QUARTERLY REPORT FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2013

GLOBAL A&T ELECTRONICS LTD

August 14, 2013

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CERTAIN DEFINITIONS AND CONVENTIONS

In this report, unless otherwise indicated, all references to "our company," "we," "our," "us," "Group" or "GATE" refer to Global A&T Electronics Ltd., a company incorporated under the laws of the Cayman Islands, and its consolidated subsidiaries.

All references to "USG" refer to United Test and Assembly Center Ltd. All references to "UHK" refer to UTAC Hong Kong Limited. All references to "UTC" refer to UTAC (Taiwan) Corporation, all references to "USC" refer to UTAC (Shanghai) Co., Ltd., all references to "UTL" refer to UTAC Thai Limited, all references to "UDG" refer to UTAC Dongguan Ltd, all references to "UTH" refer to UTAC Thai Holdings Limited, all references to "UCD Cayman" refer to UCD Cayman Ltd and all references to "UCD" refers to UTAC Chengdu Ltd. (formerly, Semiconductor Manufacturing International (Chengdu) Corporation). All references to "UTAC Cayman" refer to UTAC Cayman Ltd.

References to:

- "Indenture" are to the indenture dated February 7, 2013 entered into between GATE, the Subsidiary Guarantors and Citicorp International Limited, as trustee and security agent;
- "Senior Revolving Credit Facility" are to the senior revolving credit facility of up to $125 million extended to GATE by a consortium of lenders pursuant to the Senior Revolving Credit Facility Agreement;
- "Senior Revolving Credit Facility Agreement" are to the credit agreement dated February 7, 2013, entered into among GATE, JPMorgan Chase Bank, N.A., as administrative agent, syndication agent and documentation agent, Citicorp International Limited, as security agent, Bank of America, N.A., Credit Suisse AG, Singapore Branch, JP Morgan Chase Bank N.A. acting through its Singapore Branch and UBS AG, Hong Kong Branch, as joint mandated lead arrangers and joint bookrunners;
- "Senior Secured Notes" are to the 10% Senior Secured Notes due 2019, issued on February 7, 2013, pursuant to the terms of the Indenture; and
- "Subsidiary Guarantors" are to certain subsidiaries of GATE, and the initial Subsidiary Guarantors are: USG, UHK, UTC, UTAC Cayman, UTH and UTL[1].

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

[1] UTH and UTL became Subsidiary Guarantors with effect from July 10, 2013. See "Material Recent Developments since June 30, 2013 – UTL and UTH executed guarantees for the Senior Secured Notes".

"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, GATE's annual report for the year ended December 31, 2012, dated April 19, 2013 and GATE's quarterly report for the three months ended March 31, 2013, dated May 15, 2013. Any document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such document should not create any implication that there has been no change in our affairs since such date. The information incorporated by reference is considered to be part of this quarterly report. Information in this quarterly report supersedes any information incorporated by reference that was delivered to you prior to the date of this quarterly report. In other words, in the case of a conflict or inconsistency between information contained in this quarterly report and any information incorporated by reference into this quarterly report, you should rely on the information contained in the document that was delivered to you later.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This quarterly report includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of U.S. securities laws. The terms "anticipates," "expects," "may," "will," "should" and other similar expressions identify forward-looking statements. These statements appear in a number of places throughout this quarterly report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the semiconductor industry may differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report. Important factors that could cause those differences include, but are not limited to:

- the cyclicality of the semiconductor industry;
- increased competition from other companies and our ability to retain or increase our market share;
- our reliance on certain major customers;
- our ability to generate growth and profitability;
- our ability to develop new technologies successfully;
- 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 repay or refinance our indebtedness as it falls due;
- our ability to hire and maintain qualified personnel;
- fires, natural disasters, acts of terrorism and other developments outside our control;
- the political stability of our local region; and
- general local and global economic conditions.

Forward-looking statements include, but are not limited to, statements regarding our strategy and future plans, future business condition and financial results, our capital expenditure plans, our expansion plans, technological upgrades, investment in research and development, future market demand, future regulatory or other developments in our industry. Please see “Risk Factors” for a further discussion of certain factors that may cause actual results to differ materially from those indicated by our forward-looking statements.

MATERIAL RECENT DEVELOPMENTS SINCE JUNE 30, 2013

Other than as disclosed elsewhere in this quarterly report, there have been no material developments in GATE's business since June 30, 2013.

Resignation of Mr. Ashish Jaiprakash Shastry, Mr. Ng Tiong Gee and Mr. Irwin Lim Kee Way

Mr. Ashish Jaiprakash Shastry resigned as a director of GATE with effect from June 3, 2013.

Mr. Ng Tiong Gee, our former Group Chief Human Resource Officer, resigned from his position with effect from May 31, 2013.

Mr. Irwin Lim Kee Way, our former Group Chief Financial Officer, resigned from his position with effect from July 31, 2013. Ms. Jaslyn Phang, our Deputy Chief Financial Officer, has assumed the role of acting Chief Financial Officer pending the appointment of a permanent replacement.

Appointment of Mr. Scott Yue Chen and Mr. K. Thiveanathan

Mr. Scott Yue Chen was appointed as a director of GATE with effect from June 3, 2013. Mr. Chen is a managing director of TPG Capital. Mr. Chen is head of TPG Capital's Beijing office and is currently focusing on investment opportunities for TPG Capital in Greater China with an emphasis in the technology, media, and telecom as well as consumer and retail industries. Since joining TPG Capital in 2001, Mr. Chen has been based in TPG Capital's Singapore, Hong Kong and Beijing offices and has evaluated and executed private equity transactions across multiple industries spanning across most Asia Pacific countries. Mr. Chen is serving and has served as director on the boards of TPG Capital's portfolio companies, including Li Ning, a leading Chinese sports apparel company and Taishin Bank, a Taiwanese bank. Prior to joining TPG Capital, from 1999 to 2001, Mr. Chen was an Analyst in the Technology Mergers & Acquisitions Group of Lehman Brothers in New York. In 1999, Mr. Chen graduated with Honors from the University of Colorado in United States.

