



STATS ChipPAC Ltd.

Reg No.: 199407932D

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT

Financial Statements for the Three and Nine Months Ended 28 September 2014.

These figures have not been audited.

STATS ChipPAC Ltd. (“STATS ChipPAC” or the “Company” and together with its subsidiaries, the “Group”) is an independent provider of a full range of semiconductor packaging design, bump, probe, assembly, test and distribution solutions. The Group is headquartered in Singapore and has manufacturing facilities in South Korea, Singapore, China, Malaysia and Taiwan (which includes the facilities of STATS ChipPAC’s 52%-owned Taiwan subsidiary, STATS ChipPAC Taiwan Semiconductor Corporation). STATS ChipPAC markets its services through its direct sales force in the United States, South Korea, Japan, China, Singapore, Malaysia, Taiwan and Switzerland.

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

The results of operations for interim periods are not necessarily indicative of the results of operations that may be expected for any other period. 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 third quarter of 2014 ended on 28 September 2014, while our third quarter of 2013, fourth quarter of 2013, first quarter of 2014, second quarter of 2014 ended on 29 September 2013, 29 December 2013, 30 March 2014 and 29 June 2014, respectively.

All amounts are expressed in United States dollars unless otherwise indicated.

Certain of the statements in this report are forward-looking statements, including our outlook for the three months ending 28 December 2014, that are based on management’s current views and assumptions and involve a number of risks and uncertainties which could cause actual results to differ materially. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “intend,” “target,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue” or the negative of these terms or other comparable terminology. Factors that could cause actual results figures to differ include, but are not limited to, general business and economic conditions and the state of the semiconductor industry; prevailing market conditions; demand for end-use applications products such as communications equipment, consumer and multi-applications and personal computers; decisions by customers to discontinue outsourcing of test and packaging services; level of competition; our reliance on a small group of principal customers; our continued success in technological innovations; pricing pressures, including declines in average selling prices; intellectual property rights disputes and litigation; our ability to control operating expenses; our substantial level of indebtedness and access to credit markets; potential impairment charges; availability of financing; changes in our product mix; our capacity utilisation; delays in acquiring or installing new equipment; limitations imposed by our financing arrangements which may limit our ability to maintain and grow our business; returns from research and development investments; changes in customer order patterns; customer credit risks; disruption of our operations; shortages in supply of key components and disruption in supply chain; inability to consolidate our Malaysia operations into our China operations and uncertainty as to whether such plan will achieve the expected objectives and results; loss of key management or other personnel; defects or malfunctions in our testing equipment or packages; rescheduling or cancelling of customer orders; adverse tax and other financial consequences if the taxing authorities do not agree with our interpretation of the applicable tax laws; classification of our Company as a passive foreign investment company; our ability to develop and protect our intellectual property; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; majority ownership by Temasek Holdings (Private) Limited (“Temasek”) that may result in conflicting interests with Temasek and our affiliates; unsuccessful acquisitions and investments in other companies and businesses; labour union problems in South Korea; uncertainties of conducting business in China and changes in laws; currency policy and political instability in other countries in Asia; natural calamities and disasters, including outbreaks of epidemics and communicable diseases; and the continued trading and listing of our ordinary shares on the Singapore Exchange Securities Trading Limited (“SGX-ST”). You should not unduly rely on such statements. We do not intend, and do not assume any obligation, to update any forward-looking statements to reflect subsequent events or circumstances.

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated Income Statement			
	Three Months Ended		Nine Months Ended	
	28 September 2014	29 September 2013	28 September 2014	29 September 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Net revenues	403,772	400,775	1,179,160	1,203,502
Cost of revenues	(355,933)	(343,963)	(1,044,751)	(1,027,345)
Gross profit	47,839	56,812	134,409	176,157
Operating expenses:				
Selling, general and administrative	23,554	24,645	72,804	72,205
Research and development	9,590	10,855	30,273	35,930
Exchange offer and redemption expenses	—	—	—	15,701
Write-off of debt issuance costs	—	—	—	2,392
Operating expenses	33,144	35,500	103,077	126,228
Equipment impairment	1,452	—	3,713	—
Total operating expenses	34,596	35,500	106,790	126,228
Operating income before exceptional items	13,243	21,312	27,619	49,929
Plant closure costs	—	(379)	—	(36,909)
Flood related insurance settlement costs	—	19,582	—	19,582
Flood related plan charges	—	(3,000)	—	(3,000)
Operating income after exceptional items	13,243	37,515	27,619	29,602
Other income (expenses), net:				
Interest income	380	296	1,330	976
Interest expense	(12,881)	(12,747)	(37,932)	(41,541)
Foreign currency exchange gain (loss)	62	244	(495)	(80)
Other non-operating income (expenses), net	77	(20)	238	(25)
Total other expenses, net	(12,362)	(12,227)	(36,859)	(40,620)
Income (loss) before income taxes	881	25,288	(9,240)	(11,018)
Income tax expense	(3,723)	(9,615)	(9,934)	(18,136)
Net income (loss)	(2,842)	15,673	(19,174)	(29,154)
Less: Net income attributable to the non-controlling interest	(2,449)	(2,375)	(6,106)	(6,267)
Net income (loss) attributable to STATS ChipPAC Ltd.	(5,291)	13,298	(25,280)	(35,421)

