Pre-Conditional Voluntary General Offer

By

Deutsche Bank AG, Singapore Branch

China International Capital Corporation (Singapore) Pte. Limited

for and on behalf of

JCET-SC (Singapore) Pte. Ltd.
(Company Registration No. 201437735C)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares

in the capital of

STATS ChipPAC Ltd.
(Company Registration No. 199407932D)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees

1. INTRODUCTION

1.1 The Pre-Conditional Offer

(a) On 6 November 2014, Jiangsu Changjiang Electronics Technology Co., Ltd. (江苏长电科技股份有限公司) ("**JCET**") announced (the "**Earlier Announcement**") that it had made a non-binding proposal to STATS ChipPAC Ltd. (the "**Company**") to acquire all of the issued and paid-up ordinary shares (on a fully-diluted basis) in the Company for an aggregate purchase price of US$780,000,000.

(b) Deutsche Bank AG, Singapore Branch and China International Capital Corporation (Singapore) Pte. Limited (together, the "**Financial Advisers**") wish to announce, for and on behalf of JCET-SC (Singapore) Pte. Ltd. (the "**Offeror**"), that, subject to the fulfilment or waiver of the Pre-Conditions (as defined in paragraph 2(a)), the Offeror will make a voluntary conditional offer (the "**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the issued and paid-up ordinary shares (excluding issued and paid-up ordinary shares held by the Company as treasury shares but including shares issued and paid-up upon the valid exercise or vesting of Options and Awards (both terms as defined in paragraph 3.4(a)) ("**Shares**") in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees (the "**Offer Shares**").

(c) The Offeror will not be making any proposal to any holders of Options and/or Awards outstanding under the Company's Share Option Plan and/or Performance Share Plan, details of which are set out in paragraph 3.4(a).

(d) **THE OFFER WILL NOT BE MADE UNLESS AND UNTIL THE PRE-CONDITIONS ARE FULFILLED OR WAIVED. ACCORDINGLY, ALL REFERENCES TO THE OFFER IN THIS ANNOUNCEMENT REFER TO THE POSSIBLE OFFER WHICH WILL ONLY BE MADE IF AND WHEN SUCH PRE-CONDITIONS ARE FULFILLED OR WAIVED BY THE OFFEROR.**

(e) **Shareholders of the Company ("Shareholders") should exercise caution and seek appropriate independent advice when dealing in the Shares and other securities of the Company.**

1.2 Aggregate holding

Save as disclosed in this Announcement, the Offeror and the other Relevant Persons (as defined in paragraph 14(a)) do not own or control, directly or indirectly, any Shares.

1.3 Background to the proposed Offer

(a) As at the date of this Announcement (the "**Pre-Conditional Announcement Date**"), the Offeror, JCET and the Company have entered into an offer implementation agreement (the "**OIA**") pursuant to which they have agreed certain steps to be taken to implement the Offer, including steps relating to the Internal Restructuring Exercise, the Taiwan Capital Reduction and the Perpetual Securities Offering (each as defined in paragraph 3.3 below) described in the Company's announcement on the date hereof (the "**Company's Announcement**").

(b) A copy of the Company's Announcement is posted on the SGXNET.

(c) Shareholders should also refer to JCET's announcement on the date hereof available on the website of the Shanghai Stock Exchange.

2. PRE-CONDITIONS TO THE MAKING OF THE OFFER

(a) The making of the proposed Offer and the posting of the formal offer document containing the terms and conditions of the Offer (the "**Offer Document**") will be subject to, and will only take place following, the fulfilment or waiver (as the case may be) of the pre-conditions set out in Schedule 1 to this Announcement (collectively, the "**Pre-Conditions**" and each a "**Pre-Condition**").

(b) If and when all the Pre-Conditions have been fulfilled or waived (as the case may be), the Financial Advisers, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror to make the Offer (the "**Offer Announcement**"). However, if any of the Pre-Conditions are not fulfilled or waived by the Offeror (as the case may be) on or before 5:00p.m. on 30 June 2015 or such later date as the Company and the Offeror may determine in consultation with the Securities Industry Council of Singapore (the "**SIC**") (the "**Long-Stop Date**"), the Offer will not be made and the Financial Advisers will issue an announcement, for and on behalf of the Offeror, confirming that fact.

3. THE OFFER

3.1 Offer terms

(a) Subject to the satisfaction or waiver of the Pre-Conditions by the Long-Stop Date, the Offeror will make the Offer subject to and upon the following principal terms and conditions:

(i) The Offer will be made for the Offer Shares in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Announcement and the

Offer Document to be issued by the Financial Advisers, for and on behalf of the Offeror, in connection with the Offer.