Mr. K. Thiveanathan joined our group as Group Chief Human Resource Officer, in July 2013. Mr. Thiveanathan has had more than 24 years of human resource leadership experience with reputable multinational companies. Since 2007, Mr. Thiveanathan was the human resource director of Coca-Cola's bottling operations based in Singapore. Prior to joining Coca-Cola, Mr. Thiveanathan was the ASEAN human resource director of Goodyear in 2006. From 2002 to 2006, Mr. Thiveanathan was 1st Silicon's human resource director. Mr. Thiveanathan holds a Bachelor of Economics degree from the National University of Malaysia and an MBA from Charles Sturt University, Australia.

Cost restructuring initiatives

As part of our ongoing cost restructuring initiatives, and having considered the under-utilization of our facility in Chengdu held by UCD and net losses incurred by UCD which amounted to $9.5 million in 2012, we have discontinued our operations at Chengdu. We are currently in discussions which may lead to the sale of our factory in Chengdu and the remaining employees at our Chengdu facility are maintaining the facility for the potential sale. We have selectively retained some customers whose business will be supported by our facility in Dongguan.

UTL and UTH executed guarantees for the Senior Secured Notes

Following the receipt of their respective guarantee licenses under Thailand's Foreign Business Act, UTL and UTH have on July 10, 2013 executed a supplemental indenture to the Indenture to guarantee the Senior Secured Notes, and have become Subsidiary Guarantors. UTL is in the process of granting a lien over substantially all of its assets, and UTH is in the process of granting a lien over the shares of UTL, in each case to secure the Senior Secured Notes.

Ratings Downgrade

On July 8, 2013, Standard & Poor's revised its rating outlook on GATE from positive to stable, and reaffirmed its "B" long-term corporate credit rating on GATE.

RISK FACTORS

Other than as disclosed elsewhere in this quarterly report, there have been no material changes to the risk factors previously disclosed under the heading "Risk Factors" in our annual report for the year ended December 31, 2012 and our quarterly report for the three months ended March 31, 2013.

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 financial statements as of and for the three months and six months ended June 30, 2013, 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, 2012, our quarterly report for the three months ended March 31, 2013 and elsewhere in this quarterly report. See "Cautionary Statement Regarding Forward-looking Information." Our consolidated financial statements are reported in U.S. dollars and have been prepared in accordance with Singapore Financial Reporting Standards ("SFRS"), which may differ in certain significant respects from generally accepted accounting principles in other countries.

Overview

We are a leading provider of semiconductor test and assembly services. We are headquartered in Singapore, with production facilities located in China, Singapore, Taiwan and Thailand. In China, our facilities are located in Chengdu[2], Dongguan and Shanghai. We focus on the test and assembly of mixed signal and logic products ("MSLP"), analog and memory ICs, all of which are used primarily in the communications and consumer, and computing end-markets. Our customers consist primarily of fabless companies, IDMs and wafer foundries.

In the first six months of 2013, we had sales of $393.8 million. In the first six months of 2013, the MSLP, analog and memory product segments accounted for 45.8%, 36.8% and 17.4%, respectively, and test and assembly services accounted for 32.3% and 67.7% respectively, of our total sales.

We provide a comprehensive range of semiconductor test and assembly services. We classify our operations and sales by service type: test and assembly. The table below shows, for the periods indicated, the amount and percentage of our total sales attributable to each of our major service types:

	Six Months ended June 30			
	2012		2013	
	($ in millions, except percentages)			
Service type	**Amount**	**Percentage of sales**	**Amount**	**Percentage of sales**
Test	151.0	31.6%	127.2	32.3%
Assembly	326.9	68.4%	266.6	67.7%
Total	**477.9**	**100.0%**	**393.8**	**100.0%**

[2] See "Material Recent Developments Since June 30, 2013 – Cost restructuring initiatives" for further details on the discontinuation of our operations in Chengdu.

Historically, we have focused on expanding our assembly business to offer customers more turnkey solutions. More recently, we have re-focused our efforts on growing our test business, which offers higher margins than assembly. Our test and assembly services are priced based on prevailing market prices, taking into account raw material, labor and overhead costs, including depreciation. The unit price charged for assembly services is generally higher than that for test services as a result of the significantly higher raw material content used in assembly services. On the other hand, while the capital expenditure required for testers may be high, test services, which have minimal raw material content, generally have higher gross margins than assembly services.

Our sales from our assembly business as a percentage of our total sales decreased from 68.4% for the six months ended June 30, 2012 to 67.7% for the six months ended June 30, 2013, due to weakness in our assembly-centric analog and memory businesses, and the phasing out of low margin products from our Singapore facility, largely in the MSLP segment. For the same reason, our sales from our test business as a percentage of our total sales increased from 31.6% for the six months ended June 30, 2012 to 32.3% for the six months ended June 30, 2013.

In addition to the classification of our operations by service type, we also classify our operations and sales by the type of semiconductor device: MSLP, analog and memory. The table below shows, for the periods indicated, our composition of sales by type of IC as a percentage of total sales:

	Six Months ended June 30			
	2012		**2013**	
	($ in millions, except percentages)			
Product type	**Amount**	**Percentage of sales**	**Amount**	**Percentage of sales**
MSLP	212.1	44.4%	180.4	45.8%
Analog	174.3	36.5%	145.0	36.8%
Memory	91.5	19.1%	68.4	17.4%
Total	**477.9**	**100.0%**	**393.8**	**100.0%**

Based on our unaudited internal management accounts, which reflect an allocation of all sales for each of our customers by the type of semiconductor that we believe is their primary manufacturing focus, our sales breakdowns by product type for the six months ended June 30, 2012 and 2013 were 44.4% and 45.8% in MSLP, 36.5% and 36.8% in analog products, and 19.1% and 17.4% in memory products, respectively. Our sales mix changed between these two periods primarily due to the weakness of a key customer in the memory segment, coupled with a shift in that customer's strategy away from commodity DRAM products to specialty DRAM products. This effect was partially offset by improving sales in NAND flash.

We have a diversified customer base on the basis of geographical distribution. We account for the geographical distribution of our sales in terms of three regions based on the countries in which our customers are headquartered — the United States, Asia and Europe.

