

FOR IMMEDIATE RELEASE

STATS ChipPAC Reports First Quarter 2014 Results

Singapore – 22 April 2014 – STATS ChipPAC Ltd. (“STATS ChipPAC” or the “Company” – SGX-ST: STATSchP), a leading provider of advanced semiconductor packaging and test services, today announced results for the first quarter 2014.

Tan Lay Koon, President and Chief Executive Officer of STATS ChipPAC, said, “Revenue for the first quarter of 2014 was better than expected, decreasing by 7.5% to \$365.5 million from prior quarter, and reflected seasonally weaker demand in most end markets. During the quarter, we saw continued strength in demand in the emerging market wireless chipset space. We made good progress on strategic growth initiatives with new program qualifications and production volume ramp in advanced wafer level technologies such as embedded Wafer Level Ball Grid Array (eWLB). eWLB is gaining recognition as a technology of choice for high performance, super-thin packages with advanced system level integration for the mobile communications market.”

Gross margin for the first quarter of 2014 was 10.0% compared to 10.5% in the prior quarter and 15.4% in the first quarter of 2013, mainly due to the lower first quarter 2014 revenue. Operating margin for the first quarter of 2014 was 0.7% of revenue, compared to 1.3% in the prior quarter and 6.1% in first quarter 2013. Net loss for the first quarter of 2014 was \$15.8 million compared to net loss of \$12.1 million in the prior quarter and net income of \$3.5 million in first quarter 2013.

Dennis Chia, Chief Financial Officer of STATS ChipPAC, said, “Our adjusted EBITDA¹ in the first quarter was \$78.4 million or 21.4% of revenue, compared to \$91.3 million and \$96.4 million or 23.1% and 23.7% of revenue in the prior quarter and the first quarter 2013, respectively. Excluding the new factory construction in Korea, capital expenditure for the first quarter 2014 was \$98.0 million or 26.8% of revenue. Overall capital spending in the first quarter 2014 was \$113.6 million or 31.1% of revenue compared to \$92.4 million or 22.7% of revenue in the first quarter 2013. We ended the first quarter of 2014 with cash, cash equivalents and bank deposits of \$176.9 million and debt of \$1,011.9 million compared to \$182.8 million and \$912.2 million as of the end of fourth quarter of 2013, respectively.”

¹ Adjusted EBITDA is not required by, or presented in accordance with, Singapore Financial Reporting Standards (“FRS”). We define adjusted EBITDA as net income attributable to STATS ChipPAC Ltd. plus income tax expense, interest expense, net, depreciation and amortisation, restructuring charges, share-based compensation, goodwill and equipment impairment, tender offer, debt exchange or debt redemption expenses and write-off of debt issuance costs. Adjusted EBITDA excludes the plant closure costs related to our Malaysia plant and our restructuring actions. We present adjusted EBITDA as a supplemental measure of our performance. Management believes the non-FRS financial measure is useful to investors in enabling them to perform additional analysis.



STATS ChipPAC Ltd.

Company Registration No.: 199407932D

Headquarters: 10 Ang Mo Kio Street 65, #05-17/20 Techpoint,
Singapore 569059

www.statschippac.com

Outlook

Tan Lay Koon commented, "Based on current visibility, we expect second quarter 2014 revenues to increase 9% to 14% compared to the prior quarter, with adjusted EBITDA¹ in the range of 20% to 25% of revenue. We expect capital expenditure² in the second quarter of 2014 to be approximately \$160 million to \$180 million, including approximately \$40 million to \$55 million for progressive construction of the new factory in Korea."

The outlook for the second quarter of 2014 is subject to a number of risks and uncertainties that could cause actual events or results to differ materially from those disclosed in the outlook statements. These statements are based on our management's beliefs and assumptions, which involve judgments about future trends, events and conditions, all of which are subject to change and many of which are beyond our control. Please refer to our Financial Statements for the three months ended 30 March 2014 filed with the Singapore Exchange Securities Trading Limited ("SGX-ST") for the major assumptions made in preparing our outlook for the second quarter of 2014. Investors should consider these assumptions and make their own assessment of the future performance of STATS ChipPAC and note that there may not be a direct correlation between the net income of the Company with adjusted EBITDA¹ as a percentage of revenue.