(ii) The Offer, if and when made, will be made in Singapore Dollars at the aggregate maximum purchase price of S$1,025,739,000 (the "**Aggregate Offer Price**") for all Offer Shares. As stated in the Earlier Announcement, the Aggregate Offer Price has been arrived at based on the aggregate purchase price of US$780,000,000 using an exchange rate of US$1 to S$1.31505, being the prevailing exchange rate as at 5:00p.m. on 19 December 2014 (the last practicable date prior to the Pre-Conditional Announcement Date) as extracted from Bloomberg L.P. ("**Exchange Rate**").

(iii) If and when the Offer is made, the offer price (the "**Offer Price**") for each Offer Share will be calculated on the basis of the aggregate of (A) all Shares in issue as at the date of the Offer Announcement ("**Offer Announcement Date**"); and (B) all Shares which would be issued assuming full and valid exercise of all Options outstanding as the Offer Announcement Date (the "**Diluted Share Capital"**).

(iv) By way of illustration only, based on the Diluted Share Capital as at the Pre-Conditional Announcement Date, the offer price (the "**Offer Price**") for each Offer Share would be:

S$0.466 in cash.

(v) Pursuant to the Offer, if and when made, the Offer Shares will be acquired:

(A) fully paid-up;

(B) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and

(C) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any which may be announced, declared, paid or made thereon by the Company) on or after the Pre-Conditional Announcement Date other than pursuant to the Taiwan Capital Reduction or the Perpetual Securities Offering.

(vi) If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the Pre-Conditional Announcement Date (other than the Taiwan Capital Reduction), the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder(s) by an amount equivalent to such dividend, right, other distribution or return of capital.

(b) If the Offer is made, the Offeror does not intend to increase the Offer Price and in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently increase the Offer Price save that **the Offeror reserves the right to revise the terms of the Offer if a competing offer for the Company is announced or if any other competitive situation in relation to the Company arises after the Pre-Conditional Announcement Date, in which case the Offeror shall comply with the provisions of Note 2 to Rule 20.2 of the Code**.

3.2 Conditions of the Offer

(a) The Offer, if and when made, will be conditional upon:

(i) the Offeror having received, by the closing date of the Offer (the "**Closing Date**"), valid acceptances in respect of such number of Shares which, together with the Shares owned, controlled or agreed to be acquired by the Offeror (and persons acting

in concert with it) before or during the Offer, will result in the Offeror (and persons acting in concert with it) holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued share capital of the Company, and for this purpose the "**maximum potential issued share capital of the Company**" means the enlarged share capital of the Company taking into account all Shares which would be in issue if all the outstanding Options and/or Awards which may be exercised or vested prior to the close of the Offer (if any) have been validly exercised or vested as of the date of the Offer being declared unconditional as to acceptances, excluding any Shares held in treasury ("**Minimum Acceptance Condition**");

(ii) the Company making its Perpetual Securities Offering on the date of the Offer Announcement ("**Perpetual Securities Offering Condition**"); and

(iii) the completion of the Internal Restructuring Exercise and the Taiwan Capital Reduction ("**Capital Reduction Condition**"). The Capital Reduction Condition shall be regarded as having been fulfilled upon the filing of the court order approving the Taiwan Capital Reduction with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and the transfer on the same day of the legal title to the shares in NewCo (as defined in paragraph 3.3) to all Shareholders who have elected to receive shares in NewCo.

(b) As described in paragraph 7, Singapore Technologies Semiconductors Pte Ltd ("**STSPL**") owns 1,845,715,689 Shares in the Company representing approximately 83.8%[1] of the Shares as at the Pre-Conditional Announcement Date.

(c) Based on the total Shares as at the Pre-Conditional Announcement Date, upon receipt of valid acceptances from STSPL pursuant to the STSPL Undertakings granted by STSPL (as described in paragraph 7) and together with the satisfaction of the Perpetual Securities Offering Condition and the Capital Reduction Condition, the conditions to the Offer (if made) will be met and the Offer will be declared unconditional in all respects.

(d) Payment of the Offer Price will be made in accordance with the requirements of the Code and the Offeror has undertaken that it shall issue settlement instructions on the date on which the Offer (if and when made) turns unconditional in all respects, to effect payment to all Shareholders who have accepted the Offer on or before the day prior to such date.

(e) Further information on the Offer, if and when made, and the terms and conditions upon which the Offer will be made, shall be set out in the Offer Document to be issued.

3.3 Taiwan Capital Reduction and Perpetual Securities Offering by the Company

(a) As set out in the Company's Announcement, the Company intends to:

(i) undertake an internal reorganisation ("**Internal Restructuring Exercise**") pursuant to which (A) the Company will transfer all its shares in its Taiwan subsidiaries, STATS ChipPAC Taiwan Semiconductor Corporation ("**SCT1**") and STATS ChipPAC Taiwan Co., Ltd. ("**SCT3**"), to a new wholly-owned Singapore subsidiary ("**NewCo**"); and (B) the intercompany loan extended by the Company to SCT3 which is currently outstanding will be repaid in full;

(ii) subject to certain conditions, distribute US$15,000,000 in cash and all its shares in NewCo to Shareholders by way of a capital reduction ("**Taiwan Capital Reduction**"); and

[1] For the purposes of computing any percentage shareholdings referred to in this Announcement in respect of the Shares, unless otherwise stated, the total number of Shares is 2,202,218,293 based on information provided by the Company.