	Six Months ended June 30			
	2012		2013	
	($ in millions, except percentages)			
Geographical region	**Amount**	**Percentage of sales**	**Amount**	**Percentage of sales**
United States	278.8	58.4%	237.5	60.3%
Asia	146.9	30.7%	119.0	30.2%
Europe	49.7	10.4%	36.1	9.2%
Others	2.5	0.5%	1.2	0.3%
Total	**477.9**	**100.0%**	**393.8**	**100.0%**

Sales in the United States and Asia decreased in the six months ended June 30, 2013 compared to the six months ended June 30, 2012, due to softness in our analog business for which the major customers are based in the United States, and the weakness of a key customer in the memory segment.

Results of Operations

	Three Months ended June 30				Six Months ended June 30			
	2012		2013		2012		2013	
	($ in millions, except percentages)							
Sales	248.3	100.0%	192.8	100.0%	477.9	100.0%	393.8	100.0%
Cost of sales	(210.2)	(84.7%)	(169.7)	(88.0%)	(407.9)	(85.3%)	(342.3)	(86.9%)
Gross profit	38.1	15.3%	23.2	12.0%	70.0	14.7%	51.6	13.1%
Other income — net	1.5	0.6%	2.5	1.3%	4.1	0.8%	5.0	1.3%
Expenses:								
Selling, general and administrative	(16.2)	(6.5%)	(16.0)	(8.3%)	(32.8)	(6.9%)	(31.9)	(8.1%)
Research and development	(4.6)	(1.9%)	(3.3)	(1.7%)	(9.1)	(1.9%)	(6.2)	(1.6%)
Finance	(20.3)	(8.2%)	(30.0)	(15.6%)	(39.8)	(8.3%)	(59.6)	(15.1%)
Others	(2.1)	(0.8%)	(0.9)	(0.5%)	(2.7)	(0.6%)	(3.6)	(0.9%)
Share of profit/(loss) of associated companies	0.3	0.1%	(0.6)	(0.3%)	0.5	0.1%	(0.7)	(0.2%)
Profit/(loss) before tax	(3.2)	(1.3%)	(25.0)	(13.0%)	(9.9)	(2.1%)	(45.5)	(11.6%)
Income tax expense	(5.0)	(2.0%)	(1.0)	(0.5%)	(8.0)	(1.7%)	(3.2)	(0.8%)
Profit/(loss) after tax	(8.2)	(3.3%)	(26.0)	(13.5%)	(17.9)	(3.7%)	(48.8)	(12.4%)
Minority interests	(0.5)	(0.2%)	(0.3)	(0.1%)	(1.0)	(0.2%)	(0.7)	(0.2%)
Profit / (loss) after minority interest	(8.7)	(3.5%)	(26.3)	(13.6%)	(18.8)	(3.9)%	(49.5)	(12.6%)

Three months ended June 30, 2013 compared to three months ended June 30, 2012

Unless otherwise indicated, the reasons or factors explaining the decrease and/or increase in the line items discussed below in respect of our financial results for the three months ended June 30, 2013 compared to three months ended June 30, 2012, are the same as that provided for the corresponding line items discussed in the next section for our financial results for the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

Sales. Sales decreased 22.4% to $192.8 million in the three months ended June 30, 2013 from $248.3 million in the three months ended June 30, 2012.

Our test services sales decreased 14.9% to $64.4 million in the three months ended June 30, 2013 from $75.7 million in the three months ended June 30, 2012 and our assembly services sales decreased 25.6% to $128.4 million in the three months ended June 30, 2013 from $172.6 million in the three months ended June 30, 2012.

Sales from our MSLP, analog and memory businesses decreased 17.6%, 23.2% and 31.3%, respectively, to $89.1 million, $70.6 million and $33.1 million in the three months ended June 30, 2013, from $108.1 million, $91.9 million and $48.3 million in the three months ended June 30, 2012.

Cost of sales. Cost of sales decreased 19.3% to $169.7 million in the three months ended June 30, 2013 from $210.2 million in the three months ended June 30, 2012. Our cost of sales as a percentage of sales increased to 88.0% in the three months ended June 30, 2013 compared to 84.7% in the three months ended June 30, 2012.

Gross profit. Gross profit decreased 39.2% to $23.2 million in the three months ended June 30, 2013 from $38.1 million in the three months ended June 30, 2012. Gross profit as a percentage of sales was 12.0% in the three months ended June 30, 2013 compared to 15.3% in the three months ended June 30, 2012.

Other income, net. Other income, net in the three months ended June 30, 2013 increased to $2.5 million compared to $1.5 million in the three months ended June 30, 2012. Our income, net in the three months ended June 30, 2013 consisted primarily of foreign exchange gain of $1.5 million, sales of scrap of $0.2 million, interest income of $0.2 million, government grant income of $0.1 million and gain on disposal of fixed assets of $0.1 million.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased 1.2% to $16.0 million in the three months ended June 30, 2013 from $16.2 million in the three months ended June 30, 2012.

Research and development expenses. Research and development expenses decreased 29.4% to $3.3 million in the three months ended June 30, 2013 from $4.6 million in the three months ended June 30, 2012.

Finance expenses. Finance expenses were $30.0 million in the three months ended June 30, 2013 compared to $20.3 million in the three months ended June 30, 2012.

Other expenses. Other expenses were $0.9 million in the three months ended June 30, 2013, compared to $2.1 million in the three months ended June 30, 2012. The decrease in other expenses for the three months ended June 30, 2013 was primarily due to the write-off of expenditure on the initial public offering in the three months ended June 30, 2012.

Share of loss of associated companies. In the three months ended June 30, 2013, our share of loss of associated companies was $0.6 million compared to our share of profit of associated companies of $0.3 million in the three months ended June 30, 2012.

Loss before tax. Our loss before tax was $25.0 million in the three months ended June 30, 2013 compared to a loss before tax of $3.2 million in the three months ended June 30, 2012.

Income tax expense. Our consolidated income tax expense was $1.0 million in the three months ended June 30, 2013 compared to income tax expenses of $5.0 million in the three months ended June 30, 2012.

Six months ended June 30, 2013 compared to six months ended June 30, 2012

Sales. Sales decreased 17.6% to $393.8 million in the six months ended June 30, 2013 from $477.9 million in the six months ended June 30, 2012. This is primarily due to three main reasons: a conscious decision to phase out low margin products from our Singapore facility, largely in the MSLP segment; weakness of a key customer in the memory segment; and softness in our analog business.

