended September 30, 2018 compared to income tax expense of $2.7 million for the nine months ended September 30, 2017. The increase was mainly due to additional tax provisions for our subsidiaries in Thailand and Singapore as well as our transition to quarterly tax assessment from annual tax assessment.

Non-controlling interests. Non-controlling interests were $0.5 million for the nine months ended September 30, 2018 compared to $0.4 million for the nine months ended September 30, 2017.

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 profit/(loss) after tax adjusted for (i) income tax expense; (ii) finance expenses/(income); 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) debt restructuring costs; (ii) gain on debt restructuring; (iii) severance expenditure; (iv) loss on disposal of property; and (v) other one-time expenditure and gain, such as expenditure incurred due to and/or gain derived from the closure of USC.

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 profit/(loss) after tax to EBITDA and adjusted EBITDA, in each case, for the periods indicated:

	Three Months ended September 30,		**Nine Months ended September 30,**	
	2017	**2018**	**2017**	**2018**
	($ in millions)			
Profit/(Loss) after tax	**(8.3)**	**3.4**	**(31.6)**	**228.5**
Add/(deduct):				
Income tax expense	1.6	1.5	2.7	5.5
Finance expenses/(income)	30.6	13.5	91.9	(62.6)
Depreciation of property, plant and equipment	28.8	24.2	84.4	74.8
Amortization of intangible assets	2.8	1.2	8.6	3.6
EBITDA	**55.5**	**43.8**	**156.0**	**249.8**
Add/(deduct):				
Debt restructuring costs	9.9	-	14.1	16.0
Debt restructuring gain	-	-	-	(143.4)
Severance expenditure	-	(0.5)	0.5	1.9
Loss on disposal of property	-	1.9	-	1.9
USC closure	(4.5)	0.2	(2.1)	1.5
Others	0.3	1.1	0.3	1.5
Adjusted EBITDA	**61.2**	**46.5**	**168.8**	**129.2**

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, 2018, our primary sources of liquidity included cash and bank deposits of $223.2 million and our undrawn credit facilities of $5.3 million and unutilized bank guarantee facilities of $7.3 million.

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,	
	2017	2018	2017	2018
	($ in millions)			
Net cash provided by operating activities	22.1	39.7	102.7	101.9
Net cash used in investing activities	(26.7)	(18.7)	(53.1)	(44.8)
Net cash used in financing activities	(0.4)	(0.1)	(77.7)	(18.5)
Net increase/(decrease) in cash and cash equivalents	(5.0)	20.9	(28.1)	38.6
Cash and cash equivalents at beginning of financial period	194.1	202.3	217.2	184.6
Cash and cash equivalents at end of financial period	189.1	223.2	189.1	223.2

Three months ended September 30, 2018 compared to three months ended September 30, 2017

Cash Flows from Operating Activities

We generated $39.7 million in net cash from our operating activities for the three months ended September 30, 2018, an increase from $22.1 million for the three months ended September 30, 2017. Our cash flows generated from operating activities for the three months ended September 30, 2018 are calculated by adjusting our profit after tax of $3.4 million by (i) non-cash and other items, including $24.2 million of depreciation of property, plant and equipment, $14.2 million of finance expense, $1.2 million of amortization of intangible assets and $1.5 million in income tax expense and (ii) changes in working capital described below.

Working capital sources of cash for the three months ended September 30, 2018 included primarily a decrease in cash of $7.5 million from trade and other receivables, a decrease in cash of $0.3 million from inventories and an increase in cash of $4.4 million from trade and other payables. For the three months ended September 30, 2018, we made cash payments of $3.8 million in respect of income tax expense.

We generated $22.1 million in net cash from our operating activities for the three months ended September 30, 2017, a decrease from $44.6 million for the three months ended September 30, 2016. Our cash flows generated from operating activities for the three months ended September 30, 2017 are calculated by adjusting our loss after tax of $8.3 million by (i) non-cash and other items, such as $28.8 million of depreciation of property, plant and equipment, $31.2 million of finance expense, $2.8 million of amortization of intangible assets and $1.6 million in income tax expense and (ii) changes in working capital described below.

Working capital sources of cash for the three months ended September 30, 2017 included primarily a decrease in cash of $11.2 million from trade and other receivables, a decrease in cash of $5.5 million from inventories and a decrease in cash of $11.6 million from trade and other payables. For the three months ended September 30, 2017, we made cash payments of $2.9 million in respect of income tax expense.

