

Dear customers,

I would like to inform you of an important corporate development for the company. JCET-SC, a subsidiary of Jiangsu Changjiang Electronics Technology Co., Ltd (JCET), a leading global outsourced assembly and test (OSAT) company and also the number one OSAT company in China, has announced a pre-conditional cash offer to acquire all the shares in STATS ChipPAC. The making of the offer is dependent on a number of conditions, including regulatory and shareholder approvals. Another key condition involves a restructuring of our Taiwan operations which do not fall under the offer. As part of the restructuring, a technical service agreement will be signed between STATS ChipPAC and our Taiwan subsidiaries to ensure continued delivery of seamless full turnkey model solutions to customers.

On successful completion of the acquisition, the combined company is expected to become the number one OSAT player in China and number three in the world*. The addition of JCET's product portfolio as the largest packaging service provider in China is expected to give STATS ChipPAC the strength and support it needs to be the premier packaging, test and back end supply chain solutions provider delivering best in class service in our chosen markets. The complementary nature of the acquisition is expected to enable both companies to build on their strengths by combining their solid proprietary businesses and partner networks for product development into one integrated platform.

During this transition period, we would like to emphasize that there will be no change in the service we provide and your key sales contact will remain the same. You can have my absolute assurance that there will be continued delivery of high quality services.

Going forward, you will gain access to a full platform of packaging, assembly and test capabilities ranging from low-end to high-end solutions. This includes a comprehensive portfolio of packaging solutions ranging from discrete, low-lead to the most advanced flip-chip and wafer level offerings. We will have a strong OSAT manufacturing base in China and enhanced research & development capacity; this provides many options for us to deliver better product and service solutions at each stage of the semiconductor product lifecycle. By transforming ourselves into a global leader, we can not only serve your current business needs but support you as a strategic partner for growth and expansion whether into China or the global arena.

On behalf of STATS ChipPAC Limited, I sincerely thank you for your past and future support and invite you to join us as we embark on this exciting new chapter of our journey. If you have any questions during this transition period, please do not hesitate to contact our sales contact.

Sincerely,

Tan Lay Koon
President and Chief Executive Officer

*As per latest Gartner research

RESPONSIBILITY STATEMENT

The Directors of STATS ChipPAC Ltd. (including any who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter are fair and accurate and that no material facts have been omitted from this Letter which might cause this Letter to be misleading in any material respect, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter.