COMPOSITE DOCUMENT DATED 16 JULY 2015

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the Offer (as defined herein) or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Deutsche Bank AG, Singapore Branch ("**Deutsche Bank**"), China International Capital Corporation (Singapore) Pte. Limited ("**CICC**") and DBS Bank Ltd. ("**DBS**", and together with Deutsche Bank and CICC, the "**Offeror's Financial Advisers**") are acting for and on behalf of JCET-SC (Singapore) Pte. Ltd. (the "**Offeror**") and do not purport to advise the shareholders ("**Shareholders**") of STATS ChipPAC Ltd. ("**STATS**" or the "**Company**"). In preparing its letter to Shareholders for and on behalf of the Offeror, the Offeror's Financial Advisers have not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder.

If you have sold or transferred all of your issued and paid-up ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Composite Document and the accompanying Form of Acceptance and Authorisation (the "**FAA**") to the purchaser or the transferee as CDP will arrange for a separate Composite Document and FAA to be sent to the purchaser or the transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately hand this Composite Document and the accompanying Form of Acceptance and Transfer (the "**FAT**", and together with the FAA, the "**Acceptance Forms**") to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or the transferee.

This Composite Document should be read in conjunction with the accompanying Acceptance Forms, the contents of which form part of the terms and conditions of the Offer.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Composite Document.

Copies of this Composite Document may also be downloaded from the SGX-ST website at www.sgx.com.

Composite Document relating to the voluntary conditional general offer by



Deutsche Bank AG, Singapore Branch

(Company Registration No.: T04UF2192L)
(Incorporated in the Federal Republic of Germany)



China International Capital Corporation (Singapore) Pte. Limited

(Company Registration No.: 200814424W)
(Incorporated in the Republic of Singapore)



DBS Bank Ltd.
(Company Registration No.: 196800306E)
(Incorporated in the Republic of Singapore)

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

Financial adviser to STATS ChipPAC Ltd.



Citigroup Global Markets Singapore Pte. Ltd.
(Company Registration No.: 199002673E)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser to the Independent Directors



Maybank Kim Eng Securities Pte. Ltd.
(Company Registration No.: 197201256N)
(Incorporated in the Republic of Singapore)

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5:30 P.M. ON 13 AUGUST 2015 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

A letter from the Offeror's Financial Advisers containing, among other things, the terms of the Offer, is set out on **pages 15 to 36** of this Composite Document.
A letter to Shareholders from the Board is set out on **pages 57 to 72** of this Composite Document.
A letter from the IFA to the Independent Directors containing its advice in respect of the Offer is set out in **Appendix A** to this Composite Document.
The procedures for acceptance of the Offer are set out in **Appendix 2** to this Composite Document and in the accompanying FAA and/or FAT.

CONTENTS

		Page
DEFINITIONS		**1**
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS		**11**
INDICATIVE TIMETABLE		**12**
CONTACT INFORMATION		**13**

PART 1: OFFER DOCUMENT

Letter from the Offeror's Financial Advisers

1.	Introduction	15
2.	The Offer	16
3.	STSPL Undertakings and Proposed Pre-Acquisition	21
4.	Details of the Offer	22
5.	Procedures for acceptance	23
6.	Information on the Offeror	23
7.	Description of the Company	26
8.	Management Employment Undertakings and changes to the Board	26
9.	Rationale for the Offer and the Offeror's intentions for the Company	28
10.	SIC rulings	28
11.	Financial evaluation of the Offer	29
12.	Listing status and compulsory acquisition	30
13.	Confirmation of financial resources	31
14.	Disclosures and dealings	31
15.	Overseas Shareholders	33
16.	Information relating to CPFIS Investors / SRS Investors	34
17.	General information	35
18.	Offeror and JCET directors' responsibility statement	36
Appendix 1.	Details of the Offer	37
Appendix 2.	Procedures for acceptance	41
Appendix 3A.	Additional information relating to the Offeror	47
Appendix 3B.	Additional information relating to JCET	48
Appendix 3C.	Information on the Proposed New Directors	51
Appendix 4.	Additional information on STATS	53
Appendix 5.	General information	54

PART 2: OFFEREE'S CIRCULAR

Letter to Shareholders from the Board

1.	Introduction	57
2.	The Offer	58
3.	STSPL Undertakings	59
4.	2016 Notes and 2018 Notes	59
5.	Capital Reduction and Perpetual Securities Offering by the Company	60
6.	Information on the Offeror, JCET and the Consortium	63
7.	Information on the Company	64

CONTENTS

		Page
8.	Management Employment Undertakings and Changes to the Board	64
9.	Rationale for the Offer and the Offeror's Intentions for the Company	66
10.	Listing Status and Compulsory Acquisition	66
11.	Exemption relating to Directors' Recommendations	67
12.	Advice of IFA	68
13.	Recommendations of the Independent Directors	70
14.	Overseas Shareholders	71
15.	Information pertaining to CPFIS Investors and SRS Investors	71
16.	Action to be taken by Shareholders	71
17.	Directors' Responsibility Statement	71
Appendix A.	Letter from IFA to Independent Directors in respect of the Offer	A-1
Appendix B.	General information relating to STATS	B-1
Appendix C.	Audited consolidated financial statements of STATS Group for FY2014	C-1
Appendix D.	Unaudited consolidated financial statements of STATS Group for 1Q2015	D-1
Appendix E.	Independent auditors' review report on the 1Q2015 Results	E-1
Appendix F.	Letter from the IFA on the 1Q2015 Results	F-1
Appendix G.	Performance Update	G-1
Appendix H.	Independent auditors' review report on the Performance Update	H-1
Appendix I.	Letter from the IFA on the Performance Update	I-1
Appendix J.	Selected texts of the Articles	J-1

DEFINITIONS

Unless otherwise defined or where the context otherwise requires, the following definitions shall apply throughout this Composite Document (including the cover page) and the Acceptance Forms:

"**1Q2014**"	:	In relation to the STATS Group, the first quarter of 2014 ended 30 March 2014
"**1Q2014 Results**"	:	Unaudited consolidated financial statements of the STATS Group for 1Q2014
"**1Q2015**"	:	In relation to the STATS Group, the first quarter of 2015 ended 29 March 2015
"**1Q2015 Results**"	:	Unaudited consolidated financial statements of the STATS Group for 1Q2015
"**2016 Notes**"	:	The Company's 5.375 per cent. senior notes due 2016
"**2018 Notes**"	:	The Company's 4.5 per cent. senior notes due 2018
"**2Q2015**"	:	In relation to the STATS Group, the second quarter of 2015 ended 28 June 2015
"**Acceptance Forms**"	:	The FAA and the FAT, collectively or either one of them, as the case may be
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**ARE**"	:	Acceptance form for Perpetual Securities and application for excess Perpetual Securities issued to a Depositor with Shares standing to the credit of his Securities Account as at the Books Closure Date who is eligible to participate in the Perpetual Securities Offering setting out the provisional allotment of Perpetual Securities of such Depositor under the Perpetual Securities Offering
"**Articles**"	:	The articles of association of the Company
"**Awards**"	:	Share awards granted under the Performance Share Plan
"**Basic Entitlement**"	:	Shall have the meaning ascribed to it in **paragraph 5.1(b)** of the Offeree's Letter
"**BCD Announcement**"	:	Shall have the meaning ascribed to it in **paragraph 5.1(b)** of the Offeree's Letter
"**Board**"	:	Board of directors of STATS
"**Books Closure Date**"	:	5:00 p.m. on 13 July 2015, being the date on which the Transfer Books and the Register of Members of the Company were closed to determine: (i) the entitlements of Shareholders under the Capital Reduction and Distribution; and (ii) the provisional allotments of Perpetual Securities of Shareholders under the Perpetual Securities Offering
"**Business Day**"	:	A day which is not a Saturday, a Sunday or a public holiday in Singapore

"**Capital Reduction**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(a)(ii)** of the Offeror's Letter
"**Capital Reduction Condition**"	:	Shall have the meaning ascribed to it in **paragraph 2.2(iii)** of the Offeror's Letter
"**Cash Distribution**"	:	Shall have the meaning ascribed to it in **paragraph 5.1(a)(i)** of the Offeree's Letter
"**Cash Election**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(e)** of the Offeror's Letter
"**Cash Election Form**"	:	Shall have the meaning ascribed to it in **paragraph 5.1(f)** of the Offeree's Letter
"**CDP**"	:	The Central Depository (Pte) Limited
"**Change of Control Offer**"	:	Shall have the meaning ascribed to it in **paragraph 4** of the Offeree's Letter
"**CICC**"	:	China International Capital Corporation (Singapore) Pte. Limited
"**Closing Date**"	:	5:30 p.m. on 13 August 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last date for the lodgement of acceptances of the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Company Securities**"	:	Means: (i) Shares and securities which carry voting rights in the Company; and (ii) convertible securities, warrants, options and derivatives in respect of Shares or securities which carry voting rights in the Company
"**Company Undertaking**"	:	Shall have the meaning ascribed to it in **paragraph 2.4(b)** of the Offeror's Letter
"**Company's Announcement**"	:	The Company's announcement dated 30 December 2014 relating to, *inter alia*, the Capital Reduction and the Perpetual Securities Offering
"**Company's Circular**"	:	The Company's circular to the Shareholders dated 30 March 2015 relating to, *inter alia*, the Capital Reduction and Distribution and proposed amendments to the Articles in relation to the Perpetual Securities
"**Composite Document**"	:	This document, including the accompanying FAA and/or the FAT, issued by the Offeror's Financial Advisers (for and on behalf of the Offeror) and the Board, in respect of the Offer
"**Consortium**"	:	Shall have the meaning ascribed to it in **paragraph 6.1(c)** of the Offeror's Letter

"**Conversion Option**"	:	Shall have the meaning ascribed to it in **paragraph 6.5(a)(vi)** of the Offeror's Letter
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	The Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**Date of Receipt**"	:	The date of receipt of the FAA by CDP
"**DBS**"	:	DBS Bank Ltd.
"**Debt-to-Equity Conversion Agreement**"	:	The debt-to-equity conversion agreement dated 22 December 2014 between Holdco, SCXI and the IC Fund
"**Deed Poll**"	:	The deed poll undertaking and guarantee dated 30 December 2014 given by JCET and JXTG in favour of the holders of the Perpetual Securities
"**Despatch Date**"	:	16 July 2015, being the date of despatch of this Composite Document
"**Deutsche Bank**"	:	Deutsche Bank AG, Singapore Branch
"**Diluted Share Capital**"	:	The aggregate of (a) all Shares in issue as at the Offer Announcement Date and (b) all Shares which would be issued assuming full and valid exercise of all Options outstanding as at the Offer Announcement Date
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Distribution**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(a)(ii)** of the Offeror's Letter
"**Distribution *in specie***"	:	Shall have the meaning ascribed to it in **paragraph 5.1(a)(ii)** of the Offeree's Letter
"**Electing Shareholders**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(e)** of the Offeror's Letter
"**Electronic Acceptance**"	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
"**ERCC**"	:	Executive Resource & Compensation Committee appointed by the Directors to administer the Performance Share Plan
"**ERCC Decision**"	:	Shall have the meaning ascribed to it in **paragraph 2.4** of the Offeree's Letter
"**ERS Claim**"	:	Shall have the meaning ascribed to it in **paragraph 13** of **Appendix B** to this Composite Document
"**FAA**"	:	The Form of Acceptance and Authorisation which forms part of this Composite Document and which is issued to Shareholders whose Shares are deposited with CDP

"**FAT**"	:	The Form of Acceptance and Transfer which forms part of this Composite Document and which is issued to Shareholders whose Shares are not deposited with CDP and are registered in such Shareholder's name in the Register
"**Final Day Rule**"	:	Shall have the meaning ascribed to it in **paragraph 1.6** of **Appendix 1** to this Composite Document
"**Full Cash Entitlement**"	:	Shall have the meaning ascribed to it in **paragraph 5.1(d)** of the Offeree's Letter
"**FY2012**"	:	(i) In relation to the STATS Group, the financial year ended 30 December 2012; and (ii) in relation to JCET, the financial year ended 31 December 2012
"**FY2013**"	:	(i) In relation to the STATS Group, the financial year ended 29 December 2013; and (ii) in relation to JCET, the financial year ended 31 December 2013
"**FY2014**"	:	(i) In relation to the STATS Group, the financial year ended 28 December 2014; and (ii) in relation to JCET, the financial year ended 31 December 2014
"**Holdco**"	:	Suzhou Changjiang Electric Xinke Investment Co., Ltd. (苏州长电新科投资有限公司)
"**IC Fund**"	:	The China 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)
"**IFA**"	:	MKES, being the independent financial adviser to the Independent Directors in respect of the Offer
"**IFA Letter**"	:	The letter dated 16 July 2015 from the IFA to the Independent Directors containing their advice in respect of the Offer as set out in **Appendix A** to this Composite Document
"**Independent Directors**"	:	The directors of the Company who are considered independent for the purposes of the Offer
"**Internal Restructuring Exercise**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(a)(i)** of the Offeror's Letter
"**Investment Exit Agreement**"	:	The investment exit agreement dated 22 December 2014 between JCET, JXTG and SSSC
"**JCET**"	:	Jiangsu Changjiang Electronics Technology Co., Ltd. (江苏长电科技股份有限公司)
"**JCET Securities**"	:	Means: (i) shares and securities which carry voting rights in JCET; and (ii) convertible securities, warrants, options and derivatives in respect of shares or securities which carry voting rights in JCET

"**JXTG**"	:	Jiangsu Xinchao Technology Group Co., Ltd. (江苏新潮科技集团有限公司), JCET's largest shareholder as at the Latest Practicable Date
"**Key Management Executive**"	:	Shall have the meaning ascribed to it in **paragraph 8.1(a)** of the Offeror's Letter
"**Latest Practicable Date**"	:	8 July 2015, being the latest practicable date prior to the printing of this Composite Document
"**Listing Manual**"	:	The listing manual of the SGX-ST in force as at the Latest Practicable Date
"**Lock-up Period**"	:	Shall have the meaning ascribed to it in **paragraph 6.5(a)(i)** of the Offeror's Letter
"**MAC Event**"	:	Shall have the meaning ascribed to it in **paragraph 6.5(a)(v)(B)(II)** of the Offeror's Letter
"**Management Employment Undertakings**"	:	Shall have the meaning ascribed to it in **paragraph 8.1(a)** of the Offeror's Letter
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities
"**Maybank Group**"	:	Malayan Banking Berhad, its subsidiaries and associated companies
"**Memorandum**"	:	The memorandum of association of the Company
"**Minimum Acceptance Condition**"	:	Shall have the meaning ascribed to it in **paragraph 2.2(i)** of the Offeror's Letter
"**MKES**"	:	Maybank Kim Eng Securities Pte. Ltd.
"**Notes**"	:	The 2016 Notes and the 2018 Notes
"**Obligations**"	:	Shall have the meaning ascribed to it in **paragraph 3.4** of the Offeror's Letter
"**Offer**"	:	The voluntary conditional general offer made by the Offeror's Financial Advisers, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms
"**Offer Announcement**"	:	The announcement of the Offer released by the Offeror's Financial Advisers, for and on behalf of the Offeror, on the Offer Announcement Date
"**Offer Announcement Date**"	:	26 June 2015, being the date of the Offer Announcement
"**Offer Document**"	:	The Offeror's Letter, **Appendices 1 to 5** (inclusive) to this Composite Document and the Acceptance Forms
"**Offer Period**"	:	The period commencing on the Possible Offer Announcement Date and ending on the Closing Date or the date the Offer is declared to have lapsed
"**Offer Price**"	:	Shall have the meaning ascribed to it in **paragraph 2.1(a)(i)** of the Offeror's Letter

