APPENDIX
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our business, financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included in this 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 from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in our Annual Report for the year ended 28 December 2014. 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 second quarter of 2015 ended on 28 June 2015, while our second quarter of 2014, fourth quarter of 2014 and first quarter of 2015 ended on 29 June 2014, 28 December 2014 and 29 March 2015, respectively.

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

Business Overview

We are a leading service provider of semiconductor packaging design, bump, probe, assembly, test and distribution solutions. We have the scale to provide a comprehensive range of semiconductor packaging and test solutions to a diversified global customer base servicing the computing, communications and consumer markets. Our services include:

- *Advanced packaging and wirebond packaging services:* providing advanced Integrated Circuit ("IC") packages technology such as wafer bump, redistribution layer design and fabrication, flip chip interconnect, fan-out wafer level package ("FOWLP") or embedded Wafer Level Ball Grid Array ("eWLB"), wafer level chip-scale package ("WLCSP"), Through Silicon Via ("TSV"), integrated passive devices ("IPD"), and wirebond IC packages such as leaded, laminate and memory card to customers for a wide variety of electronics applications. As part of our full turnkey packaging services, we offer package design; electrical, mechanical and thermal simulation; measurement and design of leadframes and laminate substrates; and wafer processing and bumping on 200mm and 300mm wafers with options for wafer repassivation, redistribution and IPD layers;

- *Test services:* including wafer probe and final testing on a diverse selection of test equipment covering the major test platforms in the industry. We have expertise in testing a broad variety of semiconductors, especially mixed-signal, radio frequency ("RF"), analog and high-performance digital devices. We also offer test-related services such as burn-in process support, reliability testing, thermal and electrical characterisation, dry pack, and tape and reel; and

- *Pre-production and post-production services:* such as package development, test software and related hardware development, warehousing and drop shipment services.

We are among the leaders in providing advanced package technology, such as flip chip, wafer level packaging and services (including TSV mid-end and back-end processes), die and package stacking, System-in-Package and 3D integration. We are also among the leaders in testing mixed-signal, RF semiconductors or semiconductors combining the use of analog and digital circuits in a chip. Mixed-signal and RF semiconductors are used extensively in fast-growing communications and consumer applications. We have strong expertise in testing a wide range of high-performance digital devices in System-on-Chip ("SoC"). We have been successful in attracting new customers with our packaging and test capabilities and then expanding our relationship with such customers to provide full turnkey solutions tailored to their individual needs.

We are headquartered in Singapore and have manufacturing facilities in South Korea, Singapore, China and Taiwan (which includes the facilities of our 52%-owned Taiwan subsidiary, STATS ChipPAC Taiwan Semiconductor Corporation). Following our proposed distribution of our stake in our Taiwan subsidiaries by way of a capital reduction described below, we will cease to have any manufacturing facilities in Taiwan. We market our services through our direct sales force in the United States, South Korea, China, Singapore, Taiwan and Switzerland.

Temasek Holdings (Private) Limited ("Temasek"), through its wholly-owned subsidiary, Singapore Technologies Semiconductors Pte Ltd ("STSPL"), beneficially owned approximately 83.7% of the Company as of 28 June 2015. Temasek, a private limited company incorporated in Singapore, is wholly-owned by the Singapore Government through the Minister for Finance.

On 16 July 2015, JCET-SC (Singapore) Pte. Ltd. ("JCET-SC"), a subsidiary of Jiangsu Changjiang Electronics Technology Co., Ltd., commenced a voluntary conditional cash offer (the "JCET Offer") for all the ordinary shares of the Company, at S$0.46577 per share. The JCET Offer is conditional upon (1) the Company making an offering of $200 million of our 4% perpetual securities (the "Perpetual Securities" and such offering, "Perpetual Securities Offering") to our shareholders by way of a non-renounceable rights issue, (2) the completion of an internal restructuring exercise and the distribution of our stake in our Taiwan subsidiaries, (comprising our 52%-owned STATS ChipPAC Taiwan Semiconductor Corporation and our wholly-owned STATS ChipPAC Taiwan Co., Ltd. (the "Taiwan Entities")) and $15 million in cash to our shareholders by way of a capital reduction (the "Capital Reduction Condition") and (3) JCET-SC having received valid acceptances of more than 50% of the ordinary shares of the Company (the "Minimum Acceptance Condition"). The JCET Offer is currently scheduled to close on 27 August 2015.

On 16 July 2015, we commenced the Perpetual Securities Offering. The offering is expected to close on 14 August 2015. STSPL has, subject to certain conditions, undertaken to subscribe for its 83.7% pro rata share of the Perpetual Securities and all other Perpetual Securities not subscribed by our other shareholders up to an aggregate maximum amount of US$200,000,000. The terms and conditions of the Perpetual Securities are set out in the instruction booklet dated 16 July 2015 in relation to the Perpetual Securities Offering despatched by the Company to shareholders eligible to participate in the offering. The Perpetual Securities are expected to be issued on two dates: on 5 August 2015 for the issuance of the amount of provisional allotment of Perpetual Securities subscribed by that date and on 21 August 2015 for the issuance of the balance amount of the Perpetual Securities.

The proposed capital reduction is expected to be completed on 5 August 2015.

Following STSPL's acceptances of the JCET Offer in respect of all its ordinary shares of the Company, the Minimum Acceptance Condition has been met and, accordingly, JCET-SC has declared the JCET Offer unconditional as to acceptances on 31 July 2015. As of the date of this announcement, the JCET Offer remains conditional upon the Capital Reduction Condition. Upon the completion of the capital reduction, the last condition of the JCET Offer will be met and the JCET Offer will be declared unconditional in all respects.

Upon the completion of the capital reduction, we expect to enter into a technical services agreement with the Taiwan Entities pursuant to which we will purchase and each Taiwan Entity will provide certain services (including wafer bumping, processing and probing services) and/or deliver materials (such as wafers, die or other components) on which the services are to be performed, as described in our circular to shareholders dated 30 March 2015 regarding the proposed distribution by way of the capital reduction. On or about the same date, we expect to also enter into a transitional services agreement with the Taiwan Entities pursuant to which we have agreed to provide certain transitional services to the Taiwan Entities for an agreed period.