Our test services sales decreased 15.8% to $127.2 million in the six months ended June 30, 2013 from $151.0 million in the six months ended June 30, 2012 and our assembly services sales decreased 18.4% to $266.6 million in the six months ended June 30, 2013 from $326.9 million in the six months ended June 30, 2012.

Sales from our MSLP, analog and memory businesses decreased 14.9%, 16.8% and 25.2%, respectively, to $180.4 million, $145.0 million and $68.4 million in the six months ended June 30, 2013, from $212.1 million, $174.3 million and $91.5 million in the six months ended June 30, 2012.

Cost of sales. Cost of sales decreased 16.1% to $342.3 million in the six months ended June 30, 2013 from $407.9 million in the six months ended June 30, 2012, principally due to lower sales. Our cost of sales as a percentage of sales increased to 86.9% in the six months ended June 30, 2013 compared to 85.3% in the six months ended June 30, 2012, due to lower sales, a higher proportion of products that have higher associated direct material costs and the operating leverage inherent in our business.

Gross profit. Gross profit decreased 26.3% to $51.6 million in the six months ended June 30, 2013 from $70.0 million in the six months ended June 30, 2012. Gross profit as a percentage of sales was 13.1% in the six months ended June 30, 2013 compared to 14.7% in the six months ended June 30, 2012, primarily due to a decline in sales.

Other income, net. Other income, net in the six months ended June 30, 2013 increased to $5.0 million compared to $4.1 million in the six months ended June 30, 2012. Other income, net in the six months ended June 30, 2013 consisted primarily of foreign exchange gain of $2.0 million, sales of scrap of $1.1 million, interest income of $0.4 million, service tooling income of $0.3 million, rental income of equipment of $0.3 million, government grant income of $0.2 million, gain on disposal of fixed assets of $0.1 million and rental income of $0.1 million.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased 2.7% to $31.9 million in the six months ended June 30, 2013 from $32.8 million in the six months ended June 30, 2012, due to our ongoing cost control efforts and restructuring initiatives.

Research and development expenses. Research and development expenses decreased 31.9% to $6.2 million in the six months ended June 30, 2013 from $9.1 million in the six months ended June 30, 2012 primarily due to our ongoing cost control efforts and restructuring initiatives.

Finance expenses. Finance expenses were $59.6 million in the six months ended June 30, 2013 compared to $39.8 million in the six months ended June 30, 2012, primarily due to the Senior Secured Notes, which have higher interest expenses than the debt which was refinanced, and the one-time accelerated amortization of transaction costs upon the early prepayment of the previous senior term loan facilities.

Other expenses. Other expenses were $3.6 million in the six months ended June 30, 2013, compared to $2.7 million in the six months ended June 30, 2012. This increase is primarily due to restructuring costs.

Share of loss of associated companies. In the six months ended June 30, 2013, our share of loss of associated companies was $0.7 million compared to our share of profit of associated companies of $0.5 million in the six months ended June 30, 2012 arising from our share of losses of Nepes Pte. Ltd.

Loss before tax. Our loss before tax was $45.5 million in the six months ended June 30, 2013 compared to a loss before tax of $9.9 million in the six months ended June 30, 2012.

Income tax expense. Our consolidated income tax expense was $3.2 million in the six months ended June 30, 2013 compared to income tax expenses of $8.0 million in the six months ended June 30, 2012, primarily as a result of the lower taxable profit of UTL.

Ongoing Initiatives

We continue to engage in cost control and restructuring initiatives. Aside from the cost-control restructuring initiatives initiated in 2012 (namely, reduction in employees in Singapore and Chengdu, phasing out of low margin products in Singapore, optimization of operating leases, and reduction in corporate costs), we have discontinued our operations in Chengdu[3] and have ceased a substantial part of such operations, and have commenced work to consolidate our operations across our two Singapore facilities into one, among other initiatives.

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[3] See “Material Recent Developments Since June 30, 2013 – Cost restructuring initiatives” for further details.

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 June 30, 2013, our primary sources of liquidity included cash and cash equivalents of $218.5 million and GATE's remaining undrawn credit facilities of $125.0 million under the Senior Revolving Credit Facility.

We believe that after taking into account the expected cash to be generated from operations and the financial resources currently available to us, we have sufficient liquidity for our present and anticipated working capital needs, our debt service obligations, and for other cash requirements, for the 12 months following the date of this report.

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 June 30		Six Months ended June 30	
	2012	**2013**	**2012**	**2013**
	($ in millions)			
Net cash provided by operating activities	49.2	39.4	91.2	90.0
Net cash used in investing activities	(24.1)	(13.0)	(51.3)	(26.7)
Net cash used in financing activities	(20.5)	(14.2)	(42.1)	(46.0)
Net increase/(decrease) in cash and cash equivalents	4.5	12.2	(2.3)	17.3
Cash and cash equivalents at beginning of financial period	262.5	206.3	269.3	201.2
Cash and cash equivalents at end of financial period	267.0	218.5	267.0	218.5

Cash Flows from Operating Activities

Net cash provided by operating activities was $90.0 million for the six months ended June 30, 2013, and was $91.2 million for the corresponding period in 2012. The difference of $1.2 million was primarily due to lower cash generated from operations, which was partially offset by lower cash used in working capital.

Net cash provided by operating activities was $39.4 million for the three months ended June 30, 2013, and was $49.2 million for the corresponding period in 2012. The difference of $9.8 million was primarily due to lower cash generated from operations, which was partially offset by lower cash used in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities was $26.7 million during the six months ended June 30, 2013. The principal component of the cash outflow was $27.7 million used for the acquisition of property, plant and equipment, which was partially offset by proceeds from the disposal of certain equipment.

Net cash used in investing activities was $51.3 million during the six months ended June 30, 2012. The principal component of the cash outflow was $54.5 million used for the acquisition of property, plant and equipment.

Net cash used in investing activities was $13.0 million during the three months ended June 30, 2013. The principal component of the cash outflow was $13.9 million used for the acquisition of property, plant and equipment, which was partially offset by proceeds from the disposal of certain equipment.

Net cash used in investing activities was $24.1 million during the three months ended June 30, 2012. The principal component of the cash outflow was $26.0 million used for the acquisition of property, plant and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities during the six months ended June 30, 2013 was $46.0 million. Net cash used in financing activities principally included $27.7 million in interest payment, $624.5 million in repayment of borrowings, $1.1 million in dividends paid to minority shareholders in UTL and $0.2 million in repayment of obligations under our finance leases, offset by proceeds from the issue of the Senior Secured Notes (after deducting transaction costs) of $607.5 million.