(iii) offer US$200,000,000 perpetual securities ("**Perpetual Securities**") to Shareholders by way of a non-renounceable rights offering ("**Perpetual Securities Offering**").

Further details of the Internal Restructuring Exercise, the Taiwan Capital Reduction and the Perpetual Securities Offering (collectively referred to in this Announcement as the "**Company Transactions**") are set out in the Company's Announcement.

(b) The Company's rationale for the proposed Taiwan Capital Reduction and the proposed Perpetual Securities Offering are set out in the Company's Announcement.

(c) As set out in the Company's Announcement, if the Taiwan Capital Reduction proceeds as proposed, Shareholders will have a right to elect whether to receive shares in NewCo or a cash consideration representing the full value of such shares, amounting to approximately **US$0.0405 per Share** in aggregate (whether calculated on the basis of the issued Shares as at the date of the Pre-Conditional Announcement Date or on the basis of the Diluted Share Capital).

(d) **THE OFFER, IF AND WHEN MADE, WILL NOT INCLUDE ANY PROPOSAL TO ACQUIRE THE PERPETUAL SECURITIES. THE OFFEROR WILL NOT BE MAKING ANY COMPARABLE OFFER FOR THE PERPETUAL SECURITIES UNDER RULE 18 OF THE CODE.**

3.4 Options and Awards

(a) As at the Pre-Conditional Announcement Date, based on the latest information available to the Offeror:

(i) there are 51,017 outstanding options ("**Options**") granted under the STATS ChipPAC Share Option Plan (the "**Share Option Plan**"); and

(ii) there are 12,365,213 outstanding awards ("**Awards**") granted under the STATS ChipPAC Ltd. Performance Share Plan 2013 (the "**Performance Share Plan**").

(b) Under the rules of the Share Option Plan and the Performance Share Plan respectively, the Options and Awards are not transferable by the holders thereof. In view of this restriction, the Offeror will not make any proposal to acquire the Options or the Awards.

(c) The Offer however, if and when made, will be extended on the same terms and conditions to all new Shares unconditionally issued or to be issued pursuant to the valid exercise, on or prior to the close of the Offer, of any Options outstanding as at the Pre-Conditional Announcement Date. For the purposes of the Offer, the expression "**Offer Shares**" shall include all such new Shares issued or to be issued.

3.5 Notes

(a) As at the Pre-Conditional Announcement Date, the Company has outstanding:

(i) an aggregate principal amount of US$200 million of 5.375% senior notes due 2016 (the "**2016 Notes**"); and

(ii) an aggregate principal amount of US$611.2 million of 4.5% senior notes due 2018 (the "**2018 Notes**", and together with the 2016 Notes, the "**Notes**").

(b) The 2016 Notes and the 2018 Notes have been issued by the Company pursuant to indentures with the Bank of New York Mellon (acting as trustee for the Notes) dated 12 January 2011 and 20 March 2013 respectively.

(c) If and when the Offer is made and becomes or is declared unconditional, pursuant to the terms of the Notes, the Offeror intends to make a change of control offer to holders of the Notes.

4. INFORMATION ON THE OFFEROR

4.1 The Offeror and the Consortium

(a) The Offeror was incorporated on 19 December 2014 in the Republic of Singapore and is a wholly-owned subsidiary of Suzhou Changjiang Electric Xinpeng Investment Co., Ltd (苏州长电新朋投资有限公司) ("**SCXI**"). SCXI is a subsidiary of Suzhou Changjiang Electric Xinke Investment Co., Ltd. (苏州长电新科投资有限公司) ("**Holdco**"). The Offeror is a special purpose vehicle established for the purpose of acquiring the Offer Shares pursuant to the Offer.

(b) The directors of the Offeror are Mr Wang Xinchao, Mr Chew Hwee Seng Jimmy, Mr Woo Kwek Kiong, Mr Steve Xin Liang, Mr Cui Dong, Mr Fan Xiao Ning and Mr Ren Kai.

(c) JCET, the National Integrated Circuit Industry Investment Fund Co., Ltd. (国家集成电路产业投资基金股份有限公司) (the "**IC Fund**") and SilTech Semiconductor (Shanghai) Corporation Limited (芯电半导体（上海）有限公司) ("**SSSC**") (being an indirect wholly-owned subsidiary of Semiconductor Manufacturing International Corporation (中芯国际集成电路制造有限公司) ("**SMIC**")) have, pursuant to a joint investment agreement and other related agreements dated 22 December 2014, formed a consortium (the "**Consortium**") to undertake the Offer.