On 1 January 2015, we announced our plan to relocate the packaging and test facility of our wholly-owned China subsidiary, STATS ChipPAC Shanghai, Co., Ltd., to a new manufacturing site in China. Recent changes in the long term zoning, development and construction plans for the West Hongqiao area of Shanghai, China have resulted in the need to relocate the facility by the end of 2017. Under the terms of the settlement with the relevant People's Republic of China ("PRC") authorities in connection with the requisitioning of the land on which the facility is located, the PRC authorities have agreed to pay us compensation totaling Renminbi ("RMB") 1,026.8 million (equivalent to approximately $165.1 million) upon the occurrence of several agreed upon milestones. We expect to receive compensation of RMB513.4 million (equivalent to approximately $82.4 million) in 2015. Of this amount, RMB308.1 million (equivalent to approximately $49.3 million) was received in February 2015 and RMB205.3 million (equivalent to approximately $33.1 million) is expected to be received in the third quarter of 2015.

Results of Operations and Selected Data

	Three Months Ended				Six Months Ended			
	28 June 2015		29 June 2014		28 June 2015		29 June 2014	
	(In US$'000, except for ratio)				(In US$'000, except for ratio)			
		% of net revenues		% of net revenues		% of net revenues		% of net revenues
Net revenues	346,873	*100.0*	409,912	*100.0*	717,953	*100.0*	775,388	*100.0*
Cost of revenues	(313,917)	*(90.5)*	(359,862)	*(87.8)*	(646,061)	*(90.0)*	(688,818)	*(88.8)*
Gross profit	32,956	*9.5*	50,050	*12.2*	71,892	*10.0*	86,570	*11.2*
Operating expenses:								
Selling, general and administrative	22,456	*6.5*	25,128	*6.1*	45,167	*6.3*	49,250	*6.3*
Research and development	8,819	*2.5*	10,751	*2.6*	17,333	*2.4*	20,683	*2.7*
Operating expenses	31,275	*9.0*	35,879	*8.7*	62,500	*8.7*	69,933	*9.0*
Equipment impairment	–	*0.0*	–	*0.0*	–	*0.0*	2,261	*0.3*
Total operating expenses	31,275	*9.0*	35,879	*8.7*	62,500	*8.7*	72,194	*9.3*
Operating income	1,681	*0.5*	14,171	*3.5*	9,392	*1.3*	14,376	*1.9*
Other income (expenses), net:								
Interest income	385	*0.1*	388	*0.1*	822	*0.1*	950	*0.1*
Interest expense	(14,277)	*(4.1)*	(12,676)	*(3.1)*	(28,602)	*(4.0)*	(25,051)	*(3.2)*
Foreign currency exchange loss	(1,446)	*(0.4)*	(347)	*(0.1)*	(1,905)	*(0.3)*	(557)	*(0.1)*
Other non-operating income (expenses), net	(3,858)	*(1.2)*	152	*0.0*	(5,247)	*(0.6)*	161	*0.0*
Total other expenses, net	(19,196)	*(5.6)*	(12,483)	*(3.1)*	(34,932)	*(4.8)*	(24,497)	*(3.2)*
Income (loss) before income taxes	(17,515)	*(5.1)*	1,688	*0.4*	(25,540)	*(3.5)*	(10,121)	*(1.3)*
Income tax benefit (expense)	(2,599)	*(0.7)*	(3,273)	*(0.8)*	4,555	*0.6*	(6,211)	*(0.8)*
Net loss	(20,114)	*(5.8)*	(1,585)	*(0.4)*	(20,985)	*(2.9)*	(16,332)	*(2.1)*
Less: Net income attributable to the non-controlling interest	(1,388)	*(0.4)*	(2,597)	*(0.6)*	(2,582)	*(0.4)*	(3,657)	*(0.5)*
Net loss attributable to STATS ChipPAC Ltd.	(21,502)	*(6.2)*	(4,182)	*(1.0)*	(23,567)	*(3.3)*	(19,989)	*(2.6)*

Net revenues by product line and by end user market were:

	Three Months Ended		Six Months Ended	
	28 June 2015	29 June 2014	28 June 2015	29 June 2014
	%	%	%	%
Net revenues by product line:				
Advanced packaging	52.4	49.2	50.7	49.1
Wirebond packaging	23.9	30.0	25.7	29.9
Test	23.7	20.8	23.6	21.0
	100.0	100.0	100.0	100.0
Net revenues by end user market:				
Communications	67.4	67.5	66.8	67.4
Personal Computers	8.3	8.5	8.1	8.5
Consumer, Multi-applications and Others	24.3	24.0	25.1	24.1
	100.0	100.0	100.0	100.0

Three and six months ended 28 June 2015 compared to three and six months ended 29 June 2014

Net Revenues

We derive revenues primarily from the provision of advanced packaging, wirebond packaging and test services. Net revenues in the three and six months ended 28 June 2015 were $346.9 million and $718.0 million, a decrease of 15.4% and 7.4% from $409.9 million and $775.4 million in the three and six months ended 29 June 2014, respectively. Revenue in the three and six months ended 28 June 2015 decreased compared to same periods in 2014 due to generally sluggish demand in the semiconductor industry, particularly in smartphones in the emerging markets, product transition in the high-end smartphones segment, and weaker demand from the personal computer segment.

In the three and six months ended 28 June 2015, our advanced packaging revenues decreased by 9.8% and 4.5% to $181.7 million and $363.8 million, compared to the same periods in 2014, respectively. In the three and six months ended 28 June 2015, our wirebond packaging revenues decreased by 32.5% and 20.5% to $83.2 million and $184.5 million, compared to the same periods in 2014, respectively. The higher advanced packaging revenues compared to wirebond packaging revenues reflected the transition of technology from leaded wirebonding to advanced packaging and increasing business traction in advanced packaging for the wireless communications market. In the three months ended 28 June 2015, our test services revenue decreased by 3.8% to $82.0 million, compared to the same period in 2014, due to a decline in volume in the wireless business. In the six months ended 28 June 2015, our test services revenue increased by 4.3% to $169.7 million, compared to the same period in 2014, due to an increase in volume in the wireless business. Our revenue from copper wirebond packaging accounted for 35.0% and 37.6% of our total wirebond packaging revenue in the three and six months ended 28 June 2015 compared to 37.3% and 36.9% in the same periods in 2014, respectively.