Cash Flows from Investing Activities

Net cash used in investing activities was $18.7 million during the three months ended September 30, 2018. The primary component of the cash outflow was $22.9 million used for purchases of property, plant and equipment, which was partially offset by proceeds of $3.6 million from the disposal of property, plant and equipment.

Net cash used in investing activities was $26.7 million during the three months ended September 30, 2017. The primary component of the cash outflow was $27.2 million used for purchases of property, plant and equipment and an increase of $5.3 million in restricted cash, which was partially offset by proceeds of $5.2 million from the disposal of property, plant and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities during the three months ended September 30, 2018 was $0.1 million and related to the repayment of finance lease liabilities.

Net cash used in financing activities during the three months ended September 30, 2017 was $0.4 million, which principally included $0.3 million in interest payments and $0.1 million in repayment of finance lease liabilities.

Nine months ended September 30, 2018 compared to nine months ended September 30, 2017

Cash Flows from Operating Activities

We generated $101.9 million in net cash from our operating activities for the nine months ended September 30, 2018, a decrease from $102.7 million for the nine months ended September 30, 2017. Our cash flows generated from operating activities for the nine months ended September 30, 2018 are calculated by adjusting our profit after tax of $228.5 million by (i) non-cash and other items, including $74.8 million of depreciation of property, plant and equipment, $42.4 million of finance expense, $3.6 million of amortization of intangible assets and $5.5 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash for the nine months ended September 30, 2018 included primarily an increase in cash of $11.6 million from trade and other receivables and an increase in cash of $5.6 million from inventories, which were offset by a decrease in cash of $21.4 million from trade and other payables. For the nine months ended September 30, 2018, we made cash payments of $7.5 million in respect of income tax expense.

We generated $102.7 million in net cash from our operating activities for the nine months ended September 30, 2017, a decrease from $120.2 million for the nine months ended September 30, 2016. Our cash flows generated from operating activities for the nine months ended September 30, 2017 are calculated by adjusting our loss after tax of $31.6 million by (i) non-cash and other items, such as $84.4 million of depreciation of property, plant and equipment, $93.3 million of finance expense, $8.6 million of amortization of intangible assets and $2.7 million in income tax expense, and (ii) changes in working capital described below.

Working capital sources of cash for the nine months ended September 30, 2017 included primarily a decrease in cash of $2.2 million from trade and other receivables, a decrease in cash of $10.6 million from inventories and a decrease in cash of $20.0 million from trade and other payables. For the nine months ended September 30, 2017, we made cash payments of $6.8 million in respect of income tax expense.

Cash Flows from Investing Activities

Net cash used in investing activities was $44.8 million during the nine months ended September 30, 2018. The principal component of the cash outflow was $50.3 million used for purchases of property, plant and equipment, which was partially offset by proceeds of $4.0 million from the disposal of property, plant and equipment.

Net cash used in investing activities was $53.1 million during the nine months ended September 30, 2018. The principal component of the cash outflow was $68.6 million used for purchases of property, plant and equipment, which was partially offset by proceeds of $8.3 million from the disposal of property, plant and equipment and a decrease in restricted cash of $5.7 million.

Cash Flows from Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2018 was $18.5 million, which principally included $28.1 million in interest payments and $0.4 million in repayment of finance lease liabilities offset by a decrease of $10.0 million in depository trust account.

Net cash used in financing activities during the nine months ended September 30, 2017 was $77.7 million, which principally included $57.2 million in interest payments, $20.0 million in repayment of loans and other borrowings and $0.4 million in repayment of finance lease liabilities.

Capital Expenditures

We had cash outflows in respect of capital expenditures, or cash capital expenditures, of $50.3 million for the nine months ended September 30, 2018 compared to $68.6 million for the nine months ended September 30, 2017.

Our capital expenditures of $50.3 million for the nine months ended September 30, 2018 primarily related to analog capacity expansion. Subject to market conditions and our financial performance in 2018, we expect our cash capital expenditure for 2018 to be up to $90.0 million.