Net cash used in financing activities during the six months ended June 30, 2012 was $42.1 million. Net cash used in financing activities principally included $37.2 million in interest payment, $3.1 million in repayment of borrowings, $1.6 million in dividends paid to minority shareholders in UTL and $0.3 million in repayment of obligations under our finance leases.

Net cash used in financing activities during the three months ended June 30, 2013 was $14.2 million. Net cash used in financing activities principally included $13.5 million in interest payment, $0.6 million in dividends paid to dividends paid to minority shareholders in UTL and $0.1 million in repayment of obligations under our finance leases.

Net cash used in financing activities during the three months ended June, 2012 was $20.5 million. Net cash used in financing activities principally included $18.8 million in interest payment, $1.6 million in repayment of borrowings and $0.1 million in repayment of obligations under our finance leases.

Capital Expenditures

Capital expenditures represent purchases of property, plant and equipment in any given period, excluding those we acquired through a business combination. We had capital expenditure of $27.7 million for the six months ended June 30, 2013 compared to $54.5 million for the same period in 2012. For the six months ended June 30, 2013, our capital expenditure related mainly to expansion in capacity for our wafer level chip scale packaging, analog test and our mixed signal and logic product assembly. Our capital expenditure for the six months ended June 30, 2012 related mainly to flip chip and wafer level chip scale packaging capability and memory testing capacity. We expect our cash capital expenditure for 2013 to be approximately $60.0 million, which is an increase of $10.0 million from our previous estimate due to capital expenditure needed to consolidate our operations across our two Singapore facilities into one.

Total Borrowings

As of June 30, 2013, our long-term and short-term bank borrowings (after deducting unamortized issue costs), the details of which are set out below, was $1,136.6 million.

Long-Term Borrowings

The following table sets out certain details relating to our long-term borrowings:

Facility	Borrower/ Issuer	Amount outstanding as of June 30, 2013	Total committed amount	Interest rate	Maturity
			($ in millions)		
Senior Secured Notes.........	GATE	603.3[(1)]	625.0	10.0%	February 2019
Senior Revolving Credit Facility	GATE	-	125.0	LIBOR + applicable margin[(4)]	February 7, 2018 or earlier[(6)]
Second priority fixed rate term loan	GATE	232.9[(2)]	237.5	11.25%	October 2015
Second priority floating rate term loan	GATE	300.4[(3)]	237.5	LIBOR[(5)] + 6.25%	October 2015

Notes:

(1) This amount represented the indebtedness under the Senior Secured Notes after deducting unamortized loan facility and related charges of $21.7 million as of June 30, 2013. The total indebtedness outstanding under the Senior Secured Notes without deducting unamortized loan facility and related charges was $625.0 million as of June 30, 2013.

(2) This amount represented the indebtedness under the second priority fixed rate term loan after deducting unamortized loan facility and related charges of $4.6 million as of June 30, 2013. The total indebtedness outstanding under the second priority fixed rate term loan without deducting unamortized loan facility and related charges was $237.5 million as of June 30, 2013.

(3) This amount represented the indebtedness under the second priority floating rate term loan after deducting unamortized loan facility and related charges of $5.1 million as of June 30, 2013. The total indebtedness outstanding under the second priority floating rate term loan without deducting unamortized loan facility and related charges was $305.5 million as of June 30, 2013.

(4) See "Description of Indebtedness and Other Material Contracts —Senior Revolving Credit Facility Agreement" in our annual report for the year ended December 31, 2012 for details of the applicable margin.

(5) Pursuant to the terms of the second priority term loan agreement, GATE has the right to elect the tenor of the LIBOR rate for the second priority floating term rate loan.

(6) See "Description of Indebtedness and Other Material Contracts —Senior Revolving Credit Facility Agreement" in our annual report for the year ended December 31, 2012 for details of the maturity date.

Short-Term Borrowings

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

UTL currently has a revolving credit facility of up to 175.0 million Thai Baht with The Siam Commercial Bank Public Company Limited (“SCBPCL”), which may be utilized for working capital purposes. As of June 30, 2013, this facility has not been utilized.

UTL also currently has bank guarantee facilities for an aggregate of up to 148 million Thai Baht provided by SCBPCL, Bangkok Bank Public Company Limited (“BBL”) and Krung Thai Bank Public Company Limited (“KTB”), pursuant to which UTL may instruct either of these banks to issue bank guarantee(s) for the payment of custom duties and certain other operating expenses. The fees payable for the issuance of the bank guarantees are 1.25% per annum for SCBPCL and BBL, and 2.0% per annum for KTB. As of June 30, 2013, guarantees of an aggregate amount of 90 million Thai Baht have been issued under these facilities. These facilities are reviewed and renewed on an annual basis. In deciding whether to renew the facilities, the relevant banks assess the financial position of UTL annually by comparing it with other similar companies in the same industry.

UTC has a letter of credit facility of an amount of $7.0 million with Ta Chong Bank, which has not been drawn as of June 30, 2013.

On July 10, 2013, UTL and UTH became guarantors of the Senior Secured Notes. See “Material Recent Developments Since June 30, 2013 – UTL and UTH executed guarantees for the Senior Secured Notes”. Assuming UTL and UTH were guarantors of the Senior Secured Notes as of June 30, 2013, our subsidiaries’ (which are not guarantors of the Senior Secured Notes) sales accounted for approximately $102.2 million, or 26.0%, of our total sales for the six months ended June 30, 2013, and assets accounted for approximately $267.2 million, or 15.4%, of our total assets, and liabilities accounted for approximately $58.5 million, or 4.3%, of our total liabilities, in each case as of June 30, 2013.

Finance leases

We have leased certain plant and equipment under finance leases. As of June 30, 2013, our total finance lease obligations were $0.6 million. Lease terms generally range from two to five years with options to purchase at the end of the lease term. Lease terms generally do not contain restrictions concerning dividends, additional debts or further leasing and do not provide for contingent rents. The liabilities under the leases are secured on the plant and equipment, which are the subject of the finance lease contracts.