Gross Profit

Gross profit in the three and six months ended 28 June 2015 was $33.0 million and $71.9 million, a decrease of 34.2% and 17.0% from $50.1 million and $86.6 million in the three and six months ended 29 June 2014, respectively. Gross profit as a percentage of revenues was 9.5% and 10.0% in the three and six months ended 28 June 2015, compared to 12.2% and 11.2% in the three and six months ended 29 June 2014, respectively. Gross profit for the three and six months ended 28 June 2015 decreased due to lower revenue and product mix change compared to the three and six months ended 29 June 2014. Our cost of revenues consist principally of fixed costs such as depreciation and leasing expenses and variable costs such as direct and indirect labour, materials and overhead expenses.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of payroll-related cost for administrative personnel, external cost such as consultancy, legal, administrative, profession and regulatory fees and depreciation of equipment used in selling, general and administrative activities. Selling, general and administrative expenses were $22.5 million and $45.2 million in the three and six months ended 28 June 2015, a decrease of 10.6% and 8.3% from $25.1 million and $49.3 million in the three and six months ended 29 June 2014, respectively. The decrease in selling, general and administrative expenses in the three and six months ended 28 June 2015 was primarily due to cost initiatives related to headcount reductions and lower discretionary expenses and payroll-related costs. As a percentage of revenues, selling, general and administrative expenses were 6.5% and 6.3% in the three and six months ended 28 June 2015 compared to 6.1% and 6.3% in the three and six months ended 29 June 2014, respectively.

Research and Development

Research and development expenses consist primarily of payroll-related cost for research and development, external cost such as consultancy and legal fees, and depreciation of equipment and consumables used in research and development activities. Research and development expenses were $8.8 million and $17.3 million in the three and six months ended 28 June 2015, a decrease of 18.0% and 16.2% from $10.8 million and $20.7 million in the three and six months ended 29 June 2014, respectively. The decrease in research and development expenses in the three and six months ended 28 June 2015 was primarily due to cost initiatives related to headcount reductions and lower payroll-related costs. As a percentage of revenues, research and development expenses were 2.5% and 2.4% in the three and six months ended 28 June 2015 compared with 2.6% and 2.7% in the three and six months ended 29 June 2014, respectively.

Equipment Impairment

In the six months ended 29 June 2014, we recorded $2.3 million of charges related to the impairment of certain 200mm wafer level packaging equipment. No equipment impairment charges were incurred in the three and six months ended 28 June 2015.

Net Interest Income (Expense)

Net interest expense was $13.9 million and $27.8 million in the three and six months ended 28 June 2015 compared to $12.3 million and $24.1 million in the three and six months ended 29 June 2014, respectively. Interest income was $0.4 million and $0.8 million in the three and six months ended 28 June 2015 compared to $0.4 million and $1.0 million in the three and six months ended 29 June 2014.

Interest expense was $14.3 million and $28.6 million in the three and six months ended 28 June 2015, compared to $12.7 million and $25.1 million in the three and six months ended 29 June 2014, respectively. The increase in interest expense in the three and six months ended 28 June 2015 was due to higher borrowings. Total outstanding interest-bearing debt was $1,179.3 million and $1,064.6 million as of 28 June 2015 and 29 June 2014, respectively.

Foreign Currency Exchange Loss

Net foreign currency exchange loss was $1.4 million and $1.9 million in the three and six months ended 28 June 2015 compared to $0.3 million and $0.6 million in the three and six months ended 29 June 2014. This loss was primarily due to the fluctuations during the three and six months ended 28 June 2015 compared to the same periods in 2014 between the exchange rate of the United States dollar and the South Korean Won, the Singapore dollar, the Chinese Renminbi and the New Taiwan Dollar.

Other Non-Operating Income (Expenses), Net

Net other non-operating expenses was $3.9 million and $5.2 million in the three and six months ended 28 June 2015, compared to net other non-operating income of $0.2 million each in the three and six months ended 29 June 2014. The increase in other non-operating expenses for the three and six months ended 28 June 2015 compared to the same periods of 2014 was primarily due to expenses related to transactions undertaken in connection with the JCET Offer, including our Perpetual Securities Offering and the distribution of our stake in our Taiwan subsidiaries.

Income Tax Benefit (Expense)

We recorded consolidated income tax expense of $2.6 million and income tax benefit of $4.6 million in the three and six months ended 28 June 2015, compared to consolidated income tax expense of $3.3 million and $6.2 million in the three and six months ended 29 June 2014, respectively, based on the mix of tax rates and taxable income across the various jurisdictions in which we do business. Our primary tax jurisdictions are Singapore, South Korea, China, Taiwan and the United States. In the six months ended 28 June 2015, tax credits of $5.3 million and $3.5 million were recognised in relation to our tax exemption in South Korea and shift in the profit repatriation plans of our Taiwan subsidiaries, respectively.

Balance Sheet

Total Group assets decreased $150.7 million to $2,463.1 million as of 28 June 2015 compared to $2,613.8 million as of 28 December 2014, mainly due to a decrease in property, plant and equipment by $163.5 million, accounts receivable by $27.6 million, inventories by $11.0 million, and prepaid expenses and other current assets by $4.9 million, partially offset by an increase in cash, cash equivalents and bank deposits by $20.5 million, other receivables by $20.6 million, and prepaid expenses and other non-current assets by $14.8 million.

The decrease in property, plant and equipment was due to the recognition of the disposal of the land on which our China facility is located in connection with its pending relocation and a depreciation of $154.8 million, partially offset by our capital expenditure of $89.0 million in the six months ended 28 June 2015. The decrease in accounts receivable as of 28 June 2015 was mainly due to the timing of cash collections and a decrease in sales towards the end of the three months ended 28 June 2015. The decrease in inventories was mainly due to better inventory management and lower demand. The decrease in prepaid expenses and other current assets was mainly due to the reclassification of certain assets in South Korea from current assets to non-current assets. The increase in cash, cash equivalents and bank deposits to $205.7 million as of 28 June 2015 from $185.2 million as of 28 December 2014 was mainly due to cash generated from operations, net of investing and financing cash flows. The increase in other receivables was mainly due to short term receivables arising from the compensation payable by the PRC authorities in connection with the relocation of our China facility. The increase in prepaid expenses and other non-current assets was mainly due to the recognition of long term receivables arising from the compensation payable by the PRC authorities in connection with the relocation of our China facility and, to a lesser extent, the reclassification of certain assets in South Korea from current assets to non-current assets as discussed above.