Investor Conference Call / Live Audio Webcast Details

A conference call has been scheduled for 8:00 a.m. in Singapore on Wednesday, 23 April 2014. During the call, time will be set-aside for analysts and investors to ask questions of executive officers.

The call may be accessed by dialing +65-6823-2299. A live audio webcast of the conference call will be available on STATS ChipPAC's website at www.statschippac.com. A replay of the call will be available 2 hours after the live call through 8 May 2014 at www.statschippac.com and by telephone at 800-616-2127. The conference ID number to access the conference call and replay is 8528135.

² Capital expenditure refers to acquisitions of production equipment, asset upgrades and infrastructure investments.



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Forward-looking Statements

Certain statements in this release are forward-looking statements, including our outlook for the second quarter of 2014, that involve a number of risks and uncertainties that could cause actual results to differ materially from those described in this release. Factors that could cause actual results to differ include, but are not limited to, general business and economic conditions and the state of the semiconductor industry; prevailing market conditions; demand for end-use applications products such as communications equipment, consumer and multi-applications and personal computers; decisions by customers to discontinue outsourcing of test and packaging services; level of competition; our reliance on a small group of principal customers; our continued success in technological innovations; pricing pressures, including declines in average selling prices; intellectual property rights disputes and litigation; our ability to control operating expenses; our substantial level of indebtedness and access to credit markets; potential impairment charges; availability of financing; changes in our product mix; our capacity utilisation; delays in acquiring or installing new equipment; limitations imposed by our financing arrangements which may limit our ability to maintain and grow our business; returns from research and development investments; changes in customer order patterns; customer credit risks; disruption of our operations; shortages in supply of key components and disruption in supply chain; inability to consolidate our Malaysia operations into our China operations and uncertainty as to whether such plan will achieve the expected objectives and results; loss of key management or other personnel; defects or malfunctions in our testing equipment or packages; rescheduling or cancelling of customer orders; adverse tax and other financial consequences if the taxing authorities do not agree with our interpretation of the applicable tax laws; classification of our Company as a passive foreign investment company; our ability to develop and protect our intellectual property; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; majority ownership by Temasek Holdings (Private) Limited ("Temasek") that may result in conflicting interests with Temasek and our affiliates; unsuccessful acquisitions and investments in other companies and businesses; labour union problems in South Korea; uncertainties of conducting business in China and changes in laws, currency policy and political instability in other countries in Asia; natural calamities and disasters, including outbreaks of epidemics and communicable diseases; the continued trading and listing of our ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST"). You should not unduly rely on such statements. We do not intend, and do not assume any obligation, to update any forward-looking statements to reflect subsequent events or circumstances.

Basis of Preparation of Results

The financial statements included in this release have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

Our 52-53 week fiscal year ends on the Sunday nearest and prior to 31 December. Our fiscal quarters end on a Sunday and our 13-week first quarter of 2014 ended on 30 March 2014, while our 13-week first quarter of 2013 and 13-week fourth quarter of 2013 ended on 31 March 2013 and 29 December 2013, respectively. References to "\$" are to the lawful currency of the United States of America.



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About STATS ChipPAC Ltd.

STATS ChipPAC Ltd. (SGX-ST Code: S24) is a leading service provider of semiconductor packaging design, assembly, test and distribution solutions in diverse end market applications including communications, digital consumer and computing. With global headquarters in Singapore, STATS ChipPAC has design, research and development, manufacturing or customer support offices throughout Asia, the United States and Europe. STATS ChipPAC is listed on the SGX-ST. Further information is available at www.statschippac.com. Information contained in this website does not constitute a part of this release.