	Consolidated Statement of Comprehensive Income			
	Three Months Ended		Nine Months Ended	
	28 September 2014	29 September 2013	28 September 2014	29 September 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Net income (loss)	(2,842)	15,673	(19,174)	(29,154)
Other comprehensive income (loss):				
Cash flow hedges	(127)	1,575	(865)	541
Foreign currency translation adjustment	(846)	1,959	(1,255)	(1,858)
Comprehensive income (loss), net of tax	(973)	3,534	(2,120)	(1,317)
Total comprehensive income (loss), net of tax	(3,815)	19,207	(21,294)	(30,471)
Comprehensive income (loss), net of tax attributable to:				
STATS ChipPAC Ltd.	(5,799)	15,960	(26,957)	(35,773)
Non-controlling interest	1,984	3,247	5,663	5,302
	(3,815)	19,207	(21,294)	(30,471)

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Net income of the Group is arrived at after charging (crediting):

	Three Months Ended		Nine Months Ended	
	28 September 2014	29 September 2013	28 September 2014	29 September 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation and amortisation, including amortisation of debt issuance cost	79,687	75,200	237,107	224,130
Allowance for doubtful debts.....	1,049	842	2,674	1,232
Write-off for stock obsolescence	61	396	389	1,026
Adjustment for overprovision of tax in respect of prior years	(400)	—	(411)	—
Write-back for liability on unrecognised tax benefits for uncertain tax positions in respect of prior years	(863)	—	(863)	(90)
Equipment impairment.....	1,452	—	3,713	—
Gain on sale of property, plant and equipment.....	(980)	(335)	(2,185)	(846)
Plant closure costs	—	379	—	36,909
Flood related plan charges	—	3,000	—	3,000
Flood related insurance settlement.....	—	(19,582)	—	(19,582)

Plant closure costs of \$0.4 million in the third quarter of 2013 and \$36.9 million in the first three quarters of 2013 relate to the Group's strategic plan to consolidate its leaded wirebond packaging and related test operations in Kuala Lumpur, Malaysia into its Qingpu, Shanghai, China operations and closure of its Malaysia plant by the end of 2014. The plant closure costs included employee severance and benefit costs of \$18.2 million, non-cash asset impairment charges of \$17.7 million and other associated costs of \$1.0 million.

1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	28 September 2014	29 December 2013	28 September 2014	29 December 2013
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets:				
Cash and cash equivalents.....	115,609	129,136	61,616	61,552
Short-term bank deposits.....	61,987	42,042	—	—
Accounts receivable, net	229,728	238,441	87,970	108,348
Other receivables.....	33,785	15,239	492	499
Inventories	77,888	71,055	17,991	17,642
Prepaid expenses and other current assets	24,189	18,970	7,549	5,971
Short-term amounts due from subsidiaries	—	—	415,007	438,025
Total current assets.....	543,186	514,883	590,625	632,037
Non-current assets:				
Long-term bank deposits.....	425	11,604	—	—
Property, plant and equipment, net	1,668,817	1,431,247	602,120	558,892
Investment in subsidiaries	—	—	656,554	667,526
Intangible assets	34,599	35,117	28,841	27,256
Goodwill	381,487	381,487	—	—
Deferred tax assets	185	186	—	—
Prepaid expenses and other non-current assets.....	3,405	3,146	223	13
Total non-current assets	2,088,918	1,862,787	1,287,738	1,253,687
Total assets	2,632,104	2,377,670	1,878,363	1,885,724
LIABILITIES				
Current liabilities:				
Accounts and other payables.....	185,181	138,004	37,246	26,649
Payables related to property, plant and equipment purchases.....	183,681	141,998	51,069	94,434
Accrued operating expenses.....	105,189	124,640	29,118	42,892
Income taxes payable	14,518	18,207	—	—
Short-term bank borrowings	73,000	37,947	73,000	37,947
Short-term amounts due to related parties	29	100	29	100
Short-term amounts due to subsidiaries.....	—	—	41,018	130,684
Total current liabilities	561,598	460,896	231,480	332,706
Non-current liabilities:				
Long-term borrowings.....	1,064,314	874,281	961,621	849,133
Deferred tax liabilities.....	46,559	47,476	4,627	5,576
Other non-current liabilities	15,663	24,228	—	—
Total non-current liabilities.....	1,126,536	945,985	966,248	854,709
Total liabilities	1,688,134	1,406,881	1,197,728	1,187,415
EQUITY				
Share capital	873,666	873,666	872,766	872,766
Retained earnings	26,198	51,478	(182,112)	(164,425)
Other reserves	(9,389)	(7,712)	(10,019)	(10,032)
Equity attributable to equity holders of STATS ChipPAC Ltd.	890,475	917,432	680,635	698,309
Non-controlling interest	53,495	53,357	—	—
Total equity	943,970	970,789	680,635	698,309
Total liabilities and equity	2,632,104	2,377,670	1,878,363	1,885,724