We expect to fund our budgeted capital expenditure through existing cash, cash generated from operations and asset sales. We periodically review our budgeted capital expenditure during the financial 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, 2018, the total amount outstanding under our long-term and short-term borrowings was $664.3 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 September 30, 2018	Total committed amount	Interest rate	Maturity
		($ in millions)			
2023 Notes............................	Global A&T Electronics	665.0(1)	665.0	8.5%	January 2023

Notes:

(1) This amount represented the total indebtedness outstanding under the 2023 Notes as of September 30, 2018, without deducting unamortized loan facility and related issuance costs of $0.7 million.

Sales of our subsidiaries (who are not guarantors of the 2023 Notes) accounted for approximately $0.7 million, or 0.3%, of our total sales for the nine months ended September 30, 2018, and assets accounted for approximately $8.8 million, or 0.6%, of our total assets, and liabilities accounted for approximately $2.8 million, or 0.3%, of our total liabilities, in each case as of September 30, 2018.

Short-Term Borrowings

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

UTL has a revolving credit facility of up to 175.0 million Thai Baht (approximately $5.4 million as of September 30, 2018) with Siam Commercial Bank Public Company Limited, or Siam Commercial Bank, which may be utilized for working capital purposes. As of September 30, 2018, this facility has not been utilized.

UTL has bank guarantee facilities for an aggregate of up to 85.0 million Thai Baht (approximately $2.6 million as of September 30, 2018) with Siam Commercial Bank, which may be utilized for working capital purposes. As of September 30, 2018, guarantees of an aggregate amount of 65.6 million Thai Baht (approximately $2.0 million as of September 30, 2018) have been issued under these facilities.

UTC has bank guarantee facilities of $7.0 million with Far Eastern International Bank, which may be utilized for working capital purposes. As of September 30, 2018, guarantees of $0.3 million have been issued under these facilities.

Finance leases

We have leased certain plant and equipment under finance leases. As of September 30, 2018, our total finance lease obligations were $0.8 million. Lease terms generally range from one 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, 2018, other than disclosed in elsewhere of this document, we do not have other 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.

Critical Accounting Policies

Our critical accounting policies are disclosed in our annual report for the year ended December 31, 2017 incorporated by reference into this quarterly report. During the nine months ended September 30, 2018, there have been no significant changes in our critical accounting policies.

Recent Accounting Pronouncements under SFRS

New Accounting Standards and SFRS Interpretations Effective 2018

Certain new standards, amendments and interpretations to existing standards that have been published, and are relevant for UTAC Holdings' accounting periods beginning on or after January 1, 2018 or later periods and which UTAC Holdings 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 UTAC Holdings in the period of their initial adoption. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Accounting Pronouncements under SFRS"* in our annual report for the year ended December 31, 2017 incorporated by reference into this quarterly report.

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, 2017 incorporated by reference into this quarterly report.

UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

1 .... UTAC Holdings Ltd. Unaudited Consolidated Condensed Interim Financial Information for the three and nine months ended September 30, 2018

UTAC HOLDINGS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the three-month and nine-month period ended September 30, 2018

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2017	**2018**	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Sales	229,707	201,507	654,030	590,100
Cost of sales	(175,726)	(161,197)	(511,112)	(479,164)
Gross profit	53,981	40,310	142,918	110,936
Other income	8,667	2,094	16,572	253,281
Other gains/(losses) – net	(329)	(1,952)	461	(2,056)
Expenses				
- Selling, general and administrative	(30,639)	(17,764)	(71,870)	(70,779)
- Research and development	(4,425)	(3,946)	(13,086)	(11,766)
- Finance	(31,145)	(14,197)	(93,320)	(42,436)
- Others	(2,829)	344	(10,599)	(3,099)
Profit/(Loss) before income tax	(6,719)	4,889	(28,924)	234,081
Income tax expense	(1,612)	(1,470)	(2,680)	(5,532)
Profit/(Loss) after tax	**(8,331)**	**3,419**	**(31,604)**	**228,549**
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Financial assets, available-for-sale				
- Fair value gains	-	-	-	-
Cash flow hedges				
- Fair value losses	5	-	39	-
Increase in capital from restructuring	-	-	-	310,000
Others	-	(28)	-	(14)
Items that will not be reclassified to profit or loss:				
Remeasurements on post-employment benefit obligation	(27)	13	27	48
Other comprehensive income/(loss), net of tax	**(22)**	**(15)**	**66**	**310,034**
Total comprehensive income/(loss)	**(8,353)**	**3,404**	**(31,538)**	**538,583**
Profit/(Loss) attributable to:				
Equity holders of the Company	(8,406)	3,246	(31,972)	227,966
Non-controlling interests	75	173	368	583
	(8,331)	**3,419**	**(31,604)**	**228,549**
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(8,429)	3,231	(31,906)	537,998
Non-controlling interests	76	173	368	585
	(8,353)	**3,404**	**(31,538)**	**538,583**