"**Offer Shares**"	:	The Shares other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees
"**Offer Unconditional Date**"	:	The date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms
"**Offeree's Circular**"	:	The Offeree's Letter and **Appendices A to J** (inclusive) to this Composite Document
"**Offeree's Financial Adviser**"	:	Citigroup Global Markets Singapore Pte. Ltd.
"**Offeree's Letter**"	:	The Letter to Shareholders from the Board, in connection with the Offer and as set out in Part 2 of this Composite Document
"**Offeror**"	:	JCET-SC (Singapore) Pte. Ltd., a subsidiary of JCET
"**Offeror Securities**"	:	Means: (i) shares and securities which carry voting rights in the Offeror; and (ii) convertible securities, warrants, options and derivatives in respect of shares or securities which carry voting rights in the Offeror
"**Offeror's Financial Advisers**"	:	Deutsche Bank, CICC and DBS, as joint financial advisers to the Offeror
"**Offeror's Letter**"	:	The letter from the Offeror's Financial Advisers, for and on behalf of the Offeror, to the Shareholders, in connection with the Offer and as set out in Part 1 of this Composite Document
"**Options**"	:	Share options granted under the Share Option Plan
"**Overseas Shareholders**"	:	Shareholders whose addresses are outside Singapore, as shown on the Register or in the records of CDP, as the case may be
"**PAL**"	:	The provisional allotment letter to be issued to a Shareholder holding Shares in scrip form who is eligible to participate in the Perpetual Securities Offering, setting out the provisional allotments of Perpetual Securities of such scripholder under the Perpetual Securities Offering
"**Performance Share Plan**"	:	The STATS ChipPAC Ltd. Performance Share Plan 2013
"**Performance Update**"	:	Shall have the meaning ascribed to it in **paragraph 7.1(c)** of **Appendix B** to this Composite Document
"**Perpetual Securities**"	:	US$200,000,000 4 per cent. perpetual securities to be issued by the Company pursuant to the Perpetual Securities Offering
"**Perpetual Securities Offering**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(a)(iii)** of the Offeror's Letter
"**Perpetual Securities Offering Condition**"	:	Shall have the meaning ascribed to it in **paragraph 2.2(ii)** of the Offeror's Letter

"**Possible Offer Announcement**"	:	The announcement by JCET on the Possible Offer Announcement Date regarding a potential offer for all the Shares
"**Possible Offer Announcement Date**"	:	6 November 2014, being the date of the Possible Offer Announcement
"**PRC**"	:	People's Republic of China
"**Pre-Acquisition Shares**"	:	Shall have the meaning ascribed to it in **paragraph 3.6** of the Offeror's Letter
"**Pre-Conditional Announcement**"	:	The announcement released by Deutsche Bank and CICC, for and on behalf of the Offeror, on the Pre-Conditional Announcement Date, in connection with the pre-conditional voluntary general offer for the Company
"**Pre-Conditional Announcement Date**"	:	30 December 2014, being the date of the Pre-Conditional Announcement
"**Pre-Conditions**"	:	Shall have the meaning ascribed to it in **paragraph 2(a)** of the Pre-Conditional Announcement
"**Proposed New Directors**"	:	Shall have the meaning ascribed to it in **paragraph 8.2(b)** of the Offeror's Letter
"**Proposed Pre-Acquisition**"	:	Shall have the meaning ascribed to it in **paragraph 3.6** of the Offeror's Letter
"**Put Option**"	:	Shall have the meaning ascribed to it in **paragraph 3.6** of the Offeror's Letter
"**Register**"	:	Register of members of the Company maintained by the Registrar
"**Registrar**"	:	M & C Services Private Limited, in its capacity as receiving agent of the Offeror or the share registrar of the Company, as the case may be
"**Related New Directors**"	:	Shall have the meaning ascribed to it in **paragraph 8.2(b)(vii)** of the Offeror's Letter
"**Relevant Day**"	:	Shall have the meaning ascribed to it in **paragraph 3.1** of **Appendix 1** to this Composite Document
"**Relevant Person**"	:	Shall have the meaning ascribed to it in **paragraph 14.1** of the Offeror's Letter
"**Relevant Securities**"	:	Shall have the meaning ascribed to it in **paragraph 14.2(a)** of the Offeror's Letter
"**Relevant Shares**"	:	Shall have the meaning ascribed to it in **paragraph 3.5(b)** of the Offeror's Letter
"**Restricted Jurisdiction**"	:	Shall have the meaning ascribed to it in **paragraph 15.1** of the Offeror's Letter
"**Rights Issue Announcement**"	:	The announcement released by the Company on the Offer Announcement Date, in connection with the Perpetual Securities Offering
"**Rule 22.6 Period**"	:	Shall have the meaning ascribed to it in **paragraph 1.5** of **Appendix 1** to this Composite Document
"**SAFE**"	:	The State Administration of Foreign Exchange of the People's Republic of China

"**SAFE Undertaking**"	:	Shall have the meaning ascribed to it in **paragraph 3.7** of the Offeror's Letter
"**SCT1**"	:	STATS ChipPAC Taiwan Semiconductor Corporation, a subsidiary of the Company in which the Company owns an approximate 51.9 per cent. equity interest as at the Latest Practicable Date
"**SCT3**"	:	STATS ChipPAC Taiwan Co., Ltd., a wholly-owned subsidiary of the Company as at the Latest Practicable Date
"**SCT3 Transfer**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(a)(i)(A)** of the Offeror's Letter
"**SCXI**"	:	Suzhou Changjiang Electric Xinpeng Investment Co., Ltd. (苏州长电新朋投资有限公司)
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGX-ST Query Date**"	:	Shall have the meaning ascribed to it in **paragraph 11.1** of the Offeror's Letter
"**SGXNET**"	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"**Share Option Plan**"	:	The STATS ChipPAC Share Option Plan
"**Share Sale Agreement**"	:	The share sale agreement dated 22 December 2014 between JCET, JXTG and the IC Fund
"**Shareholder's Loan**"	:	Shall have the meaning ascribed to it in **paragraph 6.1(e)** of the Offeror's Letter
"**Shareholders**"	:	Shareholders of the Company
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company (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)
"**Shut-Off Notice**"	:	Shall have the meaning ascribed to it in **paragraph 1.5** of **Appendix 1** to this Composite Document.
"**SIC**"	:	The Securities Industry Council of Singapore
"**SMIC**"	:	Semiconductor Manufacturing International Corporation (中芯国际集成电路制造有限公司)
"**SPA**"	:	Shall have the meaning ascribed to it in **paragraph 3.6** of the Offeror's Letter
"**SRS**"	:	The Supplementary Retirement Scheme

"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares pursuant to the SRS
"**SSE**"	:	The Shanghai Stock Exchange
"**SSE Report**"	:	Shall have the meaning ascribed to it in **paragraph 6.5(b)** of the Offeror's Letter
"**SSSC**"	:	SilTech Semiconductor (Shanghai) Corporation Limited (芯电半导体（上海）有限公司)
"**STATS**" or the "**Company**"	:	STATS ChipPAC Ltd.
"**STATS Group**"	:	STATS, its subsidiaries and associated companies
"**STSPL**"	:	Singapore Technologies Semiconductors Pte Ltd
"**STSPL Undertakings**"	:	Shall have the meaning ascribed to it in **paragraph 3.1** of the Offeror's Letter
"**STSPL-STATS Undertakings**"	:	Shall have the meaning ascribed to it in **paragraph 5.1(c)** of the Offeree's Letter
"**Taiwan HoldCo**"	:	Bloomeria Limited, a wholly-owned subsidiary of the Company as at the Latest Practicable Date
"**Taiwan HoldCo Shares**"	:	Ordinary shares in the capital of Taiwan HoldCo
"**Taiwan Subsidiaries**"	:	SCT1 and SCT3
"**Term**"	:	Shall have the meaning ascribed to it in **paragraph 8.1** of the Offeror's Letter
"**TSA**"	:	A technical services agreement proposed to be entered into between the Company and the Taiwan Subsidiaries, the indicative principal terms and conditions of which are set out in paragraph 4.10 of the Company's Circular
"**Update Announcement**"	:	The announcement released by Deutsche Bank and CICC, for and on behalf of the Offeror, on 21 May 2015, providing that certain of the Pre-Conditions had been satisfied
"**VWAP**"	:	Volume weighted average price of the Shares traded on the SGX-ST
"**RMB**"	:	Renminbi, being the lawful currency of the People's Republic of China
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**US$**"	:	US dollars, being the lawful currency of the United States of America
"**%**" or "**per cent.**"	:	Percentage or per centum

Acting in concert. The expression "**acting in concert**" shall have the meaning ascribed to it in the Code.

Announcement, Notice, *etc.* References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by any of the Offeror's Financial Advisers or advertising agents, for and on behalf of the Offeror, to the press, or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Composite Document. Reference to "**Composite Document**" shall include the FAA and the FAT, unless the context otherwise requires.

Depositors, *etc.* The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in the Companies Act.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing a single gender shall, where applicable, include any or all genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Composite Document are inserted for convenience only and shall be ignored in construing this Composite Document.

Issued Shares in the capital of the Company. In this Composite Document, the total number of Shares is a reference to a total of 2,202,218,293 Shares in issue as at the Latest Practicable Date based on the electronic instant information search results from ACRA in respect of the Company on the Latest Practicable Date, unless the context otherwise requires.

Rounding. Any discrepancies in the tables in this Composite Document between the listed amounts and the totals thereof are due to roundings. Accordingly, any figure shown as a total may not be an arithmetic aggregation of the figures that precede it.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Composite Document are, as the context so determines, to Shareholders.

Statutes. Any reference in this Composite Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Composite Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that amendment or re-enactment, as the case may be.

Subsidiaries, related corporations, associated companies. The expressions "**subsidiary**" and "**related corporations**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act. The expression "**associated companies**", in relation to JCET or the STATS Group, shall mean corporations in which JCET or the STATS Group respectively holds, directly or indirectly, at least 20% but not more than 50% of their issued shares.

Time and date. Any reference to a time of day and date in this Composite Document shall be a reference to Singapore time and date, unless otherwise specified.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Composite Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's and/or STATS' current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results, performance or achievements may differ materially from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Given the risks and uncertainties that may cause the actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Composite Document, Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, STATS, the Offeror's Financial Advisers and the Offeree's Financial Adviser guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

INDICATIVE TIMETABLE

Date of despatch of Composite Document[1]	:	16 July 2015
STSPL's acceptance of the Offer under the STSPL Undertakings[2]	:	30 July 2015
Last date and time for submission of Cash Election Form to exercise the Cash Election under the Capital Reduction and Distribution	:	31 July 2015 at 5:00 p.m. (or such other date(s) and/or time(s) as may be announced by or on behalf of the Company)
Date of lodgement with ACRA of court order approving the Capital Reduction[3]	:	5 August 2015
Closing Date[4]	:	13 August 2015 at 5:30 p.m. or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Last date and time to receive acceptances for Perpetual Securities Offering[5]	:	14 August 2015 at 5:00 p.m. (or such other date(s) and/or time(s) as may be announced by or on behalf of the Company)
Date of settlement of consideration	:	In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within 10 days of the Offer Unconditional Date[6] In respect of valid and complete acceptances received after the Offer Unconditional Date but before the Offer closes, within 10 days after the date of receipt of each such acceptance

Notes

(1) Other than the date of despatch of this Composite Document and the date of settlement of consideration, the other dates set out in the timetable above are indicative only and the actual dates of the above events will be announced in due course by or on behalf of the Offeror and/or the Company on SGXNET.

(2) Pursuant to the STSPL Undertakings, STSPL has undertaken to accept the Offer by not later than 5:00 p.m. on the sixth day prior to the date of the lodgement with ACRA of the court order approving the Capital Reduction (see note (3) below).

(3) As set out in **paragraph 5.1(g)** of the Offeree's Letter, the Company proposes to lodge the court order approving the Capital Reduction with ACRA on or around 5 August 2015.

(4) The Offer must initially be open for at least 28 days after the despatch of this Composite Document.

(5) As set out in the Rights Issue Announcement, the Company has announced that the Perpetual Securities Offering is expected to be open for acceptance by Shareholders up to 14 August 2015 at 5:00 p.m.

(6) The Offeror will issue settlement instructions, on the Offer Unconditional Date, to effect the first batch of payments to all Shareholders who have accepted the Offer on or before the day prior to the Offer Unconditional Date.

CONTACT INFORMATION

Any enquiries relating to the Offer Document or the Offer should be directed to the Offeror's Financial Advisers during office hours:

Deutsche Bank AG	**China International Capital Corporation (Singapore) Pte. Limited**	**DBS Bank Ltd.**
Eugene Gong	Alvin Yap	Keng Kok Sing
Head of Mergers & Acquisitions, South East Asia	Executive Director, Investment Banking Division	Executive Director, Strategic Advisory
Tel: +65 6423 5750	Tel: +65 6572 1999	Tel: +65 6878 2142
Email: eugene.gong@db.com	Email: yapalvin@cicc.com.cn	Email: DBSRetro2015@dbs.com
Rohit Satsangi		
Director, Mergers & Acquisitions, Asia		
Tel: +852 2203 8068		
Email: rohit.satsangi@db.com		

Any enquiries relating to the Company or the Offeree's Circular should be directed to the Offeree's Financial Adviser during office hours:

Citigroup Global Markets

James Perry	Jassim Shah
Managing Director Head of Asia Pacific Technology Corporate & Investment Banking	Vice President South East Asia Investment Banking
Tel: +852 2501 2061	Tel: +65 6657 1271
Email: james.perry@citi.com	Email: jassim.shah@citi.com

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LETTER TO SHAREHOLDERS



Deutsche Bank AG, Singapore Branch



China International Capital Corporation (Singapore) Pte. Limited



DBS Bank Ltd.

16 July 2015

To: The Shareholders of STATS ChipPAC Ltd.

Dear Sir / Madam,

VOLUNTARY CONDITIONAL GENERAL OFFER BY THE OFFEROR'S FINANCIAL ADVISERS FOR AND ON BEHALF OF THE OFFEROR

1. INTRODUCTION

1.1 Pre-Conditional Announcement and Update Announcement

On 30 December 2014, Deutsche Bank and CICC announced, for and on behalf of the Offeror, that subject to the fulfilment or waiver of the Pre-Conditions, the Offeror would make the Offer to acquire all of the Offer Shares (the "**Pre-Conditional Announcement**").

On 21 May 2015, Deutsche Bank and CICC announced, for and on behalf of the Offeror, that certain Pre-Conditions had been satisfied (the "**Update Announcement**").

1.2 Offer Announcement

On 26 June 2015, the Offeror's Financial Advisers announced, for and on behalf of the Offeror, that all of the Pre-Conditions have been satisfied and accordingly, that the Offeror intended to make the Offer (the "**Offer Announcement**").