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	28 September 2014		29 December 2013	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
(a) Repayable within 1 year	—	73,000	—	37,947
(b) Repayable after 1 year	102,694	961,620	25,148	849,133
	<u>102,694</u>	<u>1,034,620</u>	<u>25,148</u>	<u>887,080</u>

As of 28 September 2014, the Group's total debt outstanding consisted of \$1,137.3 million of borrowings, which included \$611.2 million of the Company's 4.5% Senior Notes due 2018, \$200.0 million of the Company's 5.375% Senior Notes due 2016 and other short-term and long-term borrowings.

(c) Details of the collaterals:

As at 28 September 2014, long-term debts of \$102.7 million and tax payment contingencies were secured by certain of the Group's property, plant and equipment with net book value of \$60.8 million.

The Company's 4.5% Senior Notes due 2018 and 5.375% Senior Notes due 2016 are fully and unconditionally guaranteed, jointly and severally, on a senior basis, by certain subsidiaries of the Company.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Three Months Ended		Nine Months Ended	
	28 September	29 September	28 September	29 September
	2014	2013	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000
Cash Flows From Operating Activities				
Net income (loss).....	(2,842)	15,673	(19,174)	(29,154)
Adjustments to reconcile net income to net cash provided by operating activities:				
Income tax expense.....	3,723	9,615	9,934	18,136
Depreciation and amortisation.....	77,828	73,403	231,732	219,762
Gain on sale of property, plant and equipment.....	(980)	(335)	(2,185)	(846)
Asset impairment.....	1,452	3,000	3,713	20,730
Exchange offer and redemption expenses.....	—	—	—	15,701
Write-off of debt issuance costs.....	—	—	—	2,392
Foreign currency exchange (gain) loss.....	335	263	210	(341)
Interest income.....	(380)	(296)	(1,330)	(976)
Interest expense.....	12,881	12,747	37,932	41,541
Others.....	(1,338)	26	(1,715)	49
Changes in operating working capital:				
Accounts receivable.....	6,217	(38,021)	8,713	16,813
Inventories.....	2,161	334	(6,833)	(1,793)
Other receivables, prepaid expenses and other assets.....	(2,643)	(27,063)	(22,196)	(24,540)
Accounts payable, accrued operating expenses and other payables.....	(1,014)	39,029	19,101	19,591
Amounts due to related parties.....	(187)	(144)	(71)	51
Income tax paid.....	(4,400)	(3,095)	(14,700)	(10,769)
Net cash provided by operating activities.....	<u>90,813</u>	<u>85,136</u>	<u>243,131</u>	<u>286,347</u>
Cash Flows From Investing Activities				
Proceeds from maturity of bank deposits.....	36,374	22,940	74,826	61,697
Purchases of bank deposits.....	(41,027)	(18,754)	(83,765)	(58,760)
Acquisition of intangible assets.....	(1,122)	(1,294)	(4,131)	(3,594)
Purchases of property, plant and equipment.....	(149,391)	(99,871)	(428,233)	(303,019)
Interest received.....	172	96	729	453
Proceeds from sale of property, plant and equipment and others.....	3,012	516	4,494	2,536
Net cash used in investing activities.....	<u>(151,982)</u>	<u>(96,367)</u>	<u>(436,080)</u>	<u>(300,687)</u>
Cash Flows From Financing Activities				
Repayment of short-term debts.....	(76,000)	(33,000)	(121,000)	(184,483)
Proceeds from issuance of senior notes.....	—	—	—	255,000
Debt issuance costs.....	—	—	—	(7,400)
Repurchase and redemption of senior notes.....	—	—	—	(255,719)
Exchange offer of senior notes.....	—	—	—	(24,933)
Proceeds from bank borrowings.....	147,337	65,000	341,445	260,583
Distribution to non-controlling interest in subsidiary.....	(5,383)	(4,936)	(5,383)	(4,936)
Grants received.....	—	550	686	1,108
Interest paid.....	(16,106)	(14,133)	(36,356)	(48,437)
Decrease in restricted cash.....	—	442	—	489
Net cash provided by (used in) financing activities.....	<u>49,848</u>	<u>13,923</u>	<u>179,392</u>	<u>(8,728)</u>
Net increase (decrease) in cash and cash equivalents.....	<u>(11,321)</u>	<u>2,692</u>	<u>(13,557)</u>	<u>(23,068)</u>
Effect of exchange rate changes				
on cash and cash equivalents.....	38	55	30	24
Cash and cash equivalents at beginning of the period.....	<u>126,892</u>	<u>144,767</u>	<u>129,136</u>	<u>170,558</u>
Cash and cash equivalents at end of the period.....	<u>115,609</u>	<u>147,514</u>	<u>115,609</u>	<u>147,514</u>