Off-balance Sheet Arrangements

As of June 30, 2013, there were no off-balance sheet arrangements.

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, environmental liability, labor, products, as well as other claims of liability.

Litigation with Tessera

On September 30, 2010, Tessera, Inc. ("Tessera") filed a complaint against UTC in the United States District Court of the Northern District of California. The suit relates to a contractual dispute about whether UTC's patent license agreement with Tessera obligates it to continue paying royalties to Tessera. Tessera's complaint seeks a judicial determination and declaration that UTC remains contractually obligated to pay royalties to Tessera, an accounting and restitution, and an award of damages in an amount to be determined at trial, plus interest on damages, costs, disbursements and attorneys' fees. UTC filed a motion to dismiss the complaint on March 16, 2011. On March 28, 2012, the court granted UTC's motion to dismiss with leave for Tessera to file an amended complaint by April 19, 2012. Tessera filed an amended complaint on April 19, 2012, and UTC filed its response on May 17, 2012. UTC, in its response denies Tessera's claims and asserts counterclaims for declaratory relief relating to the appropriate interpretation of the patent license agreement. The parties have completed discovery in the case and filed their dispositive motions on July 3, 2013. These motions will be fully briefed by September 12, 2013 and a hearing on the motions is scheduled for October 25, 2013. The case is ongoing.

Litigation with a shareholder of UTL

On March 22, 2000, a minority shareholder of UTL, Mrs. Yuwanit Pisanthanakun, filed a complaint in the Southern Bangkok Civil Court against UTL and five of its directors (one of whom continues to be an existing director). The plaintiff challenged the validity of a board meeting held on December 16, 1999 and various shareholder meetings approving the appointments of new directors, amendments of UTL's Articles of Association, and allocation of additional shares as a part of a capital increase and debt restructuring of UTL that took place in early 2000.

On December 29, 2005, the Southern Bangkok Civil Court dismissed the plaintiff's claim. The plaintiff's appeal to the Appeals Court on March 14, 2006 was also dismissed on November 10, 2008. Both Thai courts found that the board and shareholders' meetings challenged by the plaintiff were held in accordance with UTL's Articles of Association and that the relevant resolutions were properly passed and should not be revoked. The plaintiff appealed further to the Supreme Court of Thailand on April 27, 2009 and the parties have since made their submissions. The judgment of the Supreme Court of Thailand is pending.

UTL has obtained judgments in its favor in the Court of First Instance and the Court of Appeal, and believes that it has meritorious defenses to the plaintiff's appeal to the Supreme Court of Thailand.

Litigation with u-Nav

USG is a third-party defendant in a case currently pending in the Central District of California. The case was originally brought by Micro Modular Technologies Pte. Ltd. ("Micro Modular") and Sabre Technologies Pte. Ltd. ("Sabre") against Atheros Communications, Inc. ("Atheros") and u-Nav Microelectronics Corporation ("u-Nav"). Micro Modular and Sabre have asserted that Atheros and u-Nav sold them defective microelectronics components. Atheros entered into a settlement with Micro Modular and Sabre and was dismissed from the case in November 2011. Thereafter, u-Nav filed a third-party claim against USG in which u-Nav denied that there were any latent defects in the products at issue but alleged that, if a latent defect is established, USG should be responsible based on its role in assembling the product. In its claim, u-Nav seeks to recover any amounts that it is required to pay to Micro Modular and Sabre, plus attorneys' fees incurred in defending against their claims. USG moved to dismiss u-Nav's third-party complaint in March 2012, and u-Nav filed an amended complaint. Micro Modular and Sabre's claims against u-Nav went to trial in June 2012, resulting in a verdict of approximately \$2.8 million in favor of Micro Modular and Sabre. u-Nav filed a motion to set aside the said verdict and also requested a new trial on Micro Modular's and Sabre's claims. On December 18, 2012, the judge issued a final written ruling denying u-Nav's motion for a new trial and awarding Micro Modular and Sabre costs in the amount of \$3,554.84 and attorneys' fees in the amount of \$224,000. The judge stayed the case until July 15, 2013 so that the parties could participate in a settlement conference and a mediation with u-Nav's former shareholders, who are defendants in a related action brought by Micro Modular and Sabre to collect on their judgment against u-Nav. These efforts did not produce a settlement and the judge entered an order on setting forth the schedule for the remainder of the case between u-Nav and UTAC. USG intends to file a motion to dismiss u-Nav's complaint by September 30, 2013 and, if that motion does not resolve the case, the parties are to conduct expert and fact discovery in anticipation of a trial in September 2014.

Critical Accounting Policies

Our critical accounting policies are disclosed in our annual report for the year ended December 31, 2012. During the six months ended June 30, 2013, there have been no significant changes in our critical accounting policies.

Recent Accounting Pronouncements under SFRS

New accounting standards and SFRS interpretations effective for the financial year 2013

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for our accounting periods beginning on or after January 1, 2013 or later periods and which we have not early adopted. Details of these standards, amendments and interpretations are disclosed in our annual report for the year ended December 31, 2012.

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, 2012.

FINANCIAL STATEMENTS

1 .... GATE Unaudited Financial Statements for the three months and six months ended June 30, 2013, prepared in accordance with Singapore Financial Reporting Standards

2 .... Condensed Notes to GATE Unaudited Financial Statements for the three months and six months ended June 30, 2013