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Total Group liabilities decreased $130.4 million to $1,541.0 million as of 28 June 2015 compared to $1,671.4 million as of 28 December 2014 mainly due to a decrease in short and long-term borrowings by $24.0 million, accounts and other payables by $35.0 million, payables related to property, plant and equipment purchases by $46.6 million, accrued operating expenses by $16.8 million, income tax payable by $4.9 million and deferred tax liabilities by $4.9 million. The decrease in short and long-term borrowings was mainly due to repayment of borrowings towards the end of the second quarter of 2015. The decrease in accounts and other payables was mainly due to the timing of payments. The decrease in payables related to property, plant and equipment purchases was mainly due to the payment of capital expenditures. The decrease in accrued operating expenses was mainly due to a reduction in accrued staff cost and lower headcount. The decrease in income tax payable was mainly due to the payment of income tax. The decrease in deferred tax liabilities was mainly due to the recognition of tax credits.

Total shareholders' equity attributable to STATS ChipPAC Ltd. decreased by $19.7 million to $869.9 million mainly due to our net loss of $23.6 million in the six months ended 28 June 2015 and other comprehensive income of $3.9 million in the six months ended 28 June 2015.

Liquidity and Total Borrowings

Our principal sources of liquidity consist of cash flows from operating activities, bank facilities and other debt financing, and our existing cash, cash equivalents and bank deposits. As of 28 June 2015, we had cash, cash equivalents and bank deposits of $205.7 million. We also have available lines of credit and banking facilities consisting of loans, overdrafts, letters of credit and bank guarantees, including those available to our consolidated subsidiaries, which amounted to an aggregate of $586.6 million, of which $165.6 million of credit facilities and $27.0 million of other banking facilities were available as of 28 June 2015. Our liquidity needs arise primarily from servicing our outstanding debts, working capital needs and the funding of capital expenditures and investments. Our capital expenditures are largely driven by the demand for our services, primarily to increase our packaging and testing capacity, to replace packaging and testing equipment from time to time, and to expand our facilities and service offerings. Capital expenditures in the three and six months ended 28 June 2015 were $52.1 million and $89.0 million compared to $195.3 million and $309.0 million in the three and six months ended 29 June 2014, respectively.

As of 28 June 2015, our total debt outstanding consisted of $1,179.3 million of borrowings, including $611.2 million of our 4.5% Senior Notes due 2018 (the "2018 Notes"), $200.0 million of our 5.375% Senior Notes due 2016 (the "2016 Notes" and, together with the 2018 Notes, the "Notes"), and $386.9 million of debt outstanding under our bank facilities, as described below. We are required to make, or another third party may make, an offer to repurchase our Notes at 101% of the principal amount of such notes plus accrued and unpaid interest upon a change of control. When the JCET Offer becomes unconditional in all respects (upon STSPL's acceptance of the JCET Offer and delivery of its ordinary shares of the Company to JCET-SC pursuant to its undertaking described above), a change of control under the terms of the indentures governing the Notes will have occurred. Further, a significant portion of the debt outstanding under our bank facilities will become due and payable upon a change of control. We intend to finance the repayment of any bank or other debt that becomes due as a result of the change of control, and the repurchase of any of the Notes put back to us (or otherwise repurchased by us) through the proceeds from the Perpetual Securities Offering, borrowings from the DBS Bridge Facility described below and, depending on market conditions, the issuance of new notes.

On or after 6 August 2015 (or as soon as possible thereafter if the Offer becomes unconditional in all respects), we intend to enter into an up to $890 million bridge facility with DBS Bank Ltd. as facility agent, arranger and lender (the "DBS Bridge Facility"). This facility is expected to be secured by first ranking security interests over all present and future assets of the Company and certain subsidiaries, subject to certain exceptions, and pledges over the share capital of certain subsidiaries owned by the Company (collectively, the "Collateral"). Such Collateral is expected to also secure, on a pari passu basis, the Notes (as described below). The DBS Bridge Facility is also expected to be guaranteed by all of the Company's subsidiaries existing at the time of the entering into the facility (except STATS ChipPAC Shanghai Co., Ltd., STATS ChipPAC (Thailand) Limited and STATS ChipPAC Services (Thailand) Limited) and future subsidiaries (except where prohibited due to local law and regulations). This facility, together with the proceeds from the Perpetual Securities Offering and, depending on market conditions, the issuance of any new notes, may be used to fund the repurchase of any of the Notes put back to us connection with the change of control offer to repurchase described above (or otherwise repurchased by us) and certain other debt of the Company outstanding as of the date hereof, and certain transaction fees and expenses. All amounts borrowed under the DBS Bridge Facility as well as all unpaid accrued interest, fees and other amounts are expected to be due in full on the date falling six months from the date of the DBS Bridge Facility. Subject to, among other things, notice requirements and no default having occurred, the DBS Bridge Facility may be extended twice such that the second extension's maturity date is expected to fall 12 months from the date of the DBS Bridge Facility. The interest payable is expected to range from 1.50% plus LIBOR (up to and including the original maturity date) to 2.40% plus LIBOR (from the first extension's maturity date to (and including) the second extension's maturity date). The Company is expected to be required to prepay amounts outstanding under the DBS Bridge Facility with the net proceeds of any debt issuance, equity issuance, disposal of certain assets and any insurance claim, subject to certain exclusions. The DBS Bridge Facility is expected to include certain covenants by the Company and its subsidiaries, including restrictions on declaring dividends and on redeeming or making any distribution on the Perpetual Securities; restrictions on the incurrence of additional indebtedness and issuance of share capital; and the maintenance of certain debt to EBITDA and EBITDA to interest expense ratios. The DBS Bridge Facility will also contain a change of control clause which would trigger an immediate repayment if (a) JCET-SC ceases to own 100% of the shares it holds in the Company (b) JCET ceases to (directly or indirectly) own or control at least 50% of the interest in the Company or (c) if consortium shareholders of JCET-SC collectively (directly or indirectly) ceases to own and control at least 75% of the interest in the Company.