1(d)(i) A statement (for the Company and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity – Group

Three Months Ended 28 September 2014

	Attributable to equity holders of STATS ChipPAC Ltd.				Non-controlling interest US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000	
Balance at 30 June 2014.....	873,666	31,489	(8,275)	(606)	896,274	947,785
Total comprehensive income (loss), net of tax.....	—	(5,291)	(381)	(127)	(5,799)	(3,815)
Balance at 28 September 2014.....	873,666	26,198	(8,656)	(733)	890,475	943,970

Three Months Ended 29 September 2013

	Attributable to equity holders of STATS ChipPAC Ltd.				Non-controlling interest US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000	
Balance at 1 July 2013.....	873,666	50,252	(4,329)	(513)	919,076	967,789
Total comprehensive income, net of tax.....	—	13,298	1,087	1,575	15,960	19,207
Balance at 29 September 2013.....	873,666	63,550	(3,242)	1,062	935,036	986,996

Nine Months Ended 28 September 2014

	Attributable to equity holders of STATS ChipPAC Ltd.				Non-controlling interest US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000	
Balance at 30 December 2013.....	873,666	51,478	(7,844)	132	917,432	970,789
Total comprehensive income (loss), net of tax.....	—	(25,280)	(812)	(865)	(26,957)	(21,294)
Dividends paid by subsidiary.....	—	—	—	—	(5,525)	(5,525)
Balance at 28 September 2014.....	873,666	26,198	(8,656)	(733)	890,475	943,970

Nine Months Ended 29 September 2013

	Attributable to equity holders of STATS ChipPAC Ltd.				Non-controlling interest US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000	
Balance at 31 December 2012.....	873,666	98,971	(2,349)	521	970,809	1,022,598
Total comprehensive income (loss), net of tax.....	—	(35,421)	(893)	541	(35,773)	(30,471)
Dividends paid by subsidiary.....	—	—	—	—	(5,131)	(5,131)
Balance at 29 September 2013.....	873,666	63,550	(3,242)	1,062	935,036	986,996

Statement of Changes in Equity – Company

Three Months Ended 28 September 2014

	Attributable to equity holders of STATS ChipPAC Ltd.				
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000
Balances at 30 June 2014	872,766	(175,468)	(9,733)	188	687,753
Total comprehensive loss, net of tax.....	—	(6,644)	—	(474)	(7,118)
Balance at 28 September 2014.....	872,766	(182,112)	(9,733)	(286)	680,635

Three Months Ended 29 September 2013

	Attributable to equity holders of STATS ChipPAC Ltd.				
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000
Balances at 1 July 2013	872,766	(162,847)	(9,733)	121	700,307
Total comprehensive income (loss), net of tax	—	(2,550)	3,932	136	1,518
Balance at 29 September 2013.....	872,766	(165,397)	(5,801)	257	701,825

Nine Months Ended 28 September 2014

	Attributable to equity holders of STATS ChipPAC Ltd.				
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000
Balances at 30 December 2013.....	872,766	(164,425)	(9,733)	(299)	698,309
Total comprehensive income (loss), net of tax	—	(17,687)	—	13	(17,674)
Balance at 28 September 2014.....	872,766	(182,112)	(9,733)	(286)	680,635