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

For the three-month and six-month period ended June 30, 2013

	Three-month period ended June 30		Six-month period ended June 30	
	2012	**2013**	**2012**	**2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Sales	248,253	192,827	477,871	393,808
Cost of sales	(210,168)	(169,673)	(407,852)	(342,253)
Gross profit	38,085	23,155	70,019	51,555
Other gains/(losses) – net	1,492	2,533	4,052	4,953
Expenses				
Selling, general and administrative expenses	(16,151)	(15,965)	(32,814)	(31,899)
Research and development costs	(4,628)	(3,268)	(9,096)	(6,194)
Finance costs	(20,275)	(29,996)	(39,826)	(59,623)
Other operating expenses	(2,050)	(905)	(2,734)	(3,597)
Share of loss of associated companies	288	(553)	543	(742)
Profit before income tax	(3,238)	(24,999)	(9,856)	(45,547)
Income tax (expense)/credit	(5,005)	(1,040)	(7,994)	(3,244)
Total Profit / (Loss)	**(8,243)**	**(26,039)**	**(17,850)**	**(48,791)**
Other comprehensive income:				
Financial assets, available-for-sale				
Cash flow hedges				
- Fair value gains	(3,671)	(6,707)	6,467	(6,060)
- Reclassification	1,566	(840)	1,940	(1,261)
Currency translation differences arising from consolidation	-	-	(60)	-
Other comprehensive income, net of tax	**(2,105)**	**(7,547)**	**8,347**	**(7,321)**
Total comprehensive income	**(10,349)**	**(33,585)**	**(9,503)**	**(56,112)**
Profit/(Loss) attributable to:				
Equity holders of the Company	(8,713)	(26,321)	(18,821)	(49,452)
Minority interests	469	282	971	661
	(8,243)	**(26,039)**	**(17,850)**	**(48,791)**
Total comprehensive income attributable to:				
Equity holders of the Company	(10,905)	(33,776)	(10,561)	(56,728)
Minority interests	557	191	1,058	616
	(10,349)	**(33,585)**	**(9,503)**	**(56,112)**

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

As at June 30, 2013

	Group	
	December 31, 2012	**June 30, 2013**
	US$'000	**US$'000**
ASSETS		
Current assets		
Cash and cash equivalents	201,219	218,494
Derivative financial instruments	1,600	773
Trade and other receivables	138,356	136,148
Inventories	43,503	36,774
Other current assets	12,467	9,665
	397,145	401,854
Non-current assets		
Other non-current assets	7,949	7,818
Deferred income tax assets	2,505	2,505
Financial assets, available-for-sale	1,322	1,322
Investment in associated companies	4,457	3,716
Property, plant and equipment	655,962	603,900
Intangible assets	725,051	716,969
	1,397,246	1,336,230
Total assets	1,794,391	1,738,084
LIABILITIES		
Current liabilities		
Trade and other payables	128,689	145,331
Provisions	2,250	2,250
Derivative financial instruments	1,117	7,853
Borrowings	17,033	12,306
Current income tax liabilities	13,145	7,586
Redemption liability	1,781	1,877
	164,015	177,203
Non-current liabilities		
Borrowings	1,146,944	1,136,889
Deferred income	87	212
Deferred income tax liabilities	16,481[(1)]	14,301
Long term benefit obligations	21,133[(1)]	21,139
	1,184,846	1,172,541
Total liabilities	1,348,861	1,349,744
NET ASSETS	445,530	388,340
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital		
Capital contribution	698,000	698,000
Other reserves	(3,459)	(10,738)
Retained earnings/(Accumulated losses)	(254,937)	(304,386)
	439,604	382,876
Minority interest	5,926	5,464
Total equity	445,530	388,340

Notes:

(1) Our deferred income tax liabilities and long term benefit obligations as of December 31, 2012 in our audited financial statements for the year ended December 31, 2012, was US$17,179,000 and US$16,828,000, respectively. Due to the adoption of FRS19 (revised 2011) to recognize the remeasurement of the net defined benefit liability in other comprehensive income, we have restated our deferred income tax liabilities and long term benefit obligations as of December 31, 2012 to US$16,481,000 and US$21,133,000, respectively.

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at June 30, 2013

		← Attributable to equity holder of the Company →						
	Note	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
Opening amount as at January 1, 2013		-	698,000	(3,459)	(254,937)	439,603	5,926	445,530
Dividend paid to non-controlling interest		-	-	-	-	-	(1,078)	(1,078)
Total comprehensive income/(loss) for the period		-	-	(7,278)	(49,450)	(56,728)	616	(56,112)
Balance as at June 30, 2013		**-**	**698,000**	**(10,738)**	**(304,386)**	**382,876**	**5,464**	**388,340**
Opening amount as at January 1, 2012		-	698,000	(14,182)	(207,848)	475,970	7,266	483,236
Dividends paid to non-controlling interest		-	-	-	-	-	(3,166)	(3,166)
Total comprehensive income/(loss) for the period		-	-	10,723	(47,089)	(36,366)	1,826	(34,540)
Balance as at December 31, 2012		-	698,000	(3,459)	(254,937)	439,604	5,926	445,530

GLOBAL A&T ELECTRONICS LTD. AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the three-month and six-month period ended June 30, 2013

	Three-month period ended June 30		Six-month period ended June 30	
	2012	**2013**	**2012**	**2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash flows from operating activities				
Net profit	(8,243)	(26,039)	(17,850)	(48,791)
Adjustments for:				
- Tax	5,005	1,040	7,994	3,244
- Depreciation of property, plant and equipment	40,927	38,349	81,580	77,944
- Amortisation of intangible assets	4,188	4,092	8,346	8,262
- Net (gain)/loss on disposal of property, plant and equipment	(279)	(84)	(409)	(112)
Write off property, plant and equipment	30	-	31	-
- Interest expense	20,275	29,996	39,826	59,623
- Interest income	(272)	(217)	(745)	(420)
- Government grant income	(367)	(66)	(388)	(196)
- Fair value loss/(gain) on derivative financial instruments	(67)	21	(445)	21
- Gain on write-off of net liabilities on liquidation of subsidiaries	-	-	(3)	-
- Write off of deferred expenditure on initial public offering	1,624	-	1,624	-
- Share of (gain)/loss of associated companies	(288)	533	(543)	742
Operating cash flow before working capital changes	**62,468**	**47,644**	**119,019**	**100,316**
Change in operating assets and liabilities, net of effects from purchase of a subsidiary:				
- Derivative financial instruments	(176)	(1,107)	(727)	(1,521)
- Trade and other receivables	(5,588)	1,401	(19,577)	2,208
- Inventories	6,412	4,308	10,784	8,480
- Other current assets	(1,940)	(864)	(1,040)	2,386
- Trade and other payables	(2,133)	(1,629)	(7,841)	(11,573)
- Retirement benefit obligations	(143)	(596)	458	(195)
- Currency translation difference	(3)	-	(61)	1
Cash generated from operations	**58,897**	**49,156**	**101,015**	**100,100**
Government grant received	351	41	356	322
Income tax paid	(10,062)	(9,781)	(10,211)	(10,453)
Net cash provided by operating activities	**49,186**	**39,417**	**91,160**	**89,969**
Cash flows from investing activities				
Purchases of property, plant and equipment	(26,000)	(13,915)	(54,507)	(27,722)
Purchases of intangible assets	(266)	(80)	(330)	(179)
Proceeds from disposal of property, plant and equipment	1,864	690	2,708	807
Proceed/(Purchase) from/(of) sale of financial assets, at fair value	-	5	56	8
Interest received	274	288	748	416
Net cash used in investing activities	**(24,128)**	**(13,012)**	**(51,325)**	**(26,670)**
Cash flows from financing activities				
Proceeds from borrowings	-	-	-	607,500
Repayment of borrowings	(1,551)	-	(3,102)	(624,511)
Repayment of finance lease liabilities	(134)	(128)	(257)	(238)
Interest paid	(18,825)	(13,552)	(37,158)	(27,697)
Dividend paid to a non-controlling interest	-	(551)	(1,604)	(1,078)
Net cash used in financing activities	**(20,150)**	**(14,231)**	**(42,121)**	**(46,024)**
Net decrease in cash and cash equivalents	**4,548**	**12,174**	**(2,286)**	**17,275**
Cash and cash equivalents at the beginning of the financial period	262,480	206,320	269,314	201,219
Cash and cash equivalents at the end of the financial period	267,028	218,494	267,028	218,494
Cash and cash equivalents in the Group's balance sheet	**267,028**	**218,494**	**267,028**	**218,494**
Less: Cash subject to restrictions	**-**	**-**	**-**	**-**
Cash and cash equivalents in consolidated cash flow statement	**267,028**	**218,494**	**267,028**	**218,494**