Copies of the Pre-Conditional Announcement, the Update Announcement and the Offer Announcement are available on SGXNET.

1.3 Offer Document

For and on behalf of the Offeror, the Offeror's Financial Advisers are pleased to make this Offer for your Offer Shares, on the terms and conditions set out in this letter and in the Acceptance Forms. This letter, **Appendices 1 to 5** (inclusive) to this Composite Document and the Acceptance Forms (collectively, the "**Offer Document**") contain the formal offer by the Offeror's Financial Advisers, for and on behalf of the Offeror, for the Offer Shares. **Shareholders are urged to read the Offer Document carefully and to properly consider the Offer.**

1.4 Offeree's Circular and recommendations of the Independent Directors

Your attention is also drawn to the Offeree's Letter from the Board in Part 2 of this Composite Document and **Appendices A to J** (inclusive) to this Composite Document (collectively, the "**Offeree's Circular**"). The Independent Directors, having considered carefully the terms of the Offer and the advice given and recommendation made by the IFA in the IFA Letter (as set out in **Appendix A** to this Composite Document), concur with the recommendation of the IFA in

respect of the Offer, and accordingly, the Independent Directors recommend that Shareholders **accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.**

Shareholders should read and carefully consider the advice and recommendation of the IFA in its entirety as set out in the IFA Letter.

2. THE OFFER

2.1 Offer terms

(a) The Offeror's Financial Advisers, for and on behalf of the Offeror, hereby make the Offer in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document, on the following basis:

(i) Offer Price: The consideration (the "**Offer Price**") is:

for each Offer Share: S$0.46577[1].

(ii) 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 returns 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 Capital Reduction or the Perpetual Securities Offering).

(iii) 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 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) 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, in which case the Offeror will comply with the provisions of Note 2 to Rule 20.2 of the Code**.

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[1] As stated in paragraphs 3.1(a)(ii) and (iii) of the Pre-Conditional Announcement and in paragraph 3.1(a)(ii) of the Offer Announcement, the Offer Price has been calculated based on the Diluted Share Capital. The Offer Price as set out in this letter is rounded to five decimal places, which will be the basis on which payment for the Offer Shares will be settled (whilst the illustrative offer price in the Pre-Conditional Announcement was rounded to three decimal places).

2.2 **Conditions of the Offer**

The Offer is conditional upon:

(i) the Offeror having received, by 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 all Shares issued or to be issued pursuant to Options and/or Awards validly exercised by the Closing Date; accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the Closing Date unless at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of 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 as of the date of the Offer being declared unconditional as to acceptances have been validly exercised or vested as of such date, excluding any Shares held in treasury ("**Minimum Acceptance Condition**");

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

(iii) the completion of the Internal Restructuring Exercise and the Capital Reduction ("**Capital Reduction Condition**").

2.3 **Capital Reduction and Perpetual Securities Offering by the Company**

(a) As set out in the Company's Announcement, the Company's Circular and **paragraph 5** of the Offeree's Letter, the Company intends, subject to certain conditions, to:

(i) undertake an internal reorganisation (the "**Internal Restructuring Exercise**") pursuant to which:

(A) the Company will transfer all its shares in SCT3 to SCT1 (the "**SCT3 Transfer**");

(B) subsequent to the SCT3 Transfer, the Company will transfer its shares in SCT1 to Taiwan HoldCo; and

(C) immediately prior to and as one of the conditions to the completion of the SCT3 Transfer, the intercompany loan extended by the Company to SCT3 of approximately US$127 million will be repaid in full by SCT3;

(ii) following the completion of the Internal Restructuring Exercise, subject to the satisfaction of certain conditions, distribute US$89,119,520 (the "**Distribution**") to eligible Shareholders by way of:

(A) the Cash Distribution; and

(B) the Distribution *in specie*,

by way of a capital reduction (the "**Capital Reduction**"); and

(iii) offer the Perpetual Securities to Shareholders by way of a non-renounceable rights offering ("**Perpetual Securities Offering**").

(b) Following the completion of the Capital Reduction and Distribution, to enable the smooth continuation of the business and operational relationships of the Company and the Taiwan Subsidiaries, the Company and the Taiwan Subsidiaries intend to enter into the TSA, pursuant to which the Company shall purchase and each Taiwan Subsidiary shall provide certain services and/or deliver the materials on which such services are to be performed.

(c) As set out in the Company's announcement dated 21 April 2015, the Shareholders have approved at an extraordinary general meeting of the Company on 21 April 2015, *inter alia*:

(i) the Capital Reduction and Distribution; and

(ii) amendments to the Articles to reflect certain rights of the holders of the Perpetual Securities.

(d) Further details of the Internal Restructuring Exercise, the Capital Reduction, the TSA and the Perpetual Securities Offering are set out in the Company's Circular and the Rights Issue Announcement. Copies of the Company's Circular and the Rights Issue Announcement are available on SGXNET.

(e) **Capital Reduction Condition**

As stated in **paragraph 2.3(c)** of this letter, the Shareholders have approved the Capital Reduction. On 5 May 2015, the Company announced that the High Court of Singapore had also approved the Capital Reduction.

The Capital Reduction Condition will be regarded as having been fulfilled upon the filing of the court order approving the Capital Reduction with ACRA and the transfer on the same day of the legal title to the Taiwan HoldCo Shares to all Shareholders who have not elected for the Cash Election.

As set out in the Company's Circular, eligible Shareholders have the right to elect to receive all (but not part of) their pro-rata entitlements to Taiwan HoldCo Shares pursuant to the Distribution *in specie* in cash instead ("**Cash Election**" and such Shareholders who have exercised the Cash Election, the "**Electing Shareholders**").

As stated in the BCD Announcement and in **paragraph 5.1** of the Offeree's Letter, pursuant to the Capital Reduction and Distribution, eligible Shareholders will be entitled to receive the Basic Entitlement or, if such Shareholder exercises the Cash Election, the Full Cash Entitlement.

The Offer Price stated in paragraph 2.1(a)(i) of this letter above does not include the entitlements of Shareholders pursuant to the Capital Reduction and Distribution.

Accordingly, by way of illustration only, an eligible Shareholder who holds Shares as at the Books Closure Date and validly ACCEPTS the Offer will be entitled to receive the following, for each Share held as at the Books Closure Date, pursuant to (i) the Capital Reduction and Distribution; and (ii) his valid acceptance of the Offer:

		Basic Entitlement (if such Shareholder does not take any action with respect to the Distribution)	*Full Cash Entitlement (if such Shareholder exercises or is deemed to have exercised the Cash Election)*
(i)	**Capital Reduction and Distribution by the Company**		
	• **Cash Distribution**	US$0.0068113 in cash[1] (or approximately S$0.0091953 in cash)[2]	US$0.0068113 in cash[1] (or approximately S$0.0091953 in cash)[2]
		and	and
	• **Distribution *in specie***	One (1) unlisted Taiwan HoldCo Share	US$0.0336568 in cash[1] (or approximately S$0.0454367 in cash)[2]
(ii)	**Offer by the Offeror**		
	• **Offer Price**	**S$0.46577 in cash**	
	TOTAL	• **S$0.4749653 in cash;[2] and** • **one (1) unlisted Taiwan HoldCo Share**	**S$0.5204019 in cash[2]**

Notes

(1) See also **paragraphs 5.1(b) and (d)** of the Offeree's Letter.

(2) Based on the exchange rate of US$1 to S$1.3500, being the prevailing exchange rate as at the Latest Practicable Date, as extracted from Bloomberg L.P.

Further details of the Capital Reduction and Distribution may be found in **paragraph 5** of the Offeree's Letter and in the Company's Circular.

(f) **Perpetual Securities Offering Condition**

(i) The Company has, on the Offer Announcement Date, made the Rights Issue Announcement. **Accordingly, the Perpetual Securities Offering Condition has been fulfilled.**

(ii) The Company has stated in the Rights Issue Announcement that the Perpetual Securities Offering is expected to be open for acceptance by Shareholders up to 14 August 2015 at 5:00 p.m.

(iii) STSPL has undertaken (subject to the fulfilment of certain conditions and an aggregate cap of US$200,000,000) to subscribe and pay in full for:

(A) its pro-rata entitlement for Perpetual Securities under the Perpetual Securities Offering in relation to the Relevant Shares; and

(B) any and all excess rights to the Perpetual Securities which are not taken up by Shareholders pursuant to the Perpetual Securities Offering.

A copy of the Rights Issue Announcement is available on SGXNET.

(g) **THE OFFER DOES 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.**

2.4 **Options and Awards**

(a) As at the Latest Practicable Date, based on the latest information available to the Offeror:

(i) there are 23,635 outstanding Options under the Share Option Plan; and

(ii) there are 10,022,089 outstanding Awards under the Performance Share Plan.

(b) The Company has, on 30 December 2014, given an undertaking (the "**Company Undertaking**") to the Offeror that, on and from the Offer Announcement Date:

(i) no further Options would be granted;

(ii) no new Shares shall be issued by the Company other than pursuant to valid exercises of the Options; and

(iii) no Awards shall be vested into and be settled by the issue of new Shares in the Company,

save where the Offeror has granted its prior written consent.

(c) As stated in the Pre-Conditional Announcement and the Offer Announcement, 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.

(d) The Offer however 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 Closing Date, of any Options outstanding as at the Offer Announcement Date. For the purposes of the Offer, the expression "**Offer Shares**" shall include all such new Shares issued or to be issued.

2.5 **Notes**

(a) As at the Latest Practicable Date, the Company has outstanding:

(i) an aggregate principal amount of US$200 million of the 2016 Notes; and

(ii) an aggregate principal amount of US$611.2 million of the 2018 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) As stated in the Offer Announcement, if the Offer becomes or is declared unconditional in all respects, the Company will make a Change of Control Offer to holders of the Notes in accordance with the terms of the Notes. Arrangements have been put in place for the Company to enter into a bridge facility with DBS of up to US$890,000,000 on or after the Offer Unconditional Date to fund, *inter alia*, any redemption of the Notes pursuant to the Change of Control Offer.

3. STSPL Undertakings and Proposed Pre-Acquisition

3.1 As previously announced in the Pre-Conditional Announcement and the Offer Announcement, on the Pre-Conditional Announcement Date, the Offeror received certain undertakings (the "**STSPL Undertakings**") from STSPL.

3.2 STSPL is a wholly-owned subsidiary of Temasek Holdings (Private) Limited. As at the Latest Practicable Date, STSPL owns 1,843,513,470 Shares representing approximately 83.7% of the Shares.

3.3 Under the STSPL Undertakings, STSPL has, subject to the fulfilment of certain conditions, undertaken, *inter alia*:

(a) to accept the Offer in respect of all and not some of the Relevant Shares by not later than 5:00 p.m. on the 6th day prior to the date of the lodgement with ACRA of the court order in connection with the Capital Reduction and the transfer of the legal title to the Taiwan HoldCo Shares to all Shareholders who have not exercised the Cash Election or, in relation to the Relevant Shares falling within **paragraphs 3.5(b)(ii) and 3.5(b)(iii)** of this letter, as soon as practicable after STSPL becomes the legal and/or beneficial owner of, or STSPL becomes interested in, such Relevant Shares, by returning to the Offeror, or as it may direct, duly completed and signed form(s) of acceptance relating to the Offer;

(b) 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;

(c) not to accept (or permit the acceptance of) any Competing Proposal (as defined in **paragraph 3.5(a)** of this letter) 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**;

(d) 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);

(e) not to exercise the Cash Election; and

(f) (subject to an aggregate cap of US$200,000,000) to 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.

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

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

(b) 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.

3.5 For the purposes of the STSPL Undertakings:

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

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

(ii) 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

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

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

(i) the Shares held by STSPL referred to in **paragraph 3.2** of this letter;

(ii) any other Shares 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

(iii) any other Shares deriving from Shares falling within either of **paragraphs 3.5(b)(i) or 3.5(b)(ii)** of this letter.

3.6 As stated in the Offer Announcement, the Offeror, STSPL and the Company have also entered into a share purchase agreement (the "**SPA**") on the Offer Announcement Date pursuant to which STSPL has agreed to sell, and the Offeror has agreed to purchase, 2,202,219 Shares (the "**Pre-Acquisition Shares**") at the Offer Price and on the same terms as the Offer (the "**Proposed Pre-Acquisition**"). Completion of the Proposed Pre-Acquisition took place on the Offer Announcement Date. Under the terms of the SPA, STSPL has granted the Offeror a put option (the "**Put Option**") pursuant to which, subject to the Offer lapsing or being withdrawn without having become wholly unconditional, the Offeror will have the right to sell, and STSPL will purchase, the Pre-Acquisition Shares on the same terms as the Proposed Pre-Acquisition. Pursuant to the SPA and for the avoidance of doubt, the right to receive the Distribution in respect of the Pre-Acquisition Shares remains with STSPL notwithstanding that completion of the Proposed Pre-Acquisition has occurred before the books closure date for determining entitlements of Shareholders to the Distribution.

3.7 The purpose of the Proposed Pre-Acquisition was to facilitate the obtaining of approval from SAFE in relation to the obligations of JCET and JXTG under the Deed Poll. In connection with the same, JCET has given an undertaking to SAFE (the "**SAFE Undertaking**") that the Offeror will acquire, in accordance with the terms of the Offer, the Relevant Shares pursuant to STSPL's acceptance of the Offer. On 6 July 2015, SAFE granted its approval in relation to the Deed Poll.

3.8 Consequential and corresponding amendments to the STSPL Undertakings have been made to reflect the Proposed Pre-Acquisition.

4. DETAILS OF THE OFFER

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5:30 p.m. on 13 August 2015 (the "Closing Date") or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Appendix 1 to this Composite Document sets out further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

5. PROCEDURES FOR ACCEPTANCE

Appendix 2 to this Composite Document sets out the procedures for acceptance of the Offer by a Shareholder.

6. INFORMATION ON THE OFFEROR

6.1 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 SCXI. SCXI is a subsidiary of Holdco. The Offeror is a special purpose vehicle established for the purpose of acquiring the Offer Shares pursuant to the Offer.

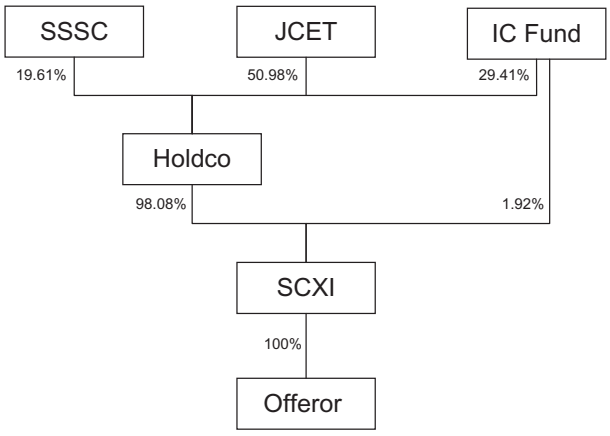
(b) The directors of the Offeror are Mr Wang XinChao, Mr Chew Hwee Seng Jimmy, Mr Woo Kwek Kiong, Mr Steve Xin Liang, Mr Cui Dong, Mr Fan Xiao Ning and Mr Ren Kai.