UTAC HOLDINGS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at September 30, 2018

	December 31, 2017	September 30, 2018
	US$'000	**US$'000**
ASSETS		
Current assets		
Cash and bank deposits	184,606	223,222
Trade and other receivables	133,126	122,140
Inventories	53,023	47,408
Other assets	27,390	10,673
	398,145	**403,443**
Non-current assets held-for-sale	-	-
	398,145	**403,443**
Non-current assets		
Other assets	2,942	2,768
Deferred income tax assets	5,237	5,073
Available-for-sale financial assets	978	978
Property, plant and equipment	441,803	416,016
Goodwill	643,405	643,405
Intangible assets	17,752	14,253
	1,112,117	**1,082,493**
Total assets	**1,510,262**	**1,485,936**
LIABILITIES		
Current liabilities		
Trade and other payables	222,416	121,404
Current income tax liabilities	7,155	3,549
Deferred income	15	14
Borrowings	325	329
Provisions	1,494	-
	231,405	**125,296**
Non-current liabilities		
Trade and other payables	1,719	-
Borrowings	1,118,775	664,778
Deferred income tax liabilities	13,085	12,390
Long-term benefit obligations	28,912	28,523
	1,162,491	**705,691**
Total liabilities	**1,393,896**	**830,987**
NET ASSETS	**116,366**	**654,949**
EQUITY		
Capital and reserves attributable to the equity holder of the Company		
Share capital	510,884	510,884
Capital contribution	187,116	187,116
Other reserves	(8,355)	301,677
Accumulated losses	(578,417)	(350,451)
	111,228	**649,226**
Non-controlling interests	5,138	5,723
Total equity	**116,366**	**654,949**

UTAC HOLDINGS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine months ended September 30, 2018

	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, 2018	**510,884**	**187,116**	**(8,355)**	**(578,417)**	**111,228**	**5,138**	**116,366**
Total comprehensive income/(loss) for the period..............................	-	-	310,032	227,966	537,998	585	538,583
As at September 30, 2018 ..	**510,884**	**187,116**	**301,677**	**(350,451)**	**649,226**	**5,723**	**654,949**
As at January 1, 2017	**510,884**	**187,116**	**(7,428)**	**(508,228)**	**182,344**	**4,395**	**186,739**
Total comprehensive income/(loss) for the period..............................	-	-	66	(31,972)	(31,906)	368	(31,538)
As at September 30, 2017 ..	**510,884**	**187,116**	**(7,362)**	**(540,200)**	**150,438**	**4,763**	**155,201**

UTAC HOLDINGS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the three-month and nine-month period ended September 30, 2018