(d) As at the Pre-Conditional Announcement Date, each of SCXI and Holdco has a registered capital of RMB10,000,000. Pursuant to the Consortium arrangements, JCET, the IC Fund and SSSC intend to capitalise Holdco through a combination of equity and shareholder's loans.

(e) If and when the Offer is made, prior to the Offer Announcement Date, it is contemplated that:

(i) the equity interest of SCXI will be held as follows:

(A) 98.08% held by Holdco; and

(B) 1.92% held by the IC Fund;

(ii) the equity interest of Holdco will be held as follows:

(A) 50.98% held by JCET;

(B) 29.41% held by the IC Fund; and

(C) 19.61% held by SSSC.

4.2 JCET

JCET is the largest electronics packaging service provider in the People's Republic of China ("**PRC**") and has been listed on the Shanghai Stock Exchange since 2003. JCET has 5 manufacturing facilities in Jiangsu and Anhui provinces in the PRC. For fiscal year 2013, JCET reported net revenues of over US$830 million[2].

[2] Using an exchange rate of US$1 to RMB6.1205, being the exchange rate as at 19 December 2014 as published on the website of the People's Bank of China.

4.3 SMIC and SSSC

(a) Founded in 2000, SMIC is primarily engaged in the contract manufacturing of integrated circuits. It also provides other semiconductor services, which include mask, intellectual property development, backend design and turnkey services, in-house and through a network of partners. It operates principally in the United States, Europe and the Asia Pacific. SMIC, headquartered in Shanghai, PRC, is listed on the Hong Kong Stock Exchange (stock code: 981 HK) and the New York Stock Exchange (stock code: SMI NYSE).

(b) SSSC was founded in 2009 and is an indirectly wholly-owned subsidiary of SMIC. SSSC is mainly engaged in semiconductor (silicon and various compound semiconductor) integrated circuit chip manufacturing, probing and testing, integrated circuit related development, design services, mask manufacturing, testing and packaging and sale of products (operating with permits, when necessary).

4.4 The IC Fund

Incorporated on 24 September 2014, the IC Fund invests mainly in the value chain of the integrated circuit industry via various approaches, primarily in integrated circuit chip manufacturing as well as chip designing, packaging test and equipment & materials. Sino IC Capital has been mandated by the IC Fund to be responsible for investment selection, execution and exit decisions. Investors in the IC Fund include CDB Capital Co., Ltd., China National Tobacco Corporation, Beijing Yizhuang International Investment and Development Co., Ltd., China Mobile Communications Corporation, Shanghai Guosheng (Group) Co., Ltd., China Electronics Technology Group Corporation, Beijing Purple Communications Technology Group Ltd. and Sino IC Capital.

4.5 Consortium arrangements

(a) Certain arrangements relating to the Consortium are briefly set out as follows:

(i) there are restrictions on each of JCET, the IC Fund and SSSC from transferring their equity interest in Holdco or SCXI within 24 months of the Offeror becoming a shareholder of the Company (the "**Lock-up Period**");

(ii) subject to non-selling parties' (including JCET's) pre-emptive rights, each of the IC Fund and SSSC may sell their equity interest in Holdco to any third party after the Lock-up Period;

(iii) if the IC Fund or SSSC sells its equity interest in Holdco to a third party after the Lock-up Period, the non-selling parties will have tag-along rights to offer to sell their equity interest in Holdco to the third party on the same terms; and

(iv) each of the IC Fund and SSSC has a put option pursuant to which they may sell to JCET their equity interests in Holdco under certain circumstances.

(b) Further information may be found in JCET's announcement dated 22 December 2014 on the website of the Shanghai Stock Exchange.

5. DESCRIPTION OF THE COMPANY

(a) Based on publicly available information, the Company is a leading provider of advanced semiconductor packaging and test services which is listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Company's full turnkey semiconductor solutions include package design, bump, probe, assembly, test and distribution services. The Company serves a diversified global customer base in the communication, consumer and computing markets.

(b) With corporate headquarters in Singapore, the Company's global manufacturing facilities are located in South Korea, Singapore, China, and Malaysia. The Company also markets its services through its direct sales force in the United States, South Korea, Japan, China, Singapore, Malaysia and Switzerland. The Company currently maintains manufacturing facilities and a sales force in Taiwan. As set out in the Company's Announcement, the Taiwan subsidiaries of the Company may be divested in connection with the Offer (if and when made). For fiscal year 2013, the Company reported net revenues of US$1.6 billion.

6. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

(a) The acquisition of the Company will allow the Offeror and JCET to acquire new advanced packaging technologies, increase their testing capabilities and gain access to a global customer base. In addition, with an expanded global manufacturing footprint and increased production capacity, the Offeror and JCET expect to achieve better economies of scale. The combined group is expected to continue to advance the outsourced semiconductor assembly and test industry in China and compete effectively on a global scale.