(c) JCET, the IC Fund and SSSC (being an indirect wholly-owned subsidiary of 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 Latest Practicable Date, the issued share capital of the Offeror is US$1 comprising 1 share held by SCXI.

(e) As at the Latest Practicable Date, each of SCXI and Holdco has a registered capital of RMB3,097,950,000 and RMB3,038,370,000 respectively. Pursuant to the Consortium arrangements, JCET, the IC Fund and SSSC have capitalised Holdco through a combination of equity and shareholders' loans. The IC Fund has also provided a shareholder's loan of US$140 million to SCXI (the "**Shareholder's Loan**") and has the option to convert the loan to equity rights in SCXI.

(f) The following structure chart sets out the holdings of the equity interests in SCXI and Holdco.



6.2 JCET

JCET is a listed semiconductor packaging and testing private enterprise established in the People's Republic of China (the "**PRC**"). Its major businesses include integrated circuit ("**IC**") packaging, testing, sales, and the chip design and manufacturing of discrete devices. Besides

multiple fully-owned subsidiaries including Jiangyin Changdian Advanced Packaging, Jiangyin Xinshun Microelectronic Co. Ltd., Jiangyin Xinsheng Electronics, Jiangyin Ace Electronic Equipments and Shenzhen Changjiang Electronic Co. Ltd., JCET has five production bases including in Jiangyin, Chuzhou and Suqian, and operates the National Engineering Laboratory for High-density IC Packaging and Testing Technologies. In 2003, JCET went public on the SSE (600584-CN). With a registered capital of US$160.94 million, total assets of US$1.78 billion and total revenue of US$1.05 billion,[2] JCET ranked sixth in the global semi-conductor packaging and testing industry and first in the PRC in 2014. JCET was awarded "Top Ten of China Independent Innovative Capacity in the Industry" by the National Bureau of Statistics. Since 2010, JCET has been the President Member of the Chinese IC Packaging and Testing Industry Chain Technology Innovation Strategic Alliance.

6.3 **SMIC and SSSC**

Founded in 2000, SMIC is one of the leading semiconductor foundries in the world and the largest and most advanced foundry in mainland China. SMIC provides IC foundry and technology services at 0.35-micron to 28-nanometer. Headquartered in Shanghai, China, SMIC has a 300 mm wafer fabrication facility ("**fab**") and a 200 mm mega-fab in Shanghai; a 300 mm mega-fab and a second majority-owned 300 mm fab under development for advance nodes in Beijing; and 200 mm fabs in Tianjin and Shenzhen. SMIC also has marketing and customer service offices in the United States, Europe, Japan and Taiwan, and a representative office in Hong Kong. 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).

SSSC was established in 2009. 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. It is a wholly-owned, indirectly-held subsidiary of SMIC.

6.4 **The IC Fund**

Incorporated on 24 September 2014 and registered in Beijing, PRC, the IC Fund invests mainly in the value chain of the integrated circuit industry via various approaches, primarily focusing on investments in integrated circuit chip manufacturing as well as consulting services in regard to chip design, packaging and testing, and equipment and materials manufacturing. Sino IC Capital has been mandated by the IC Fund to be responsible for investment selection, execution and exit decisions.

With a total fundraising scope of RMB130 billion, 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.

6.5 **Consortium arrangements**

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

(i) Each of JCET, the IC Fund and SSSC is restricted from transferring its equity interest in Holdco or SCXI within 24 months of the Offeror becoming a substantial shareholder of the Company (the "**Lock-up Period**") without the written consent of the other Consortium members unless:

(A) such transfer is to the transferring party's affiliate;

[2] Using an exchange rate of US$1 to RMB6.1175, being the exchange rate as at the Latest Practicable Date as published on the website of the People's Bank of China.

(B) such transfer is by SSSC and pursuant to the Investment Exit Agreement; or

(C) such transfer is by the IC Fund and pursuant to the Share Sale Agreement.

(ii) Subject to the 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.

(iv) Under the Investment Exit Agreement, SSSC has a put option pursuant to which it may, at any time (including during the Lock-up Period), sell to JCET its equity interest in Holdco in consideration for cash or shares in JCET. If SSSC exercises the put option and chooses to receive shares in JCET, and JCET fails to obtain the relevant shareholders' resolutions or regulatory approvals within 18 months, SSSC can transfer its equity interest in Holdco (A) to any third party without the consent of JCET (but with the consent of the IC Fund, if within the Lock-up Period) or (B) to JXTG in exchange for cash.

(v) Under the Share Sale Agreement, the IC Fund has put options pursuant to which it may sell to JCET its equity interests in Holdco and/or SCXI in consideration for cash or shares in JCET. These put options are exercisable under certain circumstances, which include:

(A) the IC Fund may exercise its put option over its equity interest in Holdco 1 year after the Offeror becomes a substantial shareholder of the Company;

(B) notwithstanding **sub-paragraph (A)** above, the IC Fund may exercise its put option over its equity interest in Holdco in the event of the following:

(I) SSSC requiring JCET to acquire all or part of SSSC's shares in Holdco in accordance with the Investment Exit Agreement; or

(II) the Company incurs or is expected to incur a material adverse change in, *inter alia*, its business, financial condition or intellectual property (a "**MAC Event**");

(C) the IC Fund may exercise its put option over its equity interest in SCXI 3 years after the Offeror becomes a substantial shareholder of the Company; and

(D) notwithstanding **sub-paragraph (C)** above, the IC Fund may exercise its put option over its equity interest in SCXI in the event of the following:

(I) there is a change in JCET's largest shareholder or actual controller;

(II) there is a MAC Event; or

(III) the Company's operating condition in 2017 does not reach the reasonable targets set by the board of directors of the Company.

(vi) Pursuant to the Debt-to-Equity Conversion Agreement, the IC Fund has the option to convert the Shareholder's Loan to equity rights in SCXI (the "**Conversion Option**"), such option being exercisable:

(A) 3 years after the Offeror becomes a substantial shareholder of the Company;

(B) if there is a change in JCET's largest shareholder or actual controller; or

(C) there is a MAC Event,

and in the event the IC Fund does not exercise the Conversion Option within 5 years of the Offeror becoming a substantial shareholder of the Company, the Shareholder's Loan shall be repaid to the IC Fund in accordance with the terms of the Debt-to-Equity Conversion Agreement.

(b) Further information may be found in JCET's announcement dated 22 December 2014 on the SSE and the major asset purchase report uploaded on the website of the SSE on 14 January 2015 (the "**SSE Report**"). Copies of the SSE Report and an English translation are also available on SGXNET.

6.6 Additional information on the Offeror and JCET are set out in **Appendices 3A and 3B** to this Composite Document respectively.

7. DESCRIPTION OF THE COMPANY

As set out in **paragraph 7** of the Offeree's Letter, the Company is listed on the mainboard of the SGX-ST and is a leading service provider of semiconductor packaging design, assembly, test and distribution solutions in diverse end market applications including communications, digital consumer and computing. With global headquarters in Singapore, the Company has design, research and development, manufacturing or customer support offices throughout Asia, the United States and Europe. As set out in the Company's Announcement, the Taiwan subsidiaries of the Company will be divested in connection with the Offer. For fiscal year 2014, the Company reported consolidated revenues of US$1.586 billion and net losses of US$21.8 million.

Additional information on the Company is set out in **Appendix 4** to this Composite Document.

8. MANAGEMENT EMPLOYMENT UNDERTAKINGS AND CHANGES TO THE BOARD

8.1 Management Employment Undertakings

(a) As stated in the Offer Announcement, the Offeror intends and desires that there be continuity of management and minimal disruption of the Company's business. For this purpose, each of the following executives of the Company (each a "**Key Management Executive**"), namely, (1) Mr Tan Lay Koon, Board member, president and chief executive officer of the Company and (2) Dr Han Byung Joon, executive vice president and chief technology officer of the Company, have entered into employment undertakings (the "**Management Employment Undertakings**") with the Offeror, pursuant to which each Key Management Executive has agreed to, amongst other things, be employed by the Company, and the Offeror has agreed (subject to applicable laws) to procure that the Company employ each Key Management Executive, as co-president and chief executive officer of the Company for a period of three (3) years on and from the Offer Unconditional Date (the "**Term**") on, among others, the following terms:

(i) a monthly base salary;

(ii) a guaranteed bonus equivalent to one year's base salary payable upon completion of every year of service of the Term;

(iii) an incentive bonus equal to, in aggregate, 20% of the net profit of the Company in each calendar year (or pro-rated part thereof), to be calculated and distributed in accordance with the terms of the Management Employment Undertakings;

(iv) in the event such appointment is terminated prior to the expiry of the Term (save where terminated by the Key Management Executive or pursuant to certain prescribed grounds), the Key Management Executive will be entitled to, among others, (A) the accelerated payment of the remuneration and the guaranteed bonus that he would have been entitled to receive for the remainder of the Term; and (B) a severance payment tied to his years of service completed pursuant to his appointment; and

(v) certain restrictions not to (A) compete with the business of JCET and its subsidiaries (including the Company and its subsidiaries) during the Term and/or 12 months after its expiration or termination or (B) solicit the employees or customers of JCET and its subsidiaries (including the Company and its subsidiaries) for the period of, and up to two years after the expiration or termination of, the Term.

(b) Your attention is also drawn to **paragraph 11** of the Offeree's Letter.

8.2 **Changes to the Board**

(a) Subject to the Offer turning unconditional in all respects and with effect from the Offer Unconditional Date, the existing members of the Board will resign, other than Mr Tan Lay Koon.

(b) The Offeror, subject to the Offer turning unconditional in all respects and with effect from the Offer Unconditional Date, also intends to appoint the following individuals to the Board:

(i) Mr Wang XinChao;

(ii) Mr Cui Dong;

(iii) Mr Ren Kai;

(iv) Mr Fan Xiao Ning;

(v) Mr Liu Ming;

(vi) Mr Lai Chih-Ming;

(vii) Mr Luo Hong Wei (and the individuals from **sub-paragraphs (i) to (vii)** together, the "**Related New Directors**");

(viii) Dr Han Byung Joon;

(ix) Dr Shen Xiao Xiang; and

(x) Mr Soh Boon Wah,

(together, the "**Proposed New Directors**").

(c) Brief descriptions of each of the Proposed New Directors are set out in **Appendix 3C** to this Composite Document.

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

The acquisition of the Company will allow the Offeror and JCET to acquire new advanced packaging technologies and increase their testing capabilities and R&D strength. The acquisition of the Company will also allow the Offeror and JCET to expand to overseas markets and help them establish a broader base of higher end customers. 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.

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.

Subject to normal business conditions, the Offeror does not intend to (i) make major changes to the business of the Company or its management team, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of the employees of the Company and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time (x) to consider any options or opportunities which may present themselves or (y) to effect the relocation of the Company's manufacturing site in Shanghai, as may be required for the continuity of the business of the Company, and which it regards to be in the interests of the Offeror.

10. SIC RULINGS

10.1 The SIC on 26 December 2014 confirmed that:

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

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

(c) 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

(d) the Internal Restructuring Exercise, the Capital Reduction and the undertaking given by STSPL (as part of the STSPL Undertakings) to receive Taiwan HoldCo Shares pursuant to the Distribution (whether considered separately or in totality) will not be considered special deals for the purpose of Rule 10 of the Code.

10.2 The SIC has on 11 June 2015 further confirmed that:

(a) the Proposed Pre-Acquisition, the SAFE Undertaking and the Put Option do not constitute special deals pursuant to Rule 10 of the Code; and

(b) the Offeror and its concert parties (on the one hand) and STSPL and its concert parties (on the other hand) will not be deemed to be acting in concert for the purpose of obtaining or consolidating effective control of STATS, as a result of the Proposed Pre-Acquisition, the SAFE Undertaking and the Put Option.

11. Financial evaluation of the Offer

11.1 The Offer Price represents the following premium 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 the Latest Practicable Date	0.515	-9.6
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 traded price of the Shares on the SGX-ST on 31 October 2014 (being the last full day of trading of the Shares prior to the Possible Offer Announcement Date)	0.580	-19.7
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
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.

11.2 The total of the Offer Price and the Distribution[3], if effected, represents the following premium 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 the Latest Practicable Date	0.515	1.0
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	13.1
Last traded price of the Shares on the SGX-ST on 31 October 2014 (being the last full day of trading of the Shares prior to the Possible Offer Announcement Date)	0.580	-10.3
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	55.3
VWAP for the 1-month period prior to and including 14 May 2014	0.374	39.1
VWAP for the 3-month period prior to and including 14 May 2014	0.365	42.6
VWAP for the 6-month period prior to and including 14 May 2014	0.353	47.5
VWAP for the 12-month period prior to and including 14 May 2014	0.358	45.5

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.

12. LISTING STATUS AND COMPULSORY ACQUISITION

12.1 Listing status

(a) Pursuant to Rule 1105 of the Listing Manual, 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

[3] Based on the information set out in **paragraph 5** of the Offeree's Letter and assuming that Shareholders make a Cash Election.

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(1) 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 724(2) 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.

12.2 **Compulsory acquisition**

Pursuant to Section 215(1) of 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.

12.3 **Offeror's intentions**

(a) As stated in the Pre-Conditional Announcement and the Offer Announcement, 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.

13. CONFIRMATION OF FINANCIAL RESOURCES

Deutsche Bank, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares.

14. DISCLOSURES AND DEALINGS

14.1 To the Offeror's knowledge, save as disclosed in the Offer Document (including **Appendix 5** to this Composite Document), none of the following persons (each of such persons or entities, a "**Relevant Person**" and collectively, the "**Relevant Persons**"), as at the Latest Practicable Date, own, control or have agreed to acquire any Shares:

(a) the Offeror and its directors;

(b) SCXI and its directors;

(c) Holdco and its directors;

(d) JCET and its directors;

(e) SSSC, SMIC and their respective directors;

(f) the IC Fund and its directors;

(g) the Offeror's Financial Advisers;

(h) the Related New Directors; and

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

14.2 To the Offeror's knowledge, save as disclosed in the Offer Document (including **Appendix 5** to this Composite Document), as at the Latest Practicable Date, neither the Offeror nor any other Relevant Persons:

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

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

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

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

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

(c) 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;

(d) have:

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

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

(iii) lent any Relevant Securities to another person; or

(e) have entered into any arrangements of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Offer Shares which may be an inducement to deal or refrain from dealing in the Offer Shares.

14.3 To the Offeror's knowledge, save as disclosed in the Offer Document (including **Appendix 5** to this Composite Document), as at the Latest Practicable Date, neither the Offeror nor any other Relevant Persons have, during the period commencing three (3) months prior to the Possible Offer Announcement Date and ending with the Latest Practicable Date, dealt for value in any Shares or Relevant Securities.

14.4 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

15.1 Overseas Shareholders

The availability of the Offer to, and the ability to accept the Offer of, Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each an "**Overseas Shareholder**") may be affected by the laws of the relevant jurisdictions in which they are located. Accordingly, all Overseas Shareholders should inform themselves of, and observe, any applicable requirements in their own jurisdictions. Where there are potential restrictions on sending this Composite Document to any overseas jurisdiction, each of the Offeror and the Offeror's Financial Advisers reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders holding Offer Shares, including those to whom this Composite Document has not been, or will not be, sent.

Copies of this Composite Document 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.

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) 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.