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STATS ChipPAC Ltd.
Consolidated Statement of Financial Position
(Unaudited)

	Three Months Ended	
	30 March 2014 \$'000	31 March 2013 \$'000
Net revenues	365,476	406,361
Cost of revenues	(328,956)	(343,927)
Gross profit	36,520	62,434
Operating expenses:		
Selling, general and administrative	24,122	23,292
Research and development	9,932	12,375
Exchange offer expenses	—	1,572
Write-off of debt issuance costs	—	216
Operating expenses	34,054	37,455
Equipment impairment	2,261	—
Total operating expenses	36,315	37,455
Operating income	205	24,979
Other income (expenses), net:		
Interest income	562	327
Interest expense	(12,375)	(15,258)
Foreign currency exchange loss	(210)	(316)
Other non-operating income (expenses), net	9	(8)
Total other expenses, net	(12,014)	(15,255)
Income (loss) before income taxes	(11,809)	9,724
Income tax expense	(2,938)	(4,671)
Net income (loss)	(14,747)	5,053
Less: Net income attributable to the non-controlling interest	(1,060)	(1,524)
Net income (loss) attributable to STATS ChipPAC Ltd.	(15,807)	3,529
Net income (loss) per ordinary share attributable to STATS ChipPAC Ltd.:		
Basic	\$ (0.01)	\$ 0.00
Diluted	\$ (0.01)	\$ 0.00
Ordinary shares (in thousands) used in per ordinary share calculation:		
Basic	2,202,218	2,202,218
Diluted	2,202,218	2,202,219
<u>Key Ratios and Information:</u>		
Gross Margin	10.0%	15.4%
Operating Expenses as a % of Revenue	9.3%	9.3%
Operating Margin before equipment impairment	0.7%	6.1%
Depreciation & Amortisation, including		
Amortisation of Debt Issuance Costs	78,952	72,444
Capital Expenditures	113,620	92,406



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	30 March 2014 \$'000	29 December 2013 \$'000
ASSETS		
Current assets:		
Cash and cash equivalents	116,624	129,136
Short-term bank deposits	59,825	42,042
Accounts receivable, net	215,701	238,441
Other receivables	28,046	15,239
Inventories	71,169	71,055
Prepaid expenses and other current assets	24,675	18,970
Total current assets	516,040	514,883
Non-current assets:		
Long-term bank deposits	438	11,604
Property, plant and equipment, net	1,466,098	1,431,247
Intangible assets	35,207	35,117
Goodwill	381,487	381,487
Deferred tax assets	177	186
Prepaid expenses and other non-current assets	2,925	3,146
Total non-current assets	1,886,332	1,862,787
Total assets	2,402,372	2,377,670
LIABILITIES		
Current liabilities:		
Accounts and other payables	140,413	138,004
Payables related to property, plant and equipment purchases	104,835	141,998
Accrued operating expenses	104,427	124,640
Income taxes payable	17,835	18,207
Short-term bank borrowings	122,541	37,947
Short-term amounts due to related parties	59	100
Total current liabilities	490,110	460,896
Non-current liabilities:		
Long-term borrowings	889,347	874,281
Deferred tax liabilities	48,592	47,476
Other non-current liabilities	21,244	24,228
Total non-current liabilities	959,183	945,985
Total liabilities	1,449,293	1,406,881
EQUITY		
Share capital	873,666	873,666
Retained earnings	35,671	51,478
Other reserves	(9,697)	(7,712)
Equity attributable to equity holders of STATS ChipPAC Ltd.	899,640	917,432
Non-controlling interest	53,439	53,357
Total equity	953,079	970,789
Total liabilities and equity	2,402,372	2,377,670



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STATS ChipPAC Ltd.
Other Supplemental Information
(Unaudited)

	1Q 2014	4Q 2013	1Q 2013
<u>Net Revenues by Product Line</u>			
Advanced Packaging ^{##}	49.1%	47.8%	49.0%
Wirebond Packaging	29.7%	29.2%	29.6%
Test	21.2%	23.0%	21.4%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>Net Revenues by End User Market</u>			
Communications	67.2%	66.7%	74.1%
Personal Computers	8.6%	8.1%	6.7%
Consumer, Multi-applications and Others	24.2%	25.2%	19.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>Net Revenues by Region</u>			
United States of America	65.1%	67.3%	68.9%
Asia	24.6%	22.6%	16.4%
Europe	10.3%	10.1%	14.7%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Number of Testers	948	959	963
Number of Wirebonders	4,118	4,088	3,723

^{##} Advanced Packaging includes flip-chip and wafer level packaging.



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