On 26 September 2014, our subsidiary, STATS ChipPAC Korea Ltd. entered into a $40.0 million committed revolving credit facility with Shinhan Bank and a $30.0 million committed revolving credit facility with Hana Bank. The purpose of these facilities is to finance the purchase of materials and capital expenditures. On 3 March 2015, the $40.0 million committed revolving credit facility with Shinhan Bank was amended into a South Korean Won 22.0 billion and a $20.0 million committed revolving credit facility, with the total amount available under the facility remaining at $40.0 million regardless of the exchange rate fluctuation between South Korean Won and United States dollar. As of 28 June 2015, $40.0 million was outstanding under the Shinhan Bank revolving credit facility. The principal of the loan aggregating $20.0 million and South Korean Won 22.0 billion (equivalent to $20.0 million), is payable on maturity in September 2017 and March 2018, respectively. The interest on the loan is payable on a monthly basis. The United States dollar and South Korean Won denominated loan bears interest at the rate of 2% and 3% per annum, respectively. As of 28 June 2015, $30.0 million was outstanding under the Hana Bank revolving facility. The principal of the loan is payable on maturity in September 2017. The interest on the loan is payable on a monthly basis. The loan bears interest at the rate of 3% per annum.

On 2 October 2013, we obtained a $25.0 million revolving credit facility from Mizuho Bank Ltd. In August 2014, the availability of the revolving credit facility was extended until October 2015 and the facility amount was increased to $40.0 million. The purpose of the facility is for our general corporate funding. As of 28 June 2015, $28.0 million was outstanding under this facility. The principal of and interest on the loan are payable on maturity in August 2015. The loan bears interest at the rate of 1% per annum.

On 26 September 2013, our subsidiary, STATS ChipPAC Korea Ltd. entered into a $120.0 million five-year secured term loan with Hana Bank. The purpose of the loan is to finance capital expenditures. The facility is collateralised by equipment located at our South Korean subsidiary and following completion of construction, of our South Korean subsidiary's new facility in the Incheon Free Economic Zone, this new facility. As of 28 June 2015, $110.0 million was outstanding under this facility. The principal of the loan is payable on maturity in September 2018. The interest on the loan is payable on a monthly basis. The loan bears interest at the rate of 4% per annum.

In February 2013, we commenced a private offer to exchange any and all of our then outstanding $600.0 million of 7.5% Senior Notes due 2015 for U.S. dollar-denominated fixed rate senior notes due 2018. On 15 March 2013, upon the expiry of the exchange offer, an aggregate principal amount of $358.4 million of 7.5% Senior Notes due 2015, representing 59.7% of these notes were validly tendered. The notes that were validly tendered in the exchange offer were cancelled immediately upon exchange for our 2018 Notes. On 20 March 2013, we issued a further $255.0 million of the 2018 Notes for cash proceeds of $247.6 million after deducting debt issuance cost, to primarily fund the redemption of the remaining outstanding $241.6 million of 7.5% Senior Notes due 2015 then outstanding. On 19 April 2013, we redeemed the remaining outstanding $246.1 million of 7.5% Senior Notes due 2015 then outstanding for $255.7 million pursuant to the terms of the indenture governing these notes. We financed the redemption with the proceeds from the issuance of the 2018 Notes and short-term borrowings. The notes were cancelled upon redemption. The redemption premium of $15.7 million and debt issuance costs of $2.4 million were expensed in our 2013 income statement.

The aggregate principal amount of the 2018 Notes issued pursuant to the exchange offer and private placement of these notes for cash amounted to $611.2 million. These notes are our senior unsecured obligations and are listed on the SGX-ST. These notes are guaranteed, on an unsecured senior basis, by all of our existing subsidiaries (except STATS ChipPAC Shanghai Co., Ltd.(the "China Non-Guarantor Subsidiary") and STATS ChipPAC Taiwan Semiconductor Corporation) (collectively "Non-Guarantor Subsidiaries") and our future restricted subsidiaries (except where prohibited by local law). These notes will mature on 20 March 2018, bearing interest at the rate of 4.5% per annum payable semi-annually on 20 March and 20 September of each year, commencing 20 September 2013. Prior to 20 March 2016, we may redeem all or part of these notes at any time by paying a "make-whole" premium plus accrued and unpaid interest. We may redeem all, but not less than all, of these notes at any time in the event of certain changes affecting withholding taxes at 100% of their principal amount plus accrued and unpaid interest. On or after 20 March 2016, we may redeem all or a part of these notes at any time at the redemption prices specified under the terms and conditions of these notes plus accrued and unpaid interest. In addition, prior to 20 March 2016, we may redeem up to 35% of these notes with the net proceeds from certain equity offerings. Upon certain circumstances including a change of control as defined in the indenture governing these notes, we may be required to make, or a third party may make, an offer to repurchase these notes at 101% of the principal amount of these notes plus accrued and unpaid interest within 30 days from such change of control. When the JCET Offer becomes unconditional in all respects (upon STSPL's acceptance of the JCET Offer and delivery of its ordinary shares of the Company to JCET-SC pursuant to its undertaking described above), a change of control under the terms of the indenture governing these notes will have occurred and we would be required to make, or a third party may make, an offer to repurchase these notes at 101% of the principal amount of these notes plus accrued and unpaid interest. The STATS ChipPAC consolidated group (other than STATS ChipPAC Taiwan Semiconductor Corporation), is subject to certain covenant restrictions. The covenant restrictions limit, among other things, our ability to incur additional indebtedness, prepay subordinated debts, make investments, declare or pay dividends, enter into transactions with related parties, sell assets, enter into sale and leaseback transactions, and enter into merger and consolidations. These notes also restrict the STATS ChipPAC consolidated group (other than STATS ChipPAC Taiwan Semiconductor Corporation) from granting liens over their assets unless they secure these notes on an equal and rateable basis. As described above, the DBS Bridge Facility is expected to be secured by the Collateral. Accordingly, concurrently with the grant of such Collateral to secure the DBS Bridge Facility, the Company and the trustee for these notes are expected to enter into a supplemental indenture to the indenture governing these notes, and the Company, certain of its subsidiaries, the trustee for the Notes, DBS Bank Ltd, as facility agent for the DBS Bridge Facility, Citicorp International Limited, as common security agent, and Citibank Korea Inc., as Korea security agent, are expected to enter into an intercreditor deed (the "Intercreditor Deed"), to secure these notes with the same Collateral on an equal and rateable basis in compliance with the restriction on liens covenant. Following the divestment of Bloomeria Limited and the Taiwan Entities pursuant to the capital reduction described above, Bloomeria Limited and the Taiwan Entities will cease to be subsidiaries of the Company and therefore cease to be subject to the covenant restrictions and, in the case of Bloomeria Limited and STATS ChipPAC Taiwan Co., Ltd., also cease to be guarantors.