(b) In the event of a successful Offer, the Offeror will undertake a strategic and operational review of the organisation, business and operations of the Company with a view to realising synergies and growth potential. It is the intention of the Offeror to ensure continuity of the Company's operations and to lead the Company to further growth and development.

(c) Subject to normal business conditions, the Offeror does not intend to make major changes to the business of the Company or its management team.

7. STSPL UNDERTAKINGS

(a) As at the Pre-Conditional Announcement Date, the Offeror has received certain undertakings (the "**STSPL Undertakings**") from STSPL. STSPL is a wholly-owned subsidiary of Temasek Holdings (Private) Limited. As at the Pre-Conditional Announcement Date, STSPL owns 1,845,715,689 Shares representing approximately 83.8% of the Shares. Under the terms of the STSPL Undertakings, STSPL has, subject to certain conditions, undertaken, *inter alia*:

(i) to accept the Offer in respect of all and not some of the Relevant Shares (as defined in paragraph 7(d)(ii)) by not later than 5:00p.m. on the 6th day prior to the date of the lodgement with ACRA of the court order in connection with the Taiwan Capital Reduction undertaken in connection with the completion of the Internal Restructuring Exercise and the transfer of the legal title to the shares in NewCo to all Shareholders who have elected to receive shares in NewCo or, in relation to the Relevant Shares falling within paragraphs 7(d)(ii)(B) and 7(d)(ii)(C), as soon as practicable after STSPL becomes the legal and/or beneficial owner of, or STSPL becomes interested in, such ordinary shares, by returning to the Offeror, or as it may direct, duly completed and signed form(s) of acceptance relating to the Offer;

(ii) notwithstanding the provisions of the Code or any terms of the Offer regarding withdrawal, not to withdraw such acceptance(s) in respect of any Relevant Shares;

(iii) not to accept (or permit the acceptance of) any Competing Proposal (as defined in paragraph 7(d)(i)) or other offer for the Shares in respect of all or any of the Relevant Shares or approve, endorse, recommend, vote or agree to vote for (and shall vote against or reject) any Competing Proposal, **whether or not such Competing Proposal or other offer is at a higher price than the Offer Price for the Relevant Shares and/or on more favourable terms than under the Offer**; and

(iv) except pursuant to the Offer, not to dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal with any of the Relevant Shares or any interest in them (whether conditionally or unconditionally).

(b) Under the terms of the STSPL Undertakings, STSPL has, subject to certain conditions (which include in respect of (ii) and (iv) below, compliance by the Offeror with certain undertakings given to STSPL to procure the provision of committed facilities to refinance the Company's indebtedness that will become due and payable as a result of the change of control of the Company arising from the Offer), further undertaken to:

(i) vote the Relevant Shares in favour of the resolution(s) to approve the Internal Restructuring Exercise and the Taiwan Capital Reduction at the Company's extraordinary general meeting to be convened ("**EGM**");

(ii) elect to receive the shares in NewCo in respect of all of its Relevant Shares;

(iii) vote in favour of the amendment to the articles of association of the Company to reflect certain terms of the Perpetual Securities at the EGM;

(iv) (subject to an aggregate cap of US$200,000,000) subscribe and pay in full for (i) its pro-rata entitlement for Perpetual Securities under the Perpetual Securities Offering in relation to the Relevant Shares; and (ii) any and all excess rights to the Perpetual Securities which are not taken up by Shareholders pursuant to the Perpetual Securities Offering.

(c) The undertakings, agreements, warranties, appointments, consents and waivers set out in the STSPL Undertakings (the "**Obligations**") shall lapse upon the earliest of the following:

(i) the date of the non-fulfilment of certain conditions set out in the STSPL Undertakings;

(ii) the Offer Announcement is not released by the Long-Stop Date;

(iii) the Offer is not made (by the posting of the Offer Document) by the date falling 21 days after the Long-Stop Date; or

(iv) the Offer lapses or is withdrawn without having become wholly unconditional,

other than as a result of a breach by STSPL of any of its Obligations.

(d) For the purposes of the STSPL Undertakings:

(i) a "**Competing Proposal**" means an offer or proposal by any person other than the Offeror and its affiliates to:

(A) acquire control of the Company (whether through a general offer or otherwise);

(B) acquire or become the holder of, or otherwise have an economic interest in all or any substantial part of the assets, businesses, revenues and undertakings of the Company and/or its subsidiaries; or

(C) otherwise acquire or merge with the Company (whether by way of joint venture, dual listed company structure, scheme of arrangement or otherwise);

(ii) "**Relevant Shares**" refers to:

(A) the Shares held by STSPL referred to in paragraph 7(a);

(B) any other ordinary shares in the Company of which STSPL may after the date of the STSPL Undertakings become the legal and/or beneficial owner or in which STSPL may become so interested; and

(C) any other ordinary shares in the Company deriving from shares falling within either of paragraphs 7(d)(ii)(A) or 7(d)(ii)(B).