Nine Months Ended 29 September 2013

	Attributable to equity holders of STATS ChipPAC Ltd.				
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000
Balances at 31 December 2012.....	872,766	(139,192)	(9,733)	56	723,897
Total comprehensive income (loss), net of tax	—	(26,205)	3,932	201	(22,072)
Balance at 29 September 2013.....	872,766	(165,397)	(5,801)	257	701,825

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the Company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	
	28 September 2014	29 September 2013
Issued shares outstanding at 30 December 2013 and 31 December 2012	2,202,218,293	2,202,218,293
Issue of shares pursuant to share plans	—	—
Issued shares outstanding at 28 September 2014 and 29 September 2013	<u>2,202,218,293</u>	<u>2,202,218,293</u>
Share plans outstanding.....	7,202,216	8,560,097

Convertible Notes

The Group did not have any outstanding convertible notes as at 28 September 2014 and 29 September 2013.

Treasury Shares

The Group did not have any treasury shares as at 28 September 2014 and 29 September 2013.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	28 September 2014	29 December 2013
Total number of issued shares excluding treasury shares	2,202,218,293	2,202,218,293

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures, prepared in accordance with Singapore FRS, have not been audited or reviewed by the Group's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the Company's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements. See also item 5 below.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted various new/revised FRS which took effect for fiscal 2014:

- FRS 27: Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 110: –Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 111: Joint Arrangement (effective for annual periods beginning on or after 1 January 2014)
- FRS 112: Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)
- FRS 32: Amendment to FRS 32: Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)
- FRS 36: Amendment to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014)
- FRS 39: Amendment to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014)

The adoption of these new/revised FRS did not result in any significant impact on the financial statements of the Group.

6 Earnings per ordinary share (“EPS”) of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

- (a) based on the weighted average number of ordinary shares on issue; and**
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Three Months Ended		Nine Months Ended	
	28 September 2014	29 September 2013	28 September 2014	29 September 2013
Net loss per ordinary shares attributable to STATS ChipPAC Ltd.				
- Basic	US\$ (0.00)	US\$ 0.01	US\$ (0.01)	US\$ (0.02)
- Diluted	US\$ (0.00)	US\$ 0.01	US\$ (0.01)	US\$ (0.02)
Ordinary shares (in thousands) used in per ordinary shares calculation:				
- Basic and Diluted	2,202,218	2,202,218	2,202,218	2,202,218

7 Net asset value (for the Company and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the:-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group		Company	
	28 September 2014	29 December 2013	28 September 2014	29 December 2013
Net asset value per ordinary share	US\$0.43	US\$ 0.44	US\$0.31	US\$ 0.32

The net asset value per ordinary share of the Group and the Company as at 28 September 2014 and 29 December 2013 is calculated based on the total issued number of ordinary shares of 2,202,218,293.

8 A review of performance of the Group, to the extent necessary for a reasonable understanding of the Group’s business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Please refer to attached appendix: “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group’s net revenues for the three months ended 28 September 2014 decreased 1.5% from the three months ended 29 June 2014 compared to revised guidance for net revenues to decrease in the range of 1% to 3%.

As a percentage of net revenues, the adjusted EBITDA for the three months ended 28 September 2014 was 22.3%, compared to revised guidance for adjusted EBITDA to be in the range of 20% to 23%.

The Group's capital expenditure in the three months ended 28 September 2014 amounted to \$161.0 million, compared to revised capital expenditure guidance of approximately \$165 million to \$185 million.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Please refer to attached appendix: "Management's Discussion and Analysis of Financial Condition and Results of Operations".

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Not applicable.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the current reporting period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No Interested Party Transactions (IPT) mandate has been obtained from shareholders.

14 Negative confirmation pursuant to Rule 705(5).

The Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the three months ended 28 September 2014 to be false or misleading in any material aspect.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to attached appendix: "Management Discussion and Analysis of Financial Condition and Results of Operations".

17 A breakdown of the Group's sales.

Not applicable.

18 A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.

Not applicable.

19 Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) in the format below. If there are no such persons, the Company must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
—	—	—	—	—

Disclosure pursuant to Rule 704(13) will be made in the full year announcement.

ON BEHALF OF THE BOARD OF DIRECTORS

James A. Norling
Chairman

Tan Lay Koon
President and Chief Executive Officer

BY ORDER OF THE BOARD

Janet T. Taylor
Company Secretary

28 October 2014