15.2 Overseas jurisdiction

It is the responsibility of any Overseas Shareholder who wishes to (a) request the Composite Document or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction in connection therewith (including the provision to him of such documents). Such Overseas Shareholder shall be liable for the payment of any such taxes, imposts, duties or other requisite payments payable and the Offeror and any other person acting on its behalf (including the Offeror's Financial Advisers) shall be fully indemnified and held harmless by such Overseas Shareholder for any taxes, imposts, duties or requisite payments that may be required to be paid. In (a) requesting the Composite Document, or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and the Offeror's Financial Advisers that he is in full observance of the laws of the relevant jurisdiction in that connection and that he and the provision to him of any such documents are in full compliance with all necessary formalities and legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

15.3 Offer Document

The Offer is made solely on the basis of the Offer Document, which contains the full terms and conditions of the Offer, including details on how the Offer may be accepted. The Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities, 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 the Offer Document in

any jurisdiction in contravention of applicable laws. The release, publication or distribution of this Composite Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Composite Document is released, published or distributed should inform themselves about, and observe, such restrictions.

15.4 **Copies of the Composite Document**

Where there are potential restrictions on sending the Composite Document to Shareholders in any overseas jurisdiction, each of the Offeror and the Offeror's Financial Advisers reserves the right not to send the Composite Document to such overseas jurisdiction. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain copies of the Composite Document and any related documents, during normal business hours and up to the Closing Date, from (a) JCET-SC (Singapore) Pte. Ltd., c/o CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or as the case may be, (b) JCET-SC (Singapore) Pte. Ltd., c/o M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902. Copies of the Composite Document may also be downloaded from the SGX-ST website at www.sgx.com.

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write in to the Registrar at JCET-SC (Singapore) Pte. Ltd., c/o M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 to request the Composite Document and any related document(s) to be sent to an address in Singapore by ordinary post at his own risk, provided always that the last date for despatch in respect of such request shall be a date falling three (3) Market Days prior to the Closing Date. It is the responsibility of any Overseas Shareholder who wishes to request the Composite Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with other necessary formalities or legal requirements. In requesting the Composite Document and any related documents the Overseas Shareholder represents and warrants to the Offeror and the Offeror's Financial Advisers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

Each of the Offeror and the Offeror's Financial Advisers reserves the right not to treat an acceptance or purported acceptance of the Offer in or from any overseas jurisdiction and/or in respect of an Overseas Shareholder as valid. Overseas Shareholders accepting the Offer should note that if they have, in the FAT, provided addresses in overseas jurisdictions for the receipt of remittances of payment by the Offeror, such acceptances may be rejected.

15.5 **Notice**

Each of the Offeror and the Offeror's Financial Advisers reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

16. INFORMATION RELATING TO CPFIS INVESTORS / SRS INVESTORS

16.1 **CPFIS Investors**

CPFIS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks in due course. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

CPFIS Investors who wish to accept the Offer should reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared to be unconditional, CPFIS Investors who accept the Offer will receive the payment of the Offer Price for their Offer Shares in their CPF investment accounts.

16.2 **SRS Investors**

SRS Investors will receive further information on how to accept the Offer from their SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

SRS Investors who wish to accept the Offer should reply to their respective SRS Agent Banks accordingly by the deadline stated in the letter from their respective SRS Agent Banks. Subject to the Offer becoming or being declared unconditional, SRS Investors who accept the Offer will receive the payment of the Offer Price for their Offer Shares in their SRS investment accounts.

17. GENERAL INFORMATION

17.1 **Valid acceptances**

Each of the Offeror and the Offeror's Financial Advisers reserves the right to treat acceptances of the Offer as valid, if received by or on behalf of any of them at any place or places determined by them otherwise than as stated in this Offer Document, or if made otherwise than in accordance with the provisions herein and the instructions printed on the FAA and/or the FAT.

17.2 **Governing law and jurisdiction**

The Offer, the Offer Document (including the Acceptance Forms), all acceptances of the Offer, all contracts made pursuant thereto and all actions taken, made or deemed to be taken or made in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each Shareholder who has accepted the Offer agree to submit to the non-exclusive jurisdiction of the Singapore courts.

17.3 **No third party rights**

Unless expressly provided to the contrary in this Offer Document, a person who is not a party to any contracts made pursuant to the Offer, this Composite Document, the Offer Document and/or the Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

17.4 **Accidental omission**

Accidental omission to despatch the Composite Document (including the Acceptance Forms) or any notice, announcement or advertisement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.

17.5 **Independent advice**

The Offeror's Financial Advisers are acting for and on behalf of the Offeror in connection with the Offer and do not purport to advise the Shareholders or any other person. In preparing the Offer Document (including the Offeror's Letter), the Offeror's Financial Advisers have not had

regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder.

The views of the Independent Directors and the IFA are included in the Offeree's Circular. Shareholders may wish to consider their advice before taking any action in relation to the Offer.

17.6 **General information**

Appendix 5 to this Composite Document sets out certain additional general information relating to the Offer.

18. OFFEROR AND JCET 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 Composite Document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Composite Document (other than those relating to or expressed by the Company and those in the Offeree's Circular) are fair and accurate and that no material facts have been omitted from this Composite Document (other than the Offeree's Circular), 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 Composite Document (other than the Offeree's Circular). The directors of the Offeror and JCET do not accept any responsibility for any information relating to or any opinion expressed by STATS.

Issued by

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

For and on behalf of
JCET-SC (Singapore) Pte. Ltd.
16 July 2015

DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 First Closing Date

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5:30 p.m. on 13 August 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

1.2 Revision

The Offer, if revised, will remain open for acceptance for at least 14 days from the date of despatch of the written notification of the revision to Shareholders. All Shareholders who have already accepted the Offer will also receive the benefit of any revised Offer.

1.3 Subsequent Closing Date

If the Offer is extended and:

(i) is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next closing date; or

(ii) is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next closing date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.

1.4 No obligation to extend the Offer

The Offeror is not obliged to extend the Offer if any of the conditions specified in **paragraph 2.2** of the Offeror's Letter are not fulfilled by the Closing Date.

1.5 Offer to remain open for 14 days after being declared unconditional as to acceptances

In order to give Shareholders who have not accepted the Offer the opportunity to do so if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed ("**Rule 22.6 Period**").

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders notice in writing of at least 14 days ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond the Closing Date, provided that:

(i) the Offeror may not give a Shut-Off Notice in a competitive situation; and

(ii) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Rule 28.2 of the Code, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

1.6 **Final Day Rule**

The Offer (whether revised or not) will not be capable of:

(i) becoming or being declared unconditional as to acceptances after 5:30 p.m. on the 60th day after the Despatch Date; or

(ii) being kept open after such 60-day period unless it has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**").

1.7 **Time for fulfilment of other conditions**

Except with the consent of SIC, all conditions of the Offer must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

2. SETTLEMENT

2.1 **When settlement is due**

Subject to the Offer becoming or being declared unconditional in all respects and to the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Composite Document and in the FAA or the FAT (as the case may be), and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer stand to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time(s), remittances in the form of S$ cheques for the appropriate amounts will be despatched (or by such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash distribution), pursuant to Rule 30 of the Code, to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Shareholders, as soon as practicable, and in any case:

(a) in respect of valid acceptances which are complete in all respects and are received on or before the Offer Unconditional Date, within 10 days of the Offer Unconditional Date; or

(b) in respect of valid acceptances which are complete in all respects and are received after the Offer Unconditional Date, but before the Offer closes, within 10 days of the date of such receipt.

The Offeror will issue settlement instructions, on the Offer Unconditional Date, to effect the first batch of payments to all Shareholders who have accepted the Offer on or before the day prior to the Offer Unconditional Date.

2.2 **Method of settlement**

Remittance of the Offer Price will be made in the form of S$ crossed cheques drawn on a bank in Singapore (or by such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash distributions) for the appropriate amounts and will be sent to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post to their addresses as they appear in the Register (in the case of scrip shareholders) or the records of CDP (in the case of Depositors) at their own risk or in such other manner as the accepting Shareholders who are Depositors may have agreed with CDP for payment of any cash distributions.

3. ANNOUNCEMENTS

3.1 Timing and Contents

Pursuant to Rule 28.1 of the Code, by 8:00 a.m. on the Market Day ("**Relevant Day**") immediately after the day on which the Offer is due to expire or becomes or is declared to be unconditional as to acceptances, or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Offer Shares (as nearly as practicable):

(a) for which valid acceptances of the Offer have been received;

(b) held by the Offeror and any parties acting in concert with it prior to the commencement of the Offer Period; and

(c) acquired or agreed to be acquired by the Offeror and any parties acting in concert with it during the Offer Period,

and will specify the percentages of the Offer Shares represented by such numbers.

3.2 Suspension

Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of **paragraph 3.1** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Offer Shares until the relevant information is given.

3.3 Computation of acceptances

In computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account:

(a) acceptances which are valid in all respects; and

(b) subject to approval from CDP, acceptances which are duly completed and accompanied by the relevant original contract statements, validly issued by a member company of the SGX-ST in the name of the accepting Shareholder, in respect of a purchase by the accepting Shareholder of Offer Shares which are deposited with CDP (subject to the "Free Balance" of the Securities Account of the accepting Shareholder being credited with the relevant number of such Offer Shares within five (5) Market Days of the date of the relevant original contract statement(s)).

Acceptances of the Offer will only be treated as valid for the purposes of the acceptance condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

4. RIGHT OF WITHDRAWAL

4.1 Acceptances irrevocable

Except as expressly provided in this Composite Document and the Code, acceptances of the Offer shall be irrevocable and may not be withdrawn.

4.2 Right of withdrawal

A Shareholder who has tendered acceptances under the Offer may:

(a) withdraw his acceptance immediately if the Offer has become or been declared unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in **paragraph 3.1** of this **Appendix 1** by 3:30 p.m. on the

Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight (8) days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **paragraph 3.1** of this **Appendix 1**;

(b) withdraw his acceptance after 14 days from the first Closing Date if the Offer has not by then become or been declared unconditional as to acceptances. This right of withdrawal may be exercised until such time as the Offer becomes or is declared unconditional as to acceptances;

(c) withdraw his acceptance immediately if a competing offer for the Offer Shares becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation: if the Offer becomes or is declared unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance of such offer immediately; and

(d) in the event the Minimum Acceptance Condition is revised, withdraw his acceptance within eight (8) days from the date of notification by the Offeror to revise the Minimum Acceptance Condition.

4.3 **Procedure for withdrawal of acceptances**

To withdraw his acceptance under the Offer, an accepting Shareholder:

(a) holding Shares which **are deposited in CDP** must give written notice to the Offeror at **JCET-SC (Singapore) Pte. Ltd., c/o The Central Depository (Pte) Limited** at **Robinson Road Post Office, P.O. Box 1984, Singapore 903934**; or

(b) holding Shares which **are not deposited with CDP** must give written notice to the Offeror at **JCET-SC (Singapore) Pte. Ltd., c/o M & C Services Private Limited** at **112 Robinson Road, #05-01, Singapore 068902**.

Such notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing, and when actually received by the Offeror. Where an agent is appointed by a Shareholder, evidence of appointment of the agent must be produced in a form satisfactory to the Offeror.

PROCEDURES FOR ACCEPTANCE

1. THE OFFER

1.1 Depositors

1.1.1 **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of your Securities Account, you should receive this Composite Document together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Offer, you should:

(a) complete the FAA in accordance with this Composite Document and the instructions printed on the FAA. In particular, you must state in Part A of the FAA the number of Offer Shares in respect of which you wish to accept the Offer. If you:

(i) do not specify such number; or

(ii) specify a number which exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at **5:00 p.m. on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5:30 p.m. on the Closing Date**,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the "Free Balance" of your Securities Account as at **5:00 p.m. on the Date of Receipt or 5:30 p.m. on the Closing Date (if the FAA is received by CDP on the Closing Date)**;

(b) sign the FAA in accordance with this **Appendix 2** and the instructions printed on the FAA; and

(c) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):

(i) **by hand** to **JCET-SC (Singapore) Pte. Ltd., c/o The Central Depository (Pte) Limited** at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**; or

(ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to **JCET-SC (Singapore) Pte. Ltd., c/o The Central Depository (Pte) Limited** at **Robinson Road Post Office, P.O. Box 1984, Singapore 903934**,

in either case so as to arrive not later than 5:30 p.m. on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. Please note that the pre-addressed envelope which is enclosed is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above addresses.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Composite Document and the accompanying FAA to the purchaser or

transferee, as CDP will arrange for a separate Composite Document and FAA to be sent to the purchaser or transferee. Purchasers of the Offer Shares should note that CDP will, for and on behalf of the Offeror, send a copy of this Composite Document and the FAA by ordinary post at the purchasers' own risk to their respective mailing addresses as they appear in the records of CDP.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 5:30 p.m. on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be subject to each of the terms and conditions contained in the FAA and this Composite Document as if the FAA had been completed and delivered to CDP.

1.1.2 **Depositors whose Securities Accounts will be credited with Offer Shares.** If you have purchased Offer Shares on the SGX-ST after the Despatch Date, and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive this Composite Document together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Offer in respect of such Offer Shares, you should, after the "Free Balance" of your Securities Account has been credited with such number of Offer Shares purchased:

(a) complete and sign the FAA in accordance with **paragraph 1.1.1** of this **Appendix 2** and the instructions printed on the FAA; and

(b) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):

(i) **by hand** to **JCET-SC (Singapore) Pte. Ltd., c/o The Central Depository (Pte) Limited** at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**; or

(ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to **JCET-SC (Singapore) Pte. Ltd., c/o The Central Depository (Pte) Limited** at **Robinson Road Post Office, P.O. Box 1984, Singapore 903934**,

in either case so as to arrive not later than 5:30 p.m. on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. Please note that the pre-addressed envelope which is enclosed is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above addresses.

1.1.3 **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to the "Free Balance" of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the "Free Balance" of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only after the "Free Balance" of your Securities Account has been credited with such number of additional Offer Shares purchased.

1.1.4 **Rejection**. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be credited to the "Free Balance" of your Securities Account (for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. If you purchase Offer Shares on the SGX-ST, your acceptance of the Offer in respect of such Offer Shares is liable to be rejected if the "Free Balance" of your Securities Account is not credited with such Offer Shares by 5:00 p.m. on the Date of Receipt or 5:30 p.m. on the Closing Date (if the Date of Receipt is the Closing Date).

None of CDP, Deutsche Bank, CICC, DBS and the Offeror (and, for the avoidance of doubt, any of the Offeror's related corporations) accept any responsibility or liability in relation to such rejections, including the consequences thereof.

1.1.5 **General.** No acknowledgement will be given by CDP for FAAs submitted by hand or by post to CDP or deposited into boxes located at CDP's premises. All communications, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service, (ii) through the CDP Phone Service if you have a T-Pin, or (iii) by proceeding to CDP in person with your identity card or passport.

1.1.6 **Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the FAA, CDP will take such measures as it may consider necessary and expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Offer Price in the event the Offer becomes or is declared unconditional in all respects (including, without limitation, earmarking, blocking and/or transferring the relevant number of Offer Shares in respect of which you have accepted the Offer from the "Free Balance" of your Securities Account to a "Suspense Account"). Such Offer Shares will be held in the "Suspense Account" until the consideration for such Offer Shares has been despatched to you.