On 29 August 2012, we obtained a $50.0 million revolving credit facility from DBS Bank Ltd. On 26 September 2013, the availability of the revolving credit facility was extended until February 2015 and the facility amount was increased to $75.0 million. In July 2014, the revolving credit facility was extended until February 2016. The purpose of the facility is for our general corporate funding. As of 28 June 2015, $75.0 million was outstanding under this facility. The principal of and interest on the loan are payable on maturity in August 2015. The loan bears interest at the rate of 1% per annum.

On 31 July 2012, we obtained a $50.0 million revolving credit facility from Oversea-Chinese Banking Corporation Limited. On 27 September 2013, the availability of the revolving credit facility was extended until October 2015 and the facility amount was increased to $75.0 million. The purpose of the facility is for our general corporate funding. As of 28 June 2015, $44.5 million was outstanding under this facility. The principal of and interest on the loan are payable on maturity in August 2015. The loan bears interest at the rate of 2% per annum.

On 12 January 2011, we issued $200.0 million of the 2016 Notes for proceeds of $198.0 million after deducting debt issuance cost. These notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured senior basis, by all of our existing subsidiaries, except the Non-Guarantor Subsidiaries and our future restricted subsidiaries except where prohibited by local law. These notes are our senior unsecured obligations and are listed on the SGX-ST. On 18 January 2011, we repaid the $234.5 million then outstanding principal under our $360.0 million senior credit facility with the net proceeds from these notes and cash on hand. These notes will mature on 31 March 2016, bearing interest at the rate of 5.375% per annum payable semi-annually on 31 March and 30 September of each year, commencing 31 March 2011. We may redeem all, but not less than all, of these notes at any time in the event of certain changes affecting withholding taxes at 100% of their principal amount plus accrued and unpaid interest. On or after 31 March 2014, we may redeem all or a part of these notes at any time at the redemption prices specified under the terms and conditions of these notes plus accrued and unpaid interest. Upon certain circumstances including a change of control as defined in the indenture governing these notes, we may be required to make, or a third party may make, an offer to repurchase these notes at 101% of the principal amount of these notes plus accrued and unpaid interest within 30 days from such change of control. When the JCET Offer becomes unconditional in all respects (upon STSPL's acceptance of the JCET Offer, and delivery of its ordinary shares of the Company to JCET-SC pursuant to its undertaking described above), a change of control under the terms of the indenture governing these notes will have occurred and we would be required to make, or a third party may make, an offer to repurchase these notes at 101% of the principal amount of these notes plus accrued and unpaid interest. The STATS ChipPAC consolidated group (other than STATS ChipPAC Taiwan Semiconductor Corporation) is subject to certain covenant restrictions. The covenant restrictions limit, among other things, our ability to incur additional indebtedness, prepay subordinated debts, make investments, declare or pay dividends, enter into transactions with related parties, sell assets, enter into sale and leaseback transactions, and enter into merger and consolidations. These notes also restrict the STATS ChipPAC consolidated group (other than STATS ChipPAC Taiwan Semiconductor Corporation) from granting liens over their assets unless they secure these notes on an equal and rateable basis. As described above, the DBS Bridge Facility is expected to be secured by the Collateral. Accordingly, concurrently with the grant of the Collateral to secure the DBS Bridge Facility, the Company and the trustee for these notes are expected to enter into a supplemental indenture, and the Company, certain of its subsidiaries, the trustee for the Notes, and other parties described above are expected to enter into the Intercreditor Deed, to secure these notes with the same Collateral on an equal and rateable basis in compliance with the restriction on liens covenant. Following the divestment of Bloomeria Limited and the Taiwan Entities pursuant to the capital reduction described above, Bloomeria Limited and the Taiwan Entities will cease to be subsidiaries of the Company and therefore cease to be subject to the covenant restrictions and, in the case of Bloomeria Limited and STATS ChipPAC Taiwan Co., Ltd., also cease to be guarantors.

In addition to the above, as of 28 June 2015, $160.0 million, $2.7 million, and $10.5 million of unsecured revolving credit facilities were available to the Company and its subsidiaries in South Korea and Taiwan, respectively. The purpose of these facilities is for general corporate funding. As of 28 June 2015, $60.0 million was outstanding under the $160.0 million facility available to the Company. The principal of and interest on the loans are payable on maturity in August 2015. The loans bear interest at the rate of 1% per annum.

We believe that our cash on hand, existing credit facilities, the DBS Bridge Facility, anticipated cash flows from operations, working capital improvements and compensation from the PRC authorities in connection with the relocation of our China facility will be sufficient to meet our currently anticipated capital expenditure requirements, investment requirements, as well as debt service repayment and liability obligations for the next 12 months. We regularly evaluate our current and future financing needs and may take advantage of favourable capital or credit market conditions to raise additional financing. We may also from time to time seek to refinance or otherwise restructure our outstanding debt, or retire or purchase our outstanding debt through cash purchases and/or exchanges for securities, in the open market purchases, privately negotiated transactions or otherwise for strategic reasons, or to further strengthen our financial position. From time to time, we may make acquisitions of, or investments in, other companies and businesses that we believe could expand our business, augment our market coverage, enhance our technical capabilities or otherwise offer growth opportunities. Such additional financing, refinancing, repurchases, exchanges, acquisitions or investments, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

There can be no assurance that our business activity would be maintained at the expected level to generate the anticipated cash flows from operations or that our credit facilities would be available or sufficient. If the market conditions deteriorate, there can be no assurance that demand for our services will not be adversely affected, resulting in our cash flows from operations being lower than anticipated. If our cash flows from operations is lower than anticipated, including as a result of a downturn in the market conditions generally or the semiconductor industry, or shortages in supply of key components and disruption in supply chain, or otherwise, or our capital requirements exceed our expectations as a result of higher than anticipated growth in the semiconductor industry, acquisition or investment opportunities, or the expansion of our business or otherwise, we may have to seek additional financing. In such events, there can be no assurance that additional financing will be available or, if available, that such financings can be obtained on terms favourable to us or that any additional financing will not be dilutive to our shareholders or detrimental to our creditors.