8. SIC RULINGS

The SIC has on 26 December 2014 confirmed that:

(i) it has no objections to the Pre-Conditions and that the Pre-Conditions should not be invoked to cause the pre-conditional Offer to lapse unless (A) the Offeror has demonstrated reasonable efforts to fulfil the Pre-Conditions within the time period specified; and (B) the circumstances that give rise to the right to invoke the Pre-Conditions are material in the context of the proposed Offer;

(ii) it has no objection to the Capital Reduction Condition;

(iii) it has no objection to the Perpetual Securities Offering Condition;

(iv) it has no objection to the Perpetual Securities Offering being made concurrently with the Offer and that Rule 18 of the Code is not applicable to the Perpetual Securities, **subject to a specific and prominent statement to the effect that a comparable offer for the Perpetual Securities under Rule 18 of the Code will not be made by the Offeror being included in any announcement or document issued by, or on behalf of, the Offeror or the Company which makes reference to the Perpetual Securities Offering or the Perpetual Securities**; and

(v) the Internal Restructuring Exercise, the Taiwan Capital Reduction and the undertakings given by STSPL under paragraph 7(b)(i) and (ii) (whether considered separately or in totality) will not be considered special deals for the purpose of Rule 10 of the Code.

9. REVERSE BREAK FEES

As at the Pre-Conditional Announcement Date, JCET, Jiangsu Xinchao Technology Group Co., Ltd. (江苏新潮科技集团有限公司) ("**JXTG**") (being JCET's largest shareholder) and the Company have entered into a reverse break fees agreement (the "**RVBFA**") pursuant to which:

(i) subject to JCET obtaining its shareholders' approval for the Offer, JCET will pay the Company US$23,400,000 if:

(A) any of the regulatory approvals required to make the Offer under applicable laws and regulations in the PRC as at the date of the RVBFA (including the approvals of National Development and Reform Commission of the PRC ("**NDRC**") and State Administration of Foreign Exchange of the PRC ("**SAFE**") and the approval of Ministry of Commerce of the PRC ("**MOFCOM**") in relation to any matter not involving anti-trust, but excluding the approval of MOFCOM in relation to anti-trust matters ("**MOFCOM Anti-trust Approval**") is not obtained by or does not remain in full force and effect on the Long-Stop Date; or

(B) the Offeror fails to make, apply or file any of the mandatory or appropriate anti-trust authorisations identified by the Offeror as necessary or appropriate for or in connection with the Offer (other than the MOFCOM Anti-trust Approval and the notification or filing under the United States Hart-Scott-Rodino Antitrust Improvement Act 1976 (as amended) and the regulations promulgated thereunder required to be made by the Company);

(ii) subject to JCET obtaining its shareholders' approval for the Offer, JCET will pay the Company US$7,000,000 if any of the new regulatory approvals required to make the

Offer which is introduced or arising from the change in any applicable written law or regulation of the PRC is not obtained by or does not remain in full force and effect on the Long-Stop Date; and

(iii) JXTG will pay the Company US$7,000,000 if the approval of the shareholders of JCET for the Offer is not obtained by, or the MOFCOM Anti-trust Approval is not obtained by or does not remain in full force and effect on, the Long-Stop Date.

The Company shall not be entitled to claim more than one of the above payments.

10. FINANCIAL EVALUATION OF THE POSSIBLE OFFER

(a) The Offer Price represents the following premium[3] over the historical traded prices of the Shares:

Description	Benchmark Price (S$)[(1)(2)]	Premium over Benchmark Price (%)[(3)]
Last traded price of the Shares on the SGX-ST on 29 December 2014 (being the last full day of trading of the Shares prior to the Pre-Conditional Announcement Date)	0.460	1.3
Last undisturbed traded price of the Shares on the SGX-ST on 14 May 2014, being the date prior to the first SGX-ST query in 2014 regarding trading activity in the Shares (the "**SGX-ST Query Date**")	0.335	39.0
Volume weighted average price of the Shares traded on the SGX-ST ("**VWAP**") for the 1-month period prior to and including 14 May 2014	0.374	24.5
VWAP for the 3-month period prior to and including 14 May 2014	0.365	27.6
VWAP for the 6-month period prior to and including 14 May 2014	0.353	32.1
VWAP for the 12-month period prior to and including 14 May 2014	0.358	30.2

Notes:

(1) Based on data extracted from Bloomberg L.P.
(2) Figures rounded to the nearest 3 decimal places.
(3) Figures rounded to the nearest 1 decimal place.

(b) The total of the Offer Price and the distribution under the Taiwan Capital Reduction[4], if effected, represents the following premium[5] over the historical traded prices of the Shares:

[3] Calculated using the Exchange Rate and Diluted Share Capital.
[4] Based on the information provided in the Company's Announcement.
[5] Calculated using the Exchange Rate and Diluted Share Capital.