1.1.7 **Notification.** If you have accepted the Offer in accordance with the provisions contained in this **Appendix 2** and the FAA, upon the Offer becoming or being declared to be unconditional in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price by way of a cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions at your own risk.

1.1.8 **Return of Offer Shares.** In the event that the Offer does not become or is not declared to be unconditional in accordance with its terms, CDP will return the aggregate number of Offer Shares in respect of which you have accepted the Offer and tendered for acceptance under the Offer to the "Free Balance" of your Securities Account as soon as possible but, in any event, within 14 days from the lapse or withdrawal of the Offer.

1.1.9 **No Securities Account**. If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

1.2 **Scripholders**

1.2.1 **Shareholders whose Shares are not deposited with CDP**. If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive this Composite Document together with the FAT.

1.2.2 **Acceptance**. If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

(a) complete the FAT in accordance with this Composite Document and the instructions printed on the FAT. In particular, you must state in Part (A) of the FAT the number of Offer Shares in respect of which you wish to accept the Offer and state in Part (B) of the FAT the share certificate number(s) of the relevant share certificate(s). If you:

(i) do not specify a number in Part (A) of the FAT; or

(ii) specify a number in Part (A) which exceeds the number of Offer Shares represented by the attached share certificate(s), accompanying the FAT,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares comprised in the share certificate(s) accompanying the FAT;

(b) sign the FAT in accordance with this **Appendix 2** and the instructions printed on the FAT; and

(c) deliver:

(i) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);

(ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure STATS to issue such share certificate(s) in accordance with the memorandum and articles of association of STATS and then deliver such share certificate(s) in accordance with the procedures set out in this Composite Document and the FAT;

(iii) where such Offer Shares are not registered in your name, a transfer form, duly completed and executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or transferee or a person authorised by either); and

(iv) any other relevant document(s),

either (1) **by hand** or (2) **by post**, in the enclosed pre-addressed envelope at your own risk, to **JCET-SC (Singapore) Pte. Ltd., c/o M & C Services Private Limited** at **112 Robinson Road, #05-01, Singapore 068902**, **in either case so as to arrive not later than 5:30 p.m. on the Closing Date**. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. Please note that the pre-addressed envelope which is enclosed is pre-paid for posting in Singapore only. It is your

responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above addresses.

1.2.3 **Receipt.** No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other accompanying document(s) will be given by the Offeror, Deutsche Bank, CICC, DBS or the Registrar.

1.2.4 **Return of Offer Shares.** In the event the Offer does not become or is not declared to be unconditional in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you as soon as possible but, in any event, within 14 days of the lapse or withdrawal of the Offer.

2. GENERAL

2.1 **Disclaimer.** The Offeror, the Offeror's Financial Advisers, the Registrar and/or CDP will be entitled, at their sole and absolute discretion, to reject any acceptance of the Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Composite Document and the Acceptance Forms or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or FAT, as the case may be, is properly completed and executed in all respects and submitted with original signature(s) and that all required documents, where applicable, are provided. Any decision to reject any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Offeror's Financial Advisers, the Registrar and/or CDP accept any responsibility or liability for such a decision, including the consequences of such a decision.

2.2 **Discretion.** The Offeror and the Offeror's Financial Advisers each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated in this Composite Document and in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Composite Document and in the FAA and/or the FAT, as the case may be. Any decision to treat as valid such acceptances will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Offeror's Financial Advisers, the Registrar and/or CDP accept any responsibility or liability for such a decision, including the consequences of such a decision.

2.3 **Scrip and scripless Offer Shares.** If you hold some Offer Shares in scrip form and others with CDP, you should complete an FAT for the former and the FAA for the latter in accordance with the respective procedures set out in this **Appendix 2** and the Acceptance Forms if you wish to accept the Offer in respect of all such Offer Shares.

2.4 **Deposit time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer by way of the FAA if you were to deposit your share certificate(s) with CDP after the Despatch Date and ending on the Closing Date (both dates inclusive). If you wish to accept the Offer in respect of such Offer Shares held in scrip form, you should complete a FAT and follow the procedures set out in **paragraph 1.2** of this **Appendix 2** and the FAT.

2.5 **Correspondence.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or in the case of scripholders, your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Register, as the case may be, at the risk of the person(s) entitled thereto (or, for the purposes of remittances only, to such different names and addresses as may be specified by you in the FAA or the FAT, as the case may be, at your sole risk).

2.6 **Evidence of title.** Delivery of the duly completed and signed FAA and/or FAT, as the case may be, together with the relevant share certificate(s) and/or other documents of title and/or other relevant document(s) required by the Offeror, to CDP, the Registrar and/or the Offeror, as the case may be, shall be conclusive evidence in favour of CDP, the Registrar and/or the Offeror (or its nominee), as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.

2.7 **Loss in transmission.** The Offeror, the Offeror's Financial Advisers, CDP and/or the Registrar, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT.

2.8 **Acceptances irrevocable.** Except as expressly provided in this Composite Document and the Code, the acceptance of the Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or the Registrar, as the case may be, after the FAA and/or the FAT, as the case may be, has been received shall be disregarded.

2.9 **Acceptances received on Saturdays, Sundays and public holidays.** For the avoidance of doubt, acceptances in the form of the FAA and/or the FAT, as the case may be, received by or on behalf of the Offeror on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

ADDITIONAL INFORMATION RELATING TO THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Wang XinChao	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Chairman and Director
Chew Hwee Seng Jimmy	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Director
Woo Kwek Kiong	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Director
Steve Xin Liang	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Director
Cui Dong	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Director
Fan Xiao Ning	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Director
Ren Kai	c/o 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315	Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US$1 consisting of one (1) ordinary share.

3. PRINCIPAL ACTIVITIES

The Offeror is a private company incorporated in the Republic of Singapore on 19 December 2014. The principal activity of the Offeror is that of a special purpose vehicle established for the purpose of acquiring the Offer Shares pursuant to the Offer.

4. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was only recently incorporated on 19 December 2014, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

5. MATERIAL CHANGES IN FINANCIAL POSITION

Save as a result of the making and financing of the Offer, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Offeror since 19 December 2014, being the date of its incorporation.

6. REGISTERED OFFICE

The registered office of the Offeror is at 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315.

ADDITIONAL INFORMATION RELATING TO JCET

1. DIRECTORS

The names, addresses and descriptions of the directors of JCET as at the Latest Practicable Date are as follows:

Name	Address	Description
Wang XinChao 王新潮	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Chairman and Director
Fan YongMing 范永明	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Director
Jiang ShouLei 蒋守雷	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Director
Sa ZhiHui 沙智慧	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Director
Shen Yang 沈阳	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Director
Wang YuanFu 王元甫	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Director
Zhu ZhengYi 朱正义	c/o No. 275 Bingjiang Road, Jiangyin, Jiangsu, China	Company Secretary and Director

2. SHARE CAPITAL

As at the Latest Practicable Date, JCET has an issued and paid-up share capital of S$217,253,249[4] consisting of 984,570,000 ordinary shares.

3. PRINCIPAL ACTIVITIES

JCET is the largest electronics packaging service provider in the People's Republic of China and has been listed on the SSE since 2003. JCET currently has 5 manufacturing facilities in Jiangsu and Anhui provinces in the People's Republic of China.

4. SUMMARY OF FINANCIAL INFORMATION[5]

Set out below is certain financial information extracted from JCET's audited consolidated financial statements for FY2012, FY2013 and FY2014 (collectively, the "**JCET Financial Statements**"). Such financial information should be read in conjunction with the JCET Financial Statements and the accompanying notes as set out therein.

4 Using an exchange rate of S$1 to RMB4.5319, being the exchange rate as at the Latest Practicable Date as published on the website of the People's Bank of China.

5 See footnote 4.

Income statement

	FY2012 (Audited) (in S$'000)	FY2013 (Audited) (in S$'000)	FY2014 (Audited) (in S$'000)
Revenue	978,874	1,125,810	1,418,450
Profit before taxation	13,376	17,324	56,910
Profit after taxation	8,665	10,770	46,064
Non-controlling interests	6,368	8,315	11,494
Profit attributable to owners of JCET	2,297	2,454	34,570
Basic earnings per share **(cents)**	0.22	0.22	3.97
Total dividends per share **(cents)**	0	0.33	0.22

Balance Sheet as at 31 December 2014

	As at 31 December 2014 (Audited) (in S$'000)
Assets	
Non-current assets	1,291,248
Current assets	1,114,433
Total assets	**2,405,681**
Liabilities and equity	
Non-current liabilities	220,095
Current liabilities	1,298,282
Shareholders' equity	887,304
Non-controlling interests	56,780
Total liabilities and equity	**2,405,681**

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the financing of the Offer, and other information on JCET which is publicly available (including without limitation the announcements released by JCET on the SSE), there has been no known material changes in the financial position of JCET since 23 March 2015, being the date of the last published audited accounts of JCET.

6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of JCET are disclosed in pages 69 to 70 of JCET's Annual Report for FY2014.

A copy of JCET's Annual Report for FY2014 (which contains notes of the accounts) is available on the SSE website at www.sse.com.cn or at the registered office of the Offeror at 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315.

7. CHANGE IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there has been no change in the accounting policies of JCET since the date of its audited consolidated financial statements for FY2014 which will cause the figures set out in **paragraph 4** of this **Appendix 3B** to be not comparable to a material extent.

8. REGISTERED OFFICE

The registered office of JCET is at No. 275, Middle Bingjiang Road, Jiangyin, Jiangsu Province 214431, People's Republic of China.

INFORMATION ON THE PROPOSED NEW DIRECTORS

Mr Wang XinChao

Mr Wang XinChao is currently the Chairman and chief executive officer of JCET, a company listed on the SSE, and JXTG. Mr Wang is concurrently director of the IC Packaging and Testing Industry Chain Technology Innovation Strategic Alliance, National Engineering Laboratory, and deputy director of the China Semiconductor Industry Association. He is also an Industry Professor at Nanjing University and a part-time Professor at Huazhong University of Science and Technology and Nanjing University.

Mr Wang has previously held the posts from vice-plant manager to director and general manager at Jiangyin Changjiang Electronics Technology Co., Ltd. since 1989, then known as Jiangyin Transistor Factory.

In 2009, Mr Wang was named as one of the 10 people of the year for China's electronic components industry and a Jiangyin City Times Pioneer and in 2011, he received the China Gold Patent Award for inventors and was named one of Jiangyin's top 10 best talents for technological innovation and entrepreneurship. He has been awarded the Worker of the Year from the Ministry of Information Industry, the Outstanding Leader of the Chinese semiconductor industry and the Person of the Year of the Chinese semiconductor manufacturing industry. In 2014, Mr Wang was named SEMI China's man of the year.

Mr Cui Dong

Mr Cui Dong has a total of 19 years of experience in the semiconductor industry and is now the chief executive officer of SJ Semiconductor Corp., a joint venture established by SMIC and JCET in 2014. He also serves as director of SSSC, a wholly-owned subsidiary of SMIC, and the Offeror. SSSC is a member of the Consortium. Prior to the founding of SJ Semiconductor Corp., Mr Cui was the executive vice-president of SMIC, which is listed on the Hong Kong Stock Exchange and the New York Stock Exchange.

Prior to joining SMIC, Mr Cui was president of China Electronics Corporation Hua Hong International Inc. and its investment management arm in Silicon Valley, CEC Capital Management LLC.

Mr Cui received a BA in Chinese Language and Literature from Beijing Normal University, a Master's of Science in Management Science and Engineering from Tongji University, Shanghai, a Master's of Science in Finance from Golden Gate University, and a Certificate of Accounting in Tax from De Anza College.

Mr Ren Kai

Mr Ren Kai is currently the deputy president of Sino IC Capital. Sino IC Capital is the fund manager of IC Fund, which is a member of the Consortium. Prior to joining Sino IC Capital, Mr Ren worked for the China Development Bank ("**CDB**"). His last position in the CDB was director in charge of research and planning of electronic, telecommunication & television industry, lending credit policy and project assessment. Mr Ren was involved in many high-profile investment / lending projects involving companies such as Huawei, Zhong Xing, Datang, SMIC, Alibaba and Volvo.

Mr Ren graduated from Harbin Engineering University, with a Bachelor in Engineering.

Mr Fan Xiao Ning

Mr Fan Xiao Ning has 10 years of experience in the investment industry. He is currently the deputy president of Sino IC Capital. Prior to joining Sino IC Capital, he was the vice-president of CDB Capital from 2009 to 2014. During this period, Mr Fan was sent by CDB Capital to work full time in various companies CDB Capital invested in, including Kai Yuan City Development and Shao Xing Land Development Project from 2010 to 2012. Prior to joining CDB Capital, Mr Fan worked at Hong Yuan Securities Co. from 2007 to 2009 and Beijing International Trust Investment Co. from 2005 to 2007.

Mr Fan received his Bachelor in Physics from Nanjing University in 2005.

Mr Liu Ming

Mr Liu Ming is currently the vice-president of JCETUS, Inc.

Prior to being appointed as vice-president of JCETUS, Inc., Mr Liu was a member of the consulting staff of Cadence Design Systems, Inc. from 2007 to 2012 and a software engineer at Aprio Technologies, Inc. from 2005 to 2007. Mr Liu graduated with a Bachelor of Engineering (Computer Science and Technology) from Tsinghua University, Beijing in 1996. He also has a Master's of Science in Computer Information Science and a PhD in Computer Science and Engineering, both from the Ohio State University.

Mr Lai Chih-Ming

Mr Lai Chih-Ming has more than 30 years of experience in semiconductor manufacturing and technology management and is currently the chief executive officer of Jiangyin Changdian Advanced Packaging Co. Ltd. ("**JCAP**"), a subsidiary controlled by JCET. He joined JCET in 2001 as executive vice-president, established JCAP in 2003 and has been acting as the chief executive officer of JCAP since then. Mr Lai established the first 12"/8" CuP/WLCSP packaging and assembly production line in China.

Mr Lai is currently the vice-chairman of the Electronic Manufacturing Packaging Technology branch of the Chinese Institute of Electronics.

Mr Luo Hong Wei

Mr Luo Hong Wei has more than 30 years of experience in semiconductor packaging and assembly industry. He has been working for JCET since 1978 and is currently the executive general manager of JCET.

Dr Han Byung Joon

Dr Han Byung Joon has been STATS' Chief Technology Officer since 1999. He is also responsible for Advanced Technology Marketing and is the Head of Asia Sales for STATS. Prior to joining STATS, Dr Han worked at Anam Semiconductor, AT&T Bell Labs and IBM. He received his Doctorate from Columbia University and attended Harvard Business School's Executive Advanced Management Program.

Dr Shen Xiao Xiang

Dr Shen Xiao Xiang has more than 15 years of experience in risk management in the financial industry and, as the deputy head of Credit Risk Modelling at Oversea-Chinese Banking Corporation Ltd. ("**OCBC**"), is responsible for managing the development, maintenance and implementation of credit risk models across all asset classes in the OCBC Group. Prior to his current appointment at OCBC, Dr Shen served as Head of Credit, Secured Lending at Standard Chartered Bank Singapore.

Dr Shen graduated from the University of Science and Technology of China with a Bachelor of Science in Management Science. He also has a PhD from the National University of Singapore in Industrial and Systems Engineering.