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2017	**2018**	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash flows from operating activities				
Profit/(Loss) after tax	(8,331)	3,419	(31,604)	228,549
Adjustments for:				
- Income tax expense	1,612	1,470	2,680	5,532
- Depreciation of property, plant and equipment	28,826	24,233	84,374	74,800
- Amortization of intangible assets	2,839	1,191	8,579	3,635
- Net gain on disposal of property, plant and equipment and non-current asset held for sale	(467)	1,425	(2,841)	1,251
- Dividend income	-	-	(70)	(26)
- (Reversal of)/Impairment loss on property, plant and equipment	(3,417)	(34)	(4,879)	(26)
- Write-off of fixed assets	-	-	-	3
- Finance expenses	31,145	14,197	93,320	42,436
- Interest income	(527)	(659)	(1,421)	(105,062)
- Government grant income	(92)	(50)	(781)	(451)
- Debt restructuring gain	-	-	-	(143,406)
Change in working capital:				
- Trade and other receivables	(11,214)	(7,504)	(2,186)	11,595
- Inventories	(5,486)	(297)	(10,584)	5,615
- Other assets	623	1,114	(7,828)	6,420
- Trade and other payables	(11,582)	4,397	(20,027)	(21,374)
- Long-term benefit obligations	825	673	2,659	(399)
- Currency translation difference	131	(113)	(547)	(184)
Government grant received	90	50	772	450
Income tax paid	(2,883)	(3,791)	(6,757)	(7,456)
Net cash provided by operating activities	**22,092**	**39,721**	**102,859**	**101,902**
Cash flows from investing activities				
Payment for acquisition of property, plant and equipment	(27,153)	(22,871)	(68,639)	(50,336)
Payment for acquisition of intangible assets	-	-	-	(27)
Proceeds from disposal of property, plant and equipment and non-current assets held for sale	5,189	3,630	8,266	3,969
Net decrease/(increase) in restricted cash	(5,280)	-	5,652	-
Proceeds from disposal of intangible assets	-	-	-	-
Dividend received	-	-	70	26
Interest received	517	564	1,444	1,584
Net cash used in investing activities	**(26,727)**	**(18,677)**	**(53,207)**	**(44,784)**
Cash flows from financing activities				
Repayment of loans and borrowings	-	-	(20,000)	-
Repayment of finance lease liabilities	(84)	(110)	(432)	(396)
Interest paid	(269)	-	(57,249)	(28,105)
Net decrease in depository trust account[1]	-	-	-	10,000
Dividend paid to non-controlling interests	-	-	-	-
Net cash used in financing activities	**(353)**	**(110)**	**(77,681)**	**(18,501)**
Net increase/(decrease) in cash and cash equivalents	**(4,988)**	**20,934**	**(28,029)**	**38,617**
Cash and cash equivalents at the beginning of the financial period	194,134	202,288	217,175	184,605
Cash and cash equivalents at the end of the financial period	**189,146**	**223,222**	**189,146**	**223,222**

[1] Deposit placed in accordance with the Restructuring Support Agreement.

UTAC HOLDINGS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the three-month and nine-month period ended September 30, 2018

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2017	**2018**	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash and cash equivalents in the Group's financial position	**194,426**	**223,222**	**218,006**	**223,222**
Less: Cash subject to restrictions	(5,280)	-	(28,860)	-
Cash and cash equivalents in consolidated cash flows	**189,146**	**223,222**	**189,146**	**223,222**

1. Basis of preparation

The consolidated condensed financial information and related disclosures as of September 30, 2017 and 2018 for the nine months ended September 30, 2017 and 2018 are unaudited. The consolidated statement of financial position as of December 31, 2017 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 condensed financial information and related notes requires our management to make estimates and assumptions that affect the amounts reported in this consolidated condensed 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, 2017.

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 $590.1 million for the nine months ended September 30, 2018 from $654.1 million for the nine months ended September 30, 2017. Breakdowns of sales by service type and product category are as follows:

	Nine months ended September 30,			
Service type	**2017**		**2018**	
	(in thousands of U.S. dollars, except percentages)			
Assembly	451,129	69.0%	402,110	68.1%
Test	189,610	29.0%	176,842	30.0%
Liquidated damages	13,291	2.0%	11,148	1.9%
Total	**654,030**	**100.0%**	**590,100**	**100.0%**

	Nine months ended September 30,			
Product category	**2017**		**2018**	
	(in thousands of U.S. dollars, except percentages)			
Analog	287,157	43.9%	289,888	49.1%
Mixed-signal and logic	243,333	37.2%	197,856	33.5%
Memory	57,620	8.8%	47,199	8.0%
Others	52,629	8.1%	44,009	7.5%
Liquidated damages	13,291	2.0%	11,148	1.9%
Total	**654,030**	**100.0%**	**590,100**	**100.0%**

Sales decreased to $201.5 million for the three months ended September 30, 2018 from $229.8 million for the three months ended September 30, 2017. Breakdowns of sales by service type and product category are as follows:

	Three months ended September 30,			
Service type	**2017**		**2018**	
	(in thousands of U.S. dollars, except percentages)			
Assembly	159,003	69.2%	137,720	68.3%
Test	66,654	29.0%	60,803	30.2%
Liquidated damages	4,050	1.8%	2,984	1.5%
Total	**229,707**	**100.0%**	**201,507**	**100.0%**

	Three months ended September 30,			
Product category	**2017**		**2018**	
	(in thousands of U.S. dollars, except percentages)			
Analog	100,080	43.6%	98,515	48.9%
Mixed-signal and logic	90,712	39.5%	69,372	34.4%
Memory	17,968	7.8%	16,728	8.3%
Others	16,897	7.3%	13,908	6.9%
Liquidated damages	4,050	1.8%	2,984	1.5%
Total	**229,707**	**100.0%**	**201,507**	**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 $479.2 million for the nine months ended September 30, 2018 from $511.1 million for the nine months ended September 30, 2017.