Description	Benchmark Price (S$)[(1)(2)]	Premium over Benchmark Price (%)[(3)]
Last traded price of the Shares on the SGX-ST on 29 December 2014 (being the last full day of trading of the Shares prior to the Pre-Conditional Announcement Date)	0.460	12.8
Last undisturbed traded price of the Shares on the SGX-ST on 14 May 2014, being the date prior to the SGX-ST Query Date	0.335	54.9
VWAP for the 1-month period prior to and including 14 May 2014	0.374	38.7
VWAP for the 3-month period prior to and including 14 May 2014	0.365	42.2
VWAP for the 6-month period prior to and including 14 May 2014	0.353	47.1
VWAP for the 12-month period prior to and including 14 May 2014	0.358	45.1

Notes:

(1) Based on data extracted from Bloomberg L.P.
(2) Figures rounded to the nearest 3 decimal places.
(3) Figures rounded to the nearest 1 decimal place.

11. LISTING STATUS AND COMPULSORY ACQUISITION

11.1 Listing status

(a) Pursuant to Rule 1105 of the listing manual (the "**Listing Manual**") of the SGX-ST, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of Shares (excluding any Shares held by the Company as treasury shares), the SGX-ST may suspend the listing of the Shares until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held by the Company as treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held by the Company as treasury shares), thus causing the percentage of the total number of Shares (excluding any Shares held by the Company as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the Closing Date.

(b) Under Rule 724 of the Listing Manual, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 725 of the Listing Manual states that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

11.2 Compulsory acquisition

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") in the event that the Offeror acquires not less than 90% of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer.

11.3 Offeror's intentions

(a) The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for the lifting of any trading suspension of the Shares by the SGX-ST in the event that, *inter alia*, less than 10% of the total number of Shares (excluding any Shares held by the Company as treasury shares) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

(b) The Offeror believes that the privatisation and delisting of the Company would allow it to save on the additional expenses relating to the maintenance of its listing status and focus its resources on its business operations. If the Company is delisted, the Company will be able to dispense with costs associated with complying with listing and other regulatory requirements as well as human resources that have to be committed for such compliance.

12. FINANCIAL ADVISERS AND CONFIRMATION OF FINANCIAL RESOURCES

(a) The Offeror has appointed the Financial Advisers as its joint financial advisers in respect of the Offer.

(b) Deutsche Bank AG, Singapore Branch, as financial adviser to the Offeror in connection with the Offer, confirms that subject to fulfilment of the Pre-Conditions, sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer, if and when made, by the holders of the Offer Shares.

13. OFFER DOCUMENT

If and when the Offer is made, in compliance with applicable laws and regulations, the Offer Document containing the terms and conditions of the Offer, and enclosing the appropriate form(s) of acceptance of the Offer, will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Offer Announcement, if made.

14. DISCLOSURES

(a) To the Offeror's knowledge, none of the following persons (each of such persons or entities, a "**Relevant Person**" and collectively, the "**Relevant Persons**"), as at the Pre-Conditional Announcement Date, own, control or have agreed to acquire any Shares:

(i) the Offeror and its directors;

(ii) SCXI and its directors;

(iii) Holdco and its directors;

(iv) JCET and its directors;

(v) SSSC, SMIC and their directors;

(vi) the IC Fund and its directors;

(vii) the Financial Advisers; and

(viii) any other person presumed to be acting in concert with the Offeror.

(b) To the Offeror's knowledge, neither the Offeror nor the other Relevant Persons:

(i) own, control or have agreed to acquire, any:

(A) securities which carry voting rights in the Company; and

(B) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company,

(collectively, the "**Relevant Securities**");

(ii) have received any irrevocable undertaking to accept or reject the Offer, other than the STSPL Undertakings; or

(iii) have entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Offer, other than the STSPL Undertakings;

(iv) have:

(A) granted a security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;

(B) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or

(C) lent any Relevant Securities to another person.

(c) In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company and the Offeror under Rule 12 of the Code.

15. OVERSEAS SHAREHOLDERS

(a) This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer (if and when made) will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer is open to all Shareholders holding Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.**

(b) The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

(c) Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or

sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

(d) The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

(e) The ability of Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

16. DOCUMENTS FOR INSPECTION

Copies of the STSPL Undertakings and the OIA will be made available for inspection during normal business hours at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 from the Pre-Conditional Announcement Date up to the earlier of (a) the date on which the Offeror announces that the Offer will not be made; and (b) the date on which the Offeror announces that the Offer (if made) has closed, been withdrawn or lapsed (as the case may be).

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Offeror and JCET (as the ultimate parent company of the Offeror) (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, and they jointly and severally accept responsibility accordingly.

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

Issued by

Deutsche Bank AG, Singapore Branch	**China International Capital Corporation (Singapore) Pte. Limited**

For and on behalf of

JCET-SC (Singapore) Pte. Ltd.