Mr Soh Boon Wah

Mr Soh Boon Wah is the managing director of the Darcet Group of Companies (the "**Darcet Group**"). The Darcet Group has operations in Singapore, China, Malaysia and Hong Kong and provides turnkey manufacturing and factory automation solutions. The Darcet Group has achieved a turnover of US$50 million since 2012, and developed and registered over 30 patents. Mr Soh was awarded the Suzhou Industrial Park Junji Lake Double Hundred Talent Award in 2011. Prior to founding the Darcet Group in 1999, Mr Soh was the managing director of Suzho KEA APEC Town Development from 1995 to 1997.

Mr Soh has a General Degree in Commerce, majoring in Business Administration, Banking and Finance from the Nanyang University, where he was a Nanyang University scholar.

ADDITIONAL INFORMATION ON STATS

1. DIRECTORS

The names, addresses and descriptions of the directors of the Company are as follows:

Name	Address	Description
James Albert Norling	7239 N Desert Fairways Drive Paradise Valley, Arizona 85253, Phoenix U.S.A.	Chairman, Non-executive and Independent Director
Tan Lay Koon	63 Cardiff Grove Serangoon Garden Estate Singapore (558929)	President, CEO and Executive Director
Peter Seah Lim Huat	45 Binjai Park Singapore (589845)	Non-executive and Independent Director
R. Douglas Norby	39 West Shore Road, Belvedere California 94920 U.S.A.	Non-executive and Independent Director
Teng Cheong Kwee	16B Margoliouth Road #06-03 Singapore (258542)	Non-executive and Independent Director
Rohit Sipahimalani	44 Coronation Road West #01-02 Astrid Meadows Singapore (269260)	Non-executive and Non-Independent Director
Pasquale Antonio Pistorio	Via Marconi 19 23873 Missaglia (LC) Italy	Non-executive and Independent Director
Gary Windle Tanner	812 Stonewall Ridge Lane Austin, Texas 78746, U.S.A.	Non-executive and Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately US$872,766,000 comprising 2,202,218,293 Shares, and the Company has no treasury shares. The Company's statutory issued share capital represented by 2,202,218,293 Shares is S$2,343,908,031.29 as at the Latest Practicable Date.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Composite Document (including the 1Q2015 Results and the Performance Update) and save for any other information on the Company which is publicly available (including, without limitation, announcements released by the Company on the SGX-ST up to the Latest Practicable Date), there has not been, within the knowledge of the Offeror and JCET, any material change in the financial position or prospects of the Company since 28 December 2014, being the date of the last balance sheet laid before Shareholders in general meeting.

4. REGISTERED OFFICE

As at the Latest Practicable Date, the registered office of STATS is at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059.

GENERAL INFORMATION FROM THE OFFEROR

1. DISCLOSURE OF INTERESTS

1.1 No agreement having any connection with or dependence upon the Offer

As at the Latest Practicable Date, save as disclosed in the Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror or any of the Relevant Persons and (b) any of the current or recent directors of the Company or any of the current or recent Shareholders, having any connection with or dependence upon the Offer.

1.2 No agreement conditional upon the outcome of the Offer

As at the Latest Practicable Date, save as disclosed in the Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the directors of the Company or any other person, in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.

1.3 Transfer of Offer Shares

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Offer Shares acquired pursuant to the Offer will be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares acquired pursuant to the Offer to any of its related corporations (as defined in the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.

1.4 No payment or benefit to directors of the Company

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or any of its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Offer.

1.5 Transfer restrictions

The memorandum and articles of association of the Company do not contain any restrictions on the right to transfer the Offer Shares, which has the effect of requiring holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

1.6 No material change

Save as disclosed in the Offer Document and save for information relating to the Offeror and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Possible Offer Announcement Date and ending on the Latest Practicable Date.

2. GENERAL

2.1 Costs and expenses

All costs and expenses of or incidental to the Offer including the preparation and circulation of this Composite Document (other than professional fees and other costs incurred or to be incurred by the Company relating to the Offer or any revision thereof) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

2.2 **Consent**

Each of the Offeror's Financial Advisers has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its name and all references to its name in the form and context in which it appears in this Composite Document.

3. MARKET QUOTATIONS

3.1 **Closing prices**

The closing price of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (a) the Latest Practicable Date was S$0.515; (b) 29 December 2014 (being the last full day of trading of the Shares on the SGX-ST immediately preceding the Pre-Conditional Announcement Date) was S$0.460; and (c) 31 October 2014 (being the last full day of trading of the Shares on the SGX-ST immediately preceding the Possible Offer Announcement Date) was S$0.580.

The closing prices and aggregate trading volume of the Shares on the SGX-ST at the end of each month from May 2014 to November 2014, as reported by Bloomberg L.P., as well as the corresponding premium represented by the Offer Price, are set out below:

Month	Last closing price of the month (S$)	Volume of Shares traded ('000)	Premium over the last closing price of the month (%)
May 2014	0.505	267,236	2.0
June 2014	0.600	501,500	-14.2
July 2014	0.585	243,268	-12.0
August 2014	0.750	372,437	-31.3
September 2014	0.610	313,472	-15.6
October 2014	0.580	139,847	-11.2
November 2014	0.440	136,924	17.0

3.2 **Highest and lowest closing prices**

The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six (6) months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date are as follows:

	Price (S$)	Date(s) transacted
Highest closing price	0.750	29 August 2014
Lowest closing price	0.335	14 May 2014

4. DISCLOSURES

4.1 **Holdings in Shares**

As at the Latest Practicable Date, to the Offeror's knowledge, the interests in Shares held by the Offeror and parties acting in concert with it are set out below:

	Direct interest		Total interest	
Name	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Offeror	2,202,219	0.1	2,202,219	0.1

Note

(1) Calculated on the basis of 2,202,218,293 Shares in issue (excluding treasury shares).

4.2 **Dealings in Shares**

As at the Latest Practicable Date, to the Offeror's knowledge, the dealings in Shares for value by the Offeror and parties acting in concert with it are set out below:

Name	Dealing date	No. of Shares acquired	Transaction price per Share[1] (S$)
Offeror	26 June 2015	2,202,219[2]	0.46577

Notes

(1) Excludes clearing fees and goods and services tax.

(2) Being the aggregate number of Shares acquired by the Offeror pursuant to completion of the Proposed Pre-Acquisition.

Pursuant to a loan facility entered into by the Offeror in connection with the Offer, the Offeror has agreed to grant a charge over all the Shares to be acquired by the Offeror in favour of Bank of China Limited, Singapore Branch.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Offeror at 10 Collyer Quay, Ocean Financial Centre #10-01, Singapore 049315 during normal business hours while the Offer remains open for acceptance:

(a) the memorandum and articles of association of the Offeror;

(b) the Pre-Conditional Announcement;

(c) the Offer Announcement;

(d) the STSPL Undertakings;

(e) the audited consolidated financial statements of JCET for FY2014, FY2013 and FY2012 and the related notes thereto referred to in **paragraph 4** of **Appendix 3B** to this Composite Document; and

(f) the letter(s) of consent from the Offeror's Financial Advisers referred to in **paragraph 2.2** of this **Appendix 5**.

This Letter to Shareholders from the Board shall not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction, including in the United States. This Letter to Shareholders from the Board is issued to Shareholders solely for the purpose set out in paragraph 1 below. Shareholders are authorised to use this Letter to Shareholders from the Board solely for such purpose.

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

Directors

Mr James A. Norling *(Non-executive Independent Chairman)*
Mr Tan Lay Koon *(President, Chief Executive Officer and Executive Director)*
Mr Peter Seah Lim Huat *(Non-executive Independent Director)*
Mr R. Douglas Norby *(Non-executive Independent Director)*
Mr Teng Cheong Kwee *(Non-executive Independent Director)*
Mr Rohit Sipahimalani *(Non-executive Director)*
Mr Pasquale Pistorio *(Non-executive Independent Director)*
Mr Gary Tanner *(Non-executive Independent Director)*

Registered Office

10 Ang Mo Kio Street 65
#04-08/09 Techpoint
Singapore 569059

16 July 2015

To: The Shareholders of STATS ChipPAC Ltd.

1. INTRODUCTION

On 30 December 2014, Deutsche Bank and CICC announced, for and on behalf of the Offeror, that subject to the fulfilment or waiver of the Pre-Conditions, the Offeror would make the Offer to acquire all of the Offer Shares.

On 26 June 2015, the Offeror's Financial Advisers announced, for and on behalf of the Offeror, that all of the Pre-Conditions have been satisfied and accordingly, the Offeror's firm intention to make the Offer.

Your attention is drawn to the Offeror's Letter and **Appendices 1 to 5** set out in Part 1 of this Composite Document and the Acceptance Forms, which set out, *inter alia*, the terms and conditions of the Offer. **Shareholders are advised to read the terms of the Offer contained in the Offeror's Letter and Appendices 1 to 5 set out in Part 1 of this Composite Document and the Acceptance Forms carefully.**

The purpose of this Letter to Shareholders from the Board, which forms part of the Composite Document, is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendations of the Independent Directors and the advice and recommendations of the IFA with regard to the Offer.

Unless the context otherwise requires, capitalised terms defined in the Composite Document shall have the same meanings when used in this Letter to Shareholders from the Board.

2. THE OFFER

2.1 **Offer Price.** As stated in the Offeror's Letter, the Offer Price is:

for each Offer Share: **S$0.46577**.

Your attention is also drawn to **paragraph 2.1(b)** of the Offeror's Letter:

*"**2.** **THE OFFER***

2.1 ***Offer terms***

…

*(b) 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, in which case the Offeror will comply with the provisions of Note 2 to Rule 20.2 of the Code**."*

2.2 **Conditions of the Offer.** As stated in the Offeror's Letter, the Perpetual Securities Offering Condition has been met on the Offer Announcement Date. The Offer remains conditional upon the Minimum Acceptance Condition and the Capital Reduction Condition.

The Capital Reduction Condition will be regarded as having been fulfilled upon the filing of the court order approving the Capital Reduction with ACRA and the transfer on the same day of the legal title to the Taiwan HoldCo Shares to all eligible Shareholders who have not exercised the Cash Election.

The Company proposes to lodge the court order approving the Capital Reduction with ACRA on or around 5 August 2015.

Please refer to **paragraph 2.2** of the Offeror's Letter for further details relating to the conditions of the Offer.

2.3 **Options.** As at the Latest Practicable Date, the Company has 23,635 outstanding Options under the Share Option Plan. As stated in the Offeror's Letter, as the Options are not transferable by the holders thereof under the rules of the Share Option Plan, the Offeror will not make any proposal to acquire the Options. Pursuant to the Company Undertaking, the Company has undertaken that on and from the Offer Announcement Date, (i) no further Options shall be granted and (ii) no new Shares shall be issued by the Company other than pursuant to valid exercise of the Options.

The Offer however 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 Closing Date, of any Options outstanding as at the Offer Announcement Date.

2.4 **Awards.** As at the Latest Practicable Date, the Company has 10,022,089 outstanding Awards under the Performance Share Plan. As stated in the Offeror's Letter, as the Awards are not transferable by the holders thereof under the rules of the Performance Share Plan, the Offeror will not make any proposal to acquire the Awards.

Pursuant to the Company Undertaking, the Company has undertaken with the Offeror that, save where the Offeror has granted its prior written consent, on and from the Offer Announcement Date, no Awards shall be vested into and be settled by the issue of new Shares.

The ERCC has determined that as the prescribed performance targets are not met, none of the outstanding Awards will vest and, accordingly, all of the outstanding Awards will lapse upon the Offer becoming or being declared unconditional in all respects (the "**ERCC Decision**").

2.5 **Further Details of the Offer.** The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document (set out in Part 1 of this Composite Document). Further details on, *inter alia*, (i) the duration of the Offer, (ii) the settlement of the consideration of the Offer, (iii) the requirements relating to the announcement of the level of acceptances of the Offer, and (iv) the right of withdrawal of acceptances are set out in **Appendix 1** set out in Part 1 of this Composite Document.

Appendix 2 set out in Part 1 of this Composite Document sets out the procedures for acceptance of the Offer by a Shareholder.

2.6 **Closing Date.** Shareholders should note that the Offer will close at **5.30 p.m. (Singapore time) on 13 August 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror**.

3. STSPL UNDERTAKINGS

As set out in **paragraph 3** of the Offeror's Letter, the Offeror has received certain undertakings from STSPL, a wholly-owned subsidiary of Temasek Holdings (Private) Limited, which owns 1,843,513,470 Shares representing approximately 83.7 per cent. of the Shares as at the Latest Practicable Date. Pursuant to the STSPL Undertakings, STSPL has, subject to the fulfilment of certain conditions, undertaken to, *inter alia*, accept the Offer in respect of all and not some of their Shares by not later than 5.00 p.m. on the 6th day prior to the date of the lodgement with ACRA of the court order approving the Capital Reduction and the transfer of the legal title to the Taiwan HoldCo Shares to all Shareholders who have not exercised the Cash Election.

Please refer to **paragraph 3** of the Offeror's Letter for further details in relation to the STSPL Undertakings.

Your attention is also drawn to **paragraph 3.4** of the Offeror's Letter.

"***3. STSPL UNDERTAKINGS AND PROPOSED PRE-ACQUISITION***

…

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

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

(b) 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."

4. 2016 NOTES AND 2018 NOTES

As at the Latest Practicable Date, the Company has outstanding:

(a) an aggregate principal amount of US$200 million of the 2016 Notes; and

(b) an aggregate principal amount of US$611.2 million of the 2018 Notes.

STSPL's acceptance of the Offer in respect of and delivery of all of the Relevant Shares to the Offeror pursuant to and in accordance with the STSPL Undertakings will constitute a "Change of Control" as defined in the respective indentures governing the 2016 Notes and the 2018 Notes (collectively, the "**Notes**"). Within 30 days following such occurrence, the Company (or a third party in lieu of the Company) will be required by these indentures to make an offer to

each holder of the Notes to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101 per cent. of the aggregate principal amount of the Notes repurchased, plus any accrued and unpaid interest (the "**Change of Control Offer**").

The payment date for the Change of Control Offer is required to be no earlier than 30 days and no later than 60 days after the date the Change of Control Offer is made, and in any event no later than 90 days after the occurrence of the "Change of Control". Arrangements have been put in place for the Company to enter into a bridge facility with DBS of up to US$890,000,000 on or after the Offer Unconditional Date to fund, *inter alia*, any redemption of the Notes pursuant to the Change of Control Offer.

5. CAPITAL REDUCTION AND PERPETUAL SECURITIES OFFERING BY THE COMPANY

5.1 Capital Reduction and Distribution

(a) **Cash Distribution and Distribution *in specie*.** The Offeror is a company majority owned by JCET, a PRC entity. In view of the applicable laws and regulations in Taiwan restricting the investment or ownership by PRC entities in Taiwan entities, the Taiwan Subsidiaries are not within the scope of the Offer. They are accordingly intended to be distributed out of STATS Group pursuant to the Capital Reduction and Distribution, which, if effected, will take place before the Offer becomes or is declared unconditional in all respects. Subject to the satisfaction of certain conditions, including the lodgement of the court order approving the Capital Reduction with ACRA, the Company proposes to undertake the Distribution of US$89,119,520 to eligible Shareholders by way of:

(i) a proposed cash distribution of US$15,000,000 on a pro-rata basis to eligible Shareholders based on the number of Shares held by such eligible Shareholders as at the Books Closure Date (the "**Cash Distribution**"); and

(ii) a proposed distribution *in specie* of US$74,119,520 in the form of Taiwan HoldCo Shares on the basis of one (1) Taiwan HoldCo Share for each Share held by the eligible Shareholders as at the Books Closure Date (the "**Distribution *in specie***").