Guarantor Subsidiaries and Non-Guarantor Subsidiaries

In January 2011 and March 2013, the Company issued $200.0 million of the 2016 Notes and $611.2 million of the 2018 Notes, respectively, which are fully and unconditionally guaranteed, jointly and severally, on a senior basis, by its subsidiaries, with the exception of the Non-Guarantor Subsidiaries. Of the Non-Guarantor Subsidiaries, the China Non-Guarantor Subsidiary is a Restricted Subsidiary as defined under these Notes. STATS ChipPAC Taiwan Semiconductor Corporation, which is not a wholly-owned subsidiary, is not a Restricted Subsidiary.

For the three and six months ended 28 June 2015, the Non-Guarantor Subsidiaries, after eliminations of transactions and balances within these entities (but before taking into account any transactions and balances between the Non-Guarantor Subsidiaries, the guarantor subsidiaries and STATS ChipPAC Ltd.), generated $102.8 million and $203.6 million of net revenues (representing 29.6% and 28.4% of our consolidated net revenues) and $2.6 million and $0.3 million of operating income (representing 155.0% and 3.7% of our consolidated operating income of $1.7 million and $9.4 million), respectively. As of 28 June 2015 and 28 December 2014, the Non-Guarantor Subsidiaries held $572.5 million and $632.2 million of assets (representing 23.2% and 24.2% of our consolidated total assets), respectively.

For the three and six months ended 28 June 2015, STATS ChipPAC Korea Ltd. generated $127.1 million and $263.3 million of net revenues (representing 36.6% and 36.7% of our consolidated net revenues) and $9.5 million and $19.9 million of operating income (representing 563.3% and 212.1% of our consolidated operating income of $1.7 million and $9.4 million), respectively. As of 28 June 2015 and 28 December 2014, STATS ChipPAC Korea Ltd. held $972.4 million and $900.5 million of assets (representing 39.5% and 34.4% of our consolidated total assets), respectively.

For the three and six months ended 28 June 2015, the China Non-Guarantor Subsidiary generated $92.0 million and $181.5 million of net revenues (representing 26.5% and 25.3% of our consolidated net revenues) and $0.1 million and $(5.7) million of operating income (loss) (representing 4.2% and (60.3)% of our consolidated operating income of $1.7 million and $9.4 million), respectively. As of 28 June 2015 and 28 December 2014, the China Non-Guarantor Subsidiary held $458.7 million and $514.5 million of assets (representing 18.6% and 19.7% of our consolidated total assets), respectively.

As of 28 June 2015 and 28 December 2014, STATS ChipPAC Korea Ltd. had indebtedness outstanding of $179.8 million and $127.0 million and approximately $99.9 million and $152.4 million of trade payables and other liabilities outstanding, respectively.

As of 28 June 2015 and 28 December 2014, the China Non-Guarantor Subsidiary had no indebtedness outstanding and $139.9 million and $189.4 million of trade payables and other liabilities outstanding, respectively, and STATS ChipPAC Taiwan Semiconductor Corporation had no indebtedness outstanding and $4.8 million and $7.2 million of trade payables and other liabilities outstanding, respectively.

Off-Balance Sheet Arrangements

We have no significant investment in any unconsolidated entities. Our off-balance sheet commitments are limited to operating leases, royalty/license agreements and purchase obligations. Our total off-balance sheet obligations were approximately $309.7 million as of 28 June 2015.

Contractual Obligations

Our total commitments on our loans, operating leases, other obligations and agreements as of 28 June 2015 were as follows:

	Payments Due (in US$'000)				
	Within 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
On balance sheet commitments:					
4.5% Senior Notes due 2018 (1)	—	611,152	—	—	611,152
5.375% Senior Notes due 2016 (1)	200,000	—	—	—	200,000
Short-term bank borrowings (1)	207,500	—	—	—	207,500
Long-term bank borrowings (1)	—	69,855	109,955	—	179,810
Other non-current liabilities (2)	—	—	—	—	—
Total on balance sheet commitments	407,500	681,007	109,955	—	1,198,462
Off balance sheet commitments:					
Operating leases (3)	30,701	28,970	11,516	85,916	157,103
Royalty/ licensing agreements	4,266	8,429	8,256	—	20,951
Purchase obligations:					
- Capital commitments (3)	53,603	—	—	—	53,603
- Inventory purchase commitments	78,080	—	—	—	78,080
Total off balance sheet commitments	166,650	37,399	19,772	85,916	309,737
Total commitments	574,150	718,406	129,727	85,916	1,508,199

Notes:

(1) The Notes and our short-term and long-term bank borrowings agreements contain provisions for the payment of interest either on a monthly, quarterly, semi-annual or annual basis at a stated rate of interest over the term of the debt. These payment obligations are not reflected in the table above. The interest payments due within one year, 1-3 years and 3-5 years amount to $44.4 million, $66.1 million and $1.0 million, respectively. When the JCET Offer becomes unconditional in all respects (upon STSPL's acceptance of the JCET Offer and delivery of its ordinary shares of the Company to JCET-SC pursuant to its undertaking described above), a change of control under the terms of the indentures governing the Notes will have occurred and we would be required to make, or a third party may make, an offer to repurchase the Notes at 101% of the principal amount of the Notes plus accrued and unpaid interest. Further, a significant portion of the debt outstanding under our bank facilities will become due and payable upon a change of control.

(2) Our other non-current liabilities as of 28 June 2015 were $17.8 million, including $1.4 million related to severance benefits for our employees in South Korea which were not included in the table due to lack of contractual certainty as to the timing of payments.

(3) On 19 November 2012, we announced our expansion plans in South Korea for the investment of a new integrated facility in the Incheon Free Economic Zone. The construction of the new facility began in the third quarter of 2013 and the new facility became operational in the first quarter of 2015. Included in operating leases as of 28 June 2015 were minimum lease payments for the land and outsourced facility infrastructures within one year, 1-3 years, 3-5 years and more than 5 years of $4.7 million, $9.5 million, $9.5 million and $81.9 million, respectively. Included in capital commitments as of 28 June 2015 were purchase obligations within one year of $1.1 million. These figures are based on the prevailing South Korean Won exchange rate at the end of second quarter of 2015.

Contingencies

We are subject to claims and litigations that arise in the normal course of business. These claims may include allegations of infringement of intellectual property rights of others as well as other claims of liability. We accrue liability associated with these claims and litigations when they are probable and reasonably estimable.

In 2014, we were served by ERS Electronic GMBH with a Writ of Summons which was filed in the High Court of the Republic of Singapore alleging infringement on two of its patents relating to debonder machines used in wafer level package assembly process. Although we believe the claim is without merit and we intend to vigorously defend the claim, there can be no assurance that the legal proceedings relating to this claim will be resolved in our favour.