30 December 2014

Any enquiries relating to this Announcement should be directed to the following during office hours:

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Schedule 1
Pre-Conditions to the making of the Offer

1. The shareholders of JCET having passed all necessary resolutions to approve, implement and effect the Offer and all matters in connection therewith (including the change of use of certain placement proceeds for use to satisfy the Offer) at a general meeting of the shareholders of JCET (or any adjournment thereof).

2. The Shareholders having passed all necessary resolutions to approve, implement and effect the Company Transactions, including pursuant to section 78G(1) of the Companies Act, at a general meeting of the Shareholders (or any adjournment thereof).

3. The High Court of Singapore having approved of the Taiwan Capital Reduction.

4. The consolidated Aggregate Debt of the Company and its subsidiaries shall not, as at the earlier of:

   (a) the date of the Offer Announcement; and

   (b) 30 April 2015,

   be in excess of US$1,280,000,000. In this paragraph 4 of Schedule 1, "**Aggregate Debt**" means, as at any date of determination, the total outstanding principal amount of all interest bearing short-term and long-term borrowings and financial indebtedness of the Company and its subsidiaries on a consolidated basis as at such date, as determined and calculated in accordance with Singapore Financial Reporting Standards and the accounting policies of the Company, consistently applied, including, but not limited to, senior and junior notes, and lines of credit and banking facilities such as loans and overdrafts (and if any such borrowing or financial indebtedness is denominated in any currency other than United States Dollars, such borrowing or financial indebtedness shall be translated into United Stated Dollars based on the exchange rate between United States Dollars and such currency prevailing as at such date), excluding for the avoidance of doubt any borrowing or financial indebtedness incurred or taken by SCT1 and/or SCT3 to repay the intercompany debt owing by SCT3 to the Company as at the date hereof.

5. All approvals, authorisations, clearances, licences, orders, confirmations, consents, exemptions, grants, permissions, recognitions and waivers (the "**Authorisations**") necessary or appropriate for or in connection with the Offer (including the use and remittance of funds by JCET, SCXI, Holdco and the Offeror, for the ultimate purpose of satisfying full acceptance of the Offer) and the Company Transactions from all governmental, quasi-governmental, supranational, statutory, regulatory, administrative, investigative, fiscal or judicial agency, authority, body, court, association, institution, commission, department, exchange, tribunal or any other body or person whatsoever in any jurisdiction (each an "**Authority**") and including, without limitation, the NDRC, SAFE, MOFCOM and the Investment Commission of the Ministry of Economic Affairs of the Republic of China:

   (a) having been obtained;

   (b) if such Authorisations are subject to conditions, the fulfilment of all such conditions; and

   (c) such Authorisations remaining in full force and effect,

   and all necessary statutory or regulatory obligations in connection with the Offer and the Company Transactions and their implementation in any jurisdiction having been complied with.

6. All mandatory or appropriate anti-trust Authorisations ("**Anti-trust Authorisations**") identified by the Offeror as necessary or appropriate for or in connection with the Offer having been

obtained, all applicable waiting periods in relation to the Anti-trust Authorisations (including any extensions thereof) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, and all Anti-trust Authorisations having been obtained in terms satisfactory to the Offeror from all appropriate Authorities, and if such Anti-trust Authorisations are subject to conditions, the fulfilment of all such conditions, and such Anti-trust Authorisations remaining in full force and effect, including:

(a) a filing having been made to and accepted by the Anti-Monopoly Bureau of MOFCOM pursuant to the Anti-Monopoly Law of the PRC (the "**Anti-Monopoly Law**") and MOFCOM having cleared the consummation of the Offer and all actions contemplated thereunder and in connection therewith on terms satisfactory to the Offeror or all applicable waiting periods under the Anti-Monopoly Law having expired;

(b) all necessary notifications and filings under the United States Hart-Scott-Rodino Antitrust Improvement Act of 1976 (as amended) and the regulations promulgated thereunder having been made in connection with the Offer or any aspect of the Offer, and all applicable waiting periods (including any extensions thereof) having expired or been earlier terminated; and

(c) all mandatory consents and approvals in connection with the Offer having been obtained from the Korea Fair Trade Commission pursuant to the Monopoly Regulation and Fair Trade Act, as amended, without imposing any conditions or obligations that are not on terms satisfactory to the Offeror.

7. No Authority shall have taken, instituted, implemented or threatened or decided or proposed to take, institute or implement, including in relation to the Offer and/or the Company Transactions, any action, proceeding, suit, investigation, enquiry or reference, or made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any other steps, and there not continuing to be outstanding any statute, regulation, decision, ruling, statement or order, which would or might make the Offer and/or the Company Transactions, their implementation or outcome void, illegal and/or unenforceable, or otherwise, directly or indirectly, restrict, restrain, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge, hinder or frustrate or be adverse to the same (including requiring any amendment or revision of the Offer).