4. Cash and bank deposits

Cash and bank deposits	**As of December 31, 2017**	**As of September 30, 2018**
	(in thousands of U.S. dollars)	
Cash at bank and on hand	90,259	109,202
Short-term bank deposits	94,347	114,020
Total	**184,606**	**223,222**

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 of December 31, 2017	As of September 30, 2018
	(in thousands of U.S. dollars)	
Current		
Trade receivables – non-related parties	126,383	116,259
Less: Allowance for impairment of receivables - non-related parties	(25)	(25)
	126,358	116,234
Non-trade receivables		
- non-related parties	6,764	5,906
- immediate holding corporation	4	-
Total	**133,126**	**122,140**

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

6. Trade and other payables

Trade and other payables	As of December 31, 2017	As of September 30, 2018
	(in thousands of U.S. dollars)	
Trade payables to non-related parties		
- Purchase of property, plant and equipment	7,693	9,945
- Other purchases	39,102	36,399
	46,795	46,344
Other payables – non-related parties	17,891	9,010
Accrued interest payable	103,332	14,131
Other accrual for operating expenses	51,865	49,748
Deposits and advances from customers	2,533	2,171
Total for current portion	**222,416**	**121,404**
Non-current		
Deferred payment on legal settlement to a third party	1,719	-

Trade and other payables decreased to $121.4 million as at September 30, 2018 from $224.1 million as at December 31, 2017 mainly due to reversal of accrued interest payable in January 2018.

7. Intangible assets

Intangible assets decreased by $3.5 million to $14.3 million as at September 30, 2018 from $17.8 million as at December 31, 2017. The decrease was primarily due to amortization for the period of $3.6 million.

8. Property, Plant and Equipment

Property, plant and equipment decreased to $416.0 million as at September 30, 2018 from $441.8 million as at December 31, 2017. The decrease was primarily due to depreciation charge of $74.8 million and disposal of $10.6 million, which was partially offset by addition of $59.6 million of property, plant and equipment for the period.

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, 2017	As at September 30, 2018
	(in thousands of U.S. dollars)	
Property, plant and equipment	13,404	51,139

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	Others	Total
September 30, 2018		(in thousands of U.S. dollars)		
Segment sales/ Sales to external parties	402,110	176,842	11,148	590,100
Segment gross profit	58,591	41,197	11,148	110,936
September 30, 2017				
Segment sales/ Sales to external parties	451,129	189,610	13,291	654,030
Segment gross profit	81,290	48,337	13,291	142,918

Three months ended	Assembly	Test	Others	Total
September 30, 2018		(in thousands of U.S. dollars)		
Segment sales/ Sales to external parties	137,720	60,803	2,984	201,507
Segment gross profit	20,412	16,914	2,984	40,310
September 30, 2017				
Segment sales/ Sales to external parties	159,003	66,654	4,050	229,707
Segment gross profit	30,797	19,134	4,050	53,981

Reconciliation

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

	Nine months ended September 30,	
	2017	**2018**
	(in thousands of U.S. dollars)	
Segment gross profit of reportable segments	142,918	110,936
Other income	16,572	253,281
Other gains/(losses) – net	461	(2,056)
Selling, general and administrative expenses	(71,870)	(70,779)
Research and development costs	(13,086)	(11,766)
Finance costs	(93,320)	(42,436)
Other expenses	(10,599)	(3,099)
Profit/(Loss) before income tax	(28,924)	234,081

	Three months ended September 30,	
	2017	**2018**
	(in thousands of U.S. dollars)	
Segment gross profit of reportable segments	53,981	40,310
Other income	8,667	2,094
Other losses – net	(329)	(1,952)
Selling, general and administrative expenses	(30,639)	(17,764)
Research and development costs	(4,425)	(3,946)
Finance costs	(31,145)	(14,197)
Other income/(expenses)	(2,829)	344
Profit/(Loss) before income tax	(6,719)	4,889