1. Interim financial statements

The Consolidated Financial Statements and related disclosures as of June 30, 2012 and 2013 and for the six months ended June 30, 2012 and 2013 are unaudited. The December 31, 2012 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 statements. In the opinion of the management of GATE, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial information included therein. This financial data should be read in conjunction with the audited consolidated financial statements and related notes thereto for the year ended December 31, 2012.

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 $393.8 million for the six months ended June 30, 2013 from $477.9 million for the six months ended June 30, 2012. Breakdowns of sales by service and product types are as follows:

	Group			
	Six months ended June 30,			
Sales	2012		2013	
	(in thousands of U.S. dollars, except percentages)			
Test	150,990	31.6%	127,194	32.3%
Assembly	326,881	68.4%	266,614	67.7%
Total	477,871	100%	393,808	100%

	Group			
	Six months ended June 30,			
Sales	2012		2013	
	(in thousands of U.S. dollars, except percentages)			
Memory	91,525	19.1%	68,384	17.4%
Mixed-Signal and Logic	212,039	44.4%	180,413	45.8%
Analog	174,307	36.5%	145,011	36.8%
Total	477,871	100%	393,808	100%

Sales decreased to $192.8 million for the three months ended June 30, 2013 from $248.3 million for the three months ended June 30, 2012. Breakdowns of sales by service and product types are as follows:

	Group			
	Three months ended June 30,			
Sales	2012		2013	
	(in thousands of U.S. dollars, except percentages)			
Test	75,708	30.5%	64,438	33.4%
Assembly	172,545	69.5%	128,389	66.6%
Total	248,253	100%	192,827	100%

	Group			
	Three months ended June 30,			
Sales	2012		2013	
	(in thousands of U.S. dollars, except percentages)			
Memory	48,276	19.4%	33,142	17.2%
Mixed-Signal and Logic	108,091	43.5%	89,099	46.2%
Analog	91,886	37.0%	70,586	36.6%
Total	248,253	100%	192,827	100%

3. Cost of sales

Cost of sales includes cost of materials, depreciation and overhead and labor. Cost of sales decreased to $342.3 million for the six months ended June 30, 2013 compared to $407.9 million for the six months ended June 30, 2012. Cost of sales decreased to $169.7 million in the three months ended June 30, 2013 from $210.2 million in the three months ended June 30, 2012. The decrease in cost of sales was principally due to lower sales for the six months ended June 30, 2013 and three months ended June 30, 2013 compared to the six months ended June 30, 2012 and three months ended June 30, 2012, respectively.

4. Cash and cash equivalents

	Group	
Cash and Cash Equivalents	As at December 31, 2012	As at June 30, 2013
	(in thousands of U.S. dollars)	
Cash at bank and on hand	175,453	175,706
Short-term bank deposits	16,000	31,525
Short-term investment	9,766	11,263
Total	201,219	218,494

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	Group: As at December 31, 2012	Group: As at June 30, 2013
	(in thousands of U.S. dollars)	
Trade receivables – third parties	132,366	128,493
Less: Allowance for impairment of receivables - non-related parties	(620)	(436)
	131,746	128,057
Receivables from third parties - non-trade	6,610	8,091
Total	138,356	136,148

Trade and other receivables decreased to $136.1 million as at June 30, 2013 from $138.4 million as at December 31, 2012.

6. Trade and other payables

Trade and Other Payables	Group: As at December 31, 2012	Group: As at June 30, 2013
	(in thousands of U.S. dollars)	
Payables for purchase of property, plant and equipment	16,454	15,233
Trade payables - third parties	52,044	48,433
Advances from customers	273	3,018
Deposits received	953	1,002
Accrued interest payable	2,639	27,796
Other accrual for operating expenses	47,476	43,052
Other payables	8,850	6,797
Total	128,689	145,331

Trade and other payables increased to $145.3 million as at June 30, 2013 from $128.7 million as at December 31, 2012 mainly due to higher interest expense for the Senior Secured Notes for the six months ended June 30, 2013.

7. Intangibles

Intangible assets decreased by $8.1 million to $717.0 million as at June 30, 2013 from $725.1 million as at December 31, 2012, mainly due to amortization charge of intangibles in the six months ended June 30, 2013.

8. Property, Plant and Equipment

Property, plant and equipment decreased by $52.1 million to $603.9 million as at June 30, 2013 from $656.0 million as at December 31, 2012 due to depreciation of property, plant and equipment for the six months ended June 30, 2013. During the six months ended June 30, 2013, the Group capitalized $14.1 million of property, plant and equipment.

9. Capital commitments

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

	Group	
	As at December 31, 2012	As at June 30, 2013
Capital Commitments	*(in thousands of U.S. dollars)*	
Property, plant and equipment	8,676	4,207

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.