We also, from time to time, receive from customers request for indemnification against pending or threatened infringement claims brought against such customers, such as the Tessera cases described in our financial statement for the year ended 30 December 2012. The resolution of any future allegation or request for indemnification could have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to various taxes in the different jurisdictions in which we operate. These include taxes on income, property, goods and services, and other taxes. We submit tax returns and claims with the appropriate government taxing authorities, which are subject to examination and agreement by those taxing authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine adequacy of provision for taxes.

Cash Flow Information

	Three Months Ended		**Six Months Ended**	
	28 June 2015	**29 June 2014**	**28 June 2015**	**29 June 2014**
	(In US$'000)		**(In US$'000)**	
Net cash provided by operating activities	62,917	89,145	170,891	152,318
Net cash used in investing activities	(47,947)	(124,323)	(119,687)	(284,098)
Net cash provided by (used in) financing activities	(3,668)	45,437	(6,719)	129,544

Cash Flows from Operating Activities

In the three and six months ended 28 June 2015, cash provided by operations was $62.9 million and $170.9 million compared to $89.1 million and $152.3 million in the three and six months ended 29 June 2014, respectively. Cash provided by operations is calculated by adjusting our net income (loss) by non-cash related items such as income tax benefit (expense), depreciation and amortisation, gain or loss from sale of assets, asset impairment, exchange offer expenses, write-off of debt issuance costs, foreign currency exchange loss or gain, interest income, interest expense and by changes in assets and liabilities. In the three and six months ended 28 June 2015, non-cash related items included $(2.6) million and $4.6 million of income tax benefit (expense), respectively, $78.1 million and $156.6 million related to depreciation and amortisation, respectively, $0.3 million and $0.1 million loss from the sale of equipment, respectively, $0.3 million and $0.7 million of foreign currency exchange loss, respectively, $0.4 million and $0.8 million of interest income, respectively, and $14.3 million and $28.6 million of interest expense, respectively.

In the three and six months ended 29 June 2014, non-cash related items included $3.3 million and $6.2 million of income tax expense, respectively, $76.7 million and $153.9 million related to depreciation and amortisation, respectively, nil and $2.3 million related to equipment impairment, respectively, $1.1 million and $1.2 million gain from the sale of equipment, respectively, $(0.3) million and $0.1 million of foreign currency exchange gain (loss), respectively, $0.4 million and $1.0 million of interest income and $12.7 million and $25.1 million of interest expense, respectively.

Working capital sources of cash in the three months ended 28 June 2015 included decreases in accounts receivable, inventories, and other receivables, prepaid expenses and other assets. Working capital uses of cash in the three months ended 28 June 2015 included decreases in accounts payable, accrued operating expenses and other payables and amounts due to related parties.

Working capital sources of cash in the six months ended 28 June 2015 included decreases in accounts receivable, inventories, and other receivables, prepaid expenses and other assets, and increases in amounts due to related parties. Working capital uses of cash in the six months ended 28 June 2015 included decreases in accounts payable, accrued operating expenses and other payables.

Accounts receivables as of 28 June 2015 were lower compared to 28 December 2014 due to the timing of cash collections and cash realisation program. Accounts payable decreased as of 28 June 2015 as compared to 28 December 2014 primarily due to the timing of purchases. Payables related to property, plant and equipment purchases decreased due to lower capital expenditures in the six months ended 28 June 2015. Additionally, accrued operating expenses and other payables decreased mainly due to a reduction in accrued staff cost and lower headcount.

Cash Flows from Investing Activities

In the three and six months ended 28 June 2015, cash used in investing activities was $47.9 million and $119.7 million compared to $124.3 million and $284.1 million in the same periods in 2014, respectively. The primary usage of cash in investing activities was related to the acquisition of property and equipment, net of changes in payables related to property, plant and equipment purchases of $51.4 million and

$135.7 million in the three and six months ended 28 June 2015, compared to $128.1 million and $278.8 million in the same periods in 2014, respectively. In the three and six months ended 28 June 2015, we invested $1.2 million and $2.3 million in the acquisition of software, licenses and other intangible assets compared to $1.3 million and $3.0 million in the same periods in 2014, respectively. In the three and six months ended 28 June 2015, we purchased $26.3 million and $53.8 million of bank deposits compared to $19.9 million and $42.7 million in the same periods in 2014, respectively. In the three and six months ended 28 June 2015, we received proceeds of $29.5 million and $68.5 million from our bank deposits upon their maturity, compared to $23.2 million and $38.5 million in the same periods in 2014, respectively. We received $0.6 million and $1.3 million of interest income in the three and six months ended 28 June 2015, compared to $0.3 million and $0.6 million in the same periods in 2014, respectively.

Cash Flows from Financing Activities

In the three and six months ended 28 June 2015, cash provided by (used in) financing activities was $(3.7) million and $(6.7) million, compared to $45.4 million and $129.5 million in the same periods in 2014, respectively. In the three and six months ended 28 June 2015, $65.1 million and $123.9 million of bank borrowings were incurred and $56.5 million and $151.5 million were repaid, respectively. In the three and six months ended 28 June 2015, we paid $7.8 million and $23.9 million of interest expense, respectively. In the three and six months ended 28 June 2015, we distributed $4.5 million to non-controlling interest in a subsidiary. In the six months ended 28 June 2015, we received $49.3 million of compensation from the PRC authorities in connection with the relocation of our China facility. In the three and six months ended 29 June 2014, $96.1 million and $194.1 million of bank borrowings were incurred, respectively, and $45.0 million was repaid in the three and six months ended 29 June 2014. In the three and six months ended 29 June 2014, we paid $6.1 million and $20.3 million of interest expense, respectively. In the three and six months ended 29 June 2014, we received $0.4 million and $0.7 million of government grants, respectively.

The Singapore Code on Take-overs and Mergers

On 26 June 2015, JCET-SC (Singapore) Pte. Ltd. announced its firm intention to make an offer for all the shares in the Company. The Company is accordingly in an "offer period" for the purposes of the Singapore Code on Take-overs and Mergers ("Code") and any announcement issued by the Company to its shareholders is required to include a responsibility statement from the directors of the Company ("Directors") along the lines set out below.

Directors' Responsibility Statement

The Directors (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement which might cause this Announcement 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 Announcement.