(b) **Basic Entitlement per Share.** As announced by the Company in its announcement dated 3 July 2015 in relation to the Books Closure Date (the "**BCD Announcement**"), pursuant to the Capital Reduction and Distribution, eligible Shareholders will be entitled to receive the following for each Share held as at the Books Closure Date (the "**Basic Entitlement**"):

Basic Entitlement	:	**US$0.0068113 IN CASH[6] AND ONE (1) TAIWAN HOLDCO SHARE**

For the purposes of **paragraph 5.1** of this Letter to Shareholders from the Board, eligible Shareholders refer to Shareholders who hold Shares as at the Books Closure Date. Where the Directors are of the view that the distribution of Taiwan HoldCo Shares to any eligible Shareholders who are Overseas Shareholders may infringe any relevant foreign law or necessitate compliance with conditions or requirements which they regard as onerous by reasons of costs, delay or otherwise, the Taiwan HoldCo Shares will not be distributed to such Overseas Shareholders. Such Overseas Shareholders will not receive the Cash Election Forms (as defined below), will be deemed to have exercised the Cash Election and will receive their Full Cash Entitlement (as defined below) in the same manner as any Electing Shareholders.

[6] This figure is calculated by dividing US$15,000,000 by the total number of Shares, rounded down to the nearest seven decimal places. The aggregate amount of cash to be paid to each eligible Shareholder pursuant to the Capital Reduction and Distribution, representing such eligible Shareholder's pro-rata entitlement to the Cash Distribution, will be adjusted by rounding down any fraction of a cent to the nearest cent, where applicable.

Further information in relation to the eligibility of Shareholders to receive Taiwan HoldCo Shares is set out in the Company's Circular and the BCD Announcement. Copies of the Company's Circular and the BCD Announcement are available on the website of the SGX-ST at www.sgx.com.

(c) **Cash Election.** As stated in the Company's Circular, **Taiwan HoldCo is not, and there is no indication that it will be, listed on the SGX-ST or any other stock exchange.** To provide flexibility for eligible Shareholders who do not wish to receive shares in an unlisted investment holding company, the eligible Shareholders will have the right to exercise the Cash Election to receive all (and not part of) their pro-rata entitlements to Taiwan HoldCo Shares pursuant to the Distribution *in specie* in cash instead and will, if they so elect, receive their full entitlements to the Distribution in cash. In this connection, STSPL and the Company have entered into a letter of undertaking dated 30 December 2014 and a supplemental deed to the letter of undertaking dated 26 June 2015 (collectively, the "**STSPL-STATS Undertakings**"), pursuant to which STSPL has undertaken to the Company that, subject to certain conditions:

(i) STSPL will not exercise the Cash Election; and

(ii) to facilitate the Cash Election, STSPL agreed that its *pro rata* entitlement to the Cash Distribution may be applied by the Company, for and on behalf of STSPL, to purchase all of the Taiwan HoldCo Shares that would have otherwise been distributed to the Electing Shareholders or Overseas Shareholders who are deemed to have exercised the Cash Election.

(d) **Full Cash Entitlement per Share.** As announced by the Company in the BCD Announcement, Electing Shareholders will be entitled to receive the following for each Share held as at the Books Closure Date (the "**Full Cash Entitlement**"):

Full Cash Entitlement	:	**US$0.0404681* IN CASH** **(*comprising (i) US$0.0068113 in cash AND (ii) US$0.0336568 in cash[7] in lieu of one (1) Taiwan HoldCo Share)**

[7] This figure is calculated by dividing US$74,119,520 by the total number of Shares, rounded up to the nearest seven decimal places. The aggregate amount of cash to be paid to each Electing Shareholder pursuant to the Capital Reduction and Distribution, representing the cash equivalent of the Taiwan HoldCo Shares that would have otherwise been distributed to such Electing Shareholder, will be adjusted by rounding down any fraction of a cent to the nearest cent, where applicable.

(e) **Illustration.** For illustration purposes only, if an eligible Shareholder who holds Shares as at the Books Closure Date validly accepts the Offer, he is entitled to receive the following for each Share held as at the Books Closure Date, pursuant to (i) the Capital Reduction and Distribution and (ii) his valid acceptance of the Offer:

	Basic Entitlement (if such Shareholder does not take any action with respect to the Distribution)	*Full Cash Entitlement (if such Shareholder exercises or is deemed to have exercised the Cash Election)*
(i) Capital Reduction and Distribution by the Company:		
• **Cash Distribution**	US$0.0068113 in cash (or approximately S$0.0091953 in cash)	US$0.0068113 in cash (or approximately S$0.0091953 in cash)
• **Distribution *in specie***	AND One (1) unlisted Taiwan HoldCo Share	AND US$0.0336568 in cash (or approximately S$0.0454367 in cash)
(ii) Offer by the Offeror	S$0.46577 in cash	
TOTAL	**S$0.4749653 in cash[1] AND One (1) unlisted Taiwan HoldCo Share**	**S$0.5204019 in cash[1]**

Note

(1) Conversions of US$ into S$ in this table are based on an exchange rate of US$1 to S$1.3500, being the prevailing exchange rate as at the Latest Practicable Date, as extracted from Bloomberg L.P.

(f) **Cash Election Form.** If you hold Shares as at the Books Closure Date and provided you are not an Overseas Shareholder who is not eligible to receive Taiwan HoldCo Shares, you should also receive a form of election in respect of the Cash Election (the "**Cash Election Form**") issued by the Company at or about the same time as your receipt of this Composite Document.

If you wish to exercise the Cash Election to receive your Full Cash Entitlement in respect of your Shares held as at the Books Closure Date, **you MUST complete, sign and return the Cash Election Form so as to reach CDP (in the case of Depositors) or the Registrar (in the case of scripholders) no later than 5.00 p.m. on 31 July 2015 (or such other time and date as may be announced by or on behalf of the Company).**

If you do not take any action, you will receive your Basic Entitlement of cash and Taiwan HoldCo Shares as set out in paragraph 5.1(b) above.

(g) **Lodgement of the Court Order with ACRA.** Shareholders should note that the Capital Reduction and Distribution will only be effective upon the lodgement of a copy of the court order approving the Capital Reduction and Distribution with ACRA.

The Company proposes to lodge the court order approving the Capital Reduction with ACRA on or around 5 August 2015.

(h) **Further Information.** Please refer to the Company's Circular, the BCD Announcement and the Cash Election Form for further details relating to the Capital Reduction and Distribution. The detailed timetable in relation to the Capital Reduction and Distribution is set out in the BCD Announcement.

5.2 **Perpetual Securities Offering.** On the Offer Announcement Date, the Company announced a proposed offering of US$200,000,000 4 per cent. Perpetual Securities to existing Shareholders by way of a non-renounceable rights issue at the issue price of US$1,000 for each Perpetual Security, on the basis of one Perpetual Security for every 11,011 existing Shares held by Shareholders as at the Books Closure Date (fractional entitlements to be disregarded). Pursuant to the STSPL-STATS Undertakings, STSPL has, subject to certain conditions, undertaken to subscribe for both its *pro rata* share of the Perpetual Securities and all other Perpetual Securities not subscribed by the other Shareholders, up to an aggregate maximum amount of US$200,000,000.

If you hold Shares as at the Books Closure Date and provided you are not an Overseas Shareholder who is not eligible to participate in the Perpetual Securities Offering, you should also receive an Instruction Booklet and an ARE (in the case of Depositors) or PAL (in the case of scripholders) issued by the Company at or about the same time as your receipt of this Composite Document.

The Perpetual Securities will not be listed on the SGX-ST or any other stock exchange. Further information in relation to the Perpetual Securities, including eligibility of Shareholders to participate in the Perpetual Securities Offering and the terms and conditions of the Perpetual Securities, is set out in the Instruction Booklet.

Your attention is also drawn to **paragraph 2.3(g)** of the Offeror's Letter set out in Part 1 of this Composite Document:

"***2. THE OFFER***

2.3 ***Capital Reduction and Perpetual Securities Offering by the Company***

…

(g) ***THE OFFER DOES 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.***"

6. INFORMATION ON THE OFFEROR, JCET AND THE CONSORTIUM

6.1 **Information on the Offeror, JCET and the Consortium.** Information on the Offeror, JCET and the Consortium has been set out in **paragraph 6** of the Offeror's Letter. Additional information on the Offeror and JCET is set out in **Appendices 3A and 3B** set out in Part 1 of this Composite Document.

6.2 **No Material Change of Information.** Details on changes in the information previously published by or on behalf of the Offeror have been extracted *in toto* from **paragraph 1.6** of **Appendix 5** set out in Part 1 of this Composite Document and are reproduced below.

*"**1. DISCLOSURE OF INTERESTS***

…

1.6 ***No material change***

Save as disclosed in the Offer Document and save for information relating to the Offeror and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Possible Offer Announcement Date and ending on the Latest Practicable Date."

6.3 **Aggregate Holdings.** Details on the holdings in the Shares of the Offeror and parties acting in concert with it have been extracted *in toto* from **paragraph 4.1** of **Appendix 5** set out in Part 1 of this Composite Document and reproduced below.

"***4. DISCLOSURES***

4.1 ***Holdings in Shares***

As at the Latest Practicable Date, to the Offeror's knowledge, the interests in Shares held by the Offeror and parties acting in concert with it are set out below:

Name	***Direct interest***		***Total interest***	
	No. of Shares	***%(1)***	***No. of Shares***	***%(1)***
Offeror	*2,202,219*	*0.1*	*2,202,219*	*0.1*

Note

(1) Calculated on the basis of 2,202,218,293 Shares in issue (excluding treasury shares)."

7. INFORMATION ON THE COMPANY

The Company is listed on the mainboard of the SGX-ST and is a leading service provider of semiconductor packaging design, assembly, test and distribution solutions in diverse end market applications including communications, digital consumer and computing. With global headquarters in Singapore, the Company has design, research and development, manufacturing or customer support offices throughout Asia, the United States and Europe.

Please refer to **Appendix B** set out in Part 2 of this Composite Document for additional information and disclosure relating to the Company.

8. MANAGEMENT EMPLOYMENT UNDERTAKINGS AND CHANGES TO THE BOARD

Information relating to the Management Employment Undertakings entered into between the Offeror and the Key Management Executives and the proposed changes to the Board has been extracted *in toto* from **paragraph 8** of the Offeror's Letter and reproduced below.

"***8. MANAGEMENT EMPLOYMENT UNDERTAKINGS AND CHANGES TO THE BOARD***

8.1 ***Management Employment Undertakings***

*(a) As stated in the Offer Announcement, the Offeror intends and desires that there be continuity of management and minimal disruption of the Company's business. For this purpose, each of the following executives of the Company (each a "**Key Management Executive**"), namely, (1) Mr Tan Lay Koon, Board member, president and chief executive officer of the Company and (2) Dr Han Byung Joon, executive vice president and chief technology officer of the Company, have entered into employment undertakings (the "**Management Employment Undertakings**") with the Offeror, pursuant to which each Key Management Executive has agreed to, amongst other things, be employed by the Company, and the Offeror has agreed (subject to applicable laws) to procure that the Company employ each Key Management Executive, as co-president and chief executive officer of the Company for a period of three (3) years on and from the Offer Unconditional Date (the "**Term**") on, among others, the following terms:*

(i) a monthly base salary;

(ii) a guaranteed bonus equivalent to one year's base salary payable upon completion of every year of service of the Term;

(iii) *an incentive bonus equal to, in aggregate, 20% of the net profit of the Company in each calendar year (or pro-rated part thereof), to be calculated and distributed in accordance with the terms of the Management Employment Undertakings;*

(iv) *in the event such appointment is terminated prior to the expiry of the Term (save where terminated by the Key Management Executive or pursuant to certain prescribed grounds), the Key Management Executive will be entitled to, among others, (A) the accelerated payment of the remuneration and the guaranteed bonus that he would have been entitled to receive for the remainder of the Term; and (B) a severance payment tied to his years of service completed pursuant to his appointment; and*

(v) *certain restrictions not to (A) compete with the business of JCET and its subsidiaries (including the Company and its subsidiaries) during the Term and/or 12 months after its expiration or termination or (B) solicit the employees or customers of JCET and its subsidiaries (including the Company and its subsidiaries) for the period of, and up to two years after the expiration or termination of, the Term.*

(b) *Your attention is also drawn to **paragraph 11** of the Offeree's Letter.*

8.2 Changes to the Board

(a) *Subject to the Offer turning unconditional in all respects and with effect from the Offer Unconditional Date, the existing members of the Board will resign, other than Mr Tan Lay Koon.*

(b) *The Offeror, subject to the Offer turning unconditional in all respects and with effect from the Offer Unconditional Date, also intends to appoint the following individuals to the Board:*

(i) *Mr Wang XinChao;*

(ii) *Mr Cui Dong;*

(iii) *Mr Ren Kai;*

(iv) *Mr Fan Xiao Ning;*

(v) *Mr Liu Ming;*

(vi) *Mr Lai Chih-Ming;*

(vii) *Mr Luo Hong Wei (and the individuals from **sub-paragraphs (i) to (vii)** together, the "**Related New Directors**");*

(viii) *Dr Han Byung Joon;*

(ix) *Dr Shen Xiao Xiang; and*

(x) *Mr Soh Boon Wah,*

*(together, the "**Proposed New Directors**").*

(c) *Brief descriptions of each of the Proposed New Directors are set out in **Appendix 3C** to this Composite Document."*

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

Information relating to the rationale for the Offer and the Offeror's intentions for the Company has been extracted *in toto* from **paragraph 9** of the Offeror's Letter and reproduced below. **Shareholders are advised to read paragraph 9 of the Offeror's Letter and the extract below carefully.**

*"**9. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY***

The acquisition of the Company will allow the Offeror and JCET to acquire new advanced packaging technologies and increase their testing capabilities and R&D strength. The acquisition of the Company will also allow the Offeror and JCET to expand to overseas markets and help them establish a broader base of higher end customers. 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.

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.

Subject to normal business conditions, the Offeror does not intend to (i) make major changes to the business of the Company or its management team, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of the employees of the Company and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time (x) to consider any options or opportunities which may present themselves or (y) to effect the relocation of the Company's manufacturing site in Shanghai, as may be required for the continuity of the business of the Company, and which it regards to be in the interests of the Offeror."

10. LISTING STATUS AND COMPULSORY ACQUISITION

Information relating to the Offeror's intention in relation to the listing status of the Company and the Offeror's right of compulsory acquisition has been extracted *in toto* from **paragraph 12** of the Offeror's Letter and reproduced below. **Shareholders are advised to read paragraph 12 of the Offeror's Letter and the extract below carefully.**

*"**12. LISTING STATUS AND COMPULSORY ACQUISITION***

*12.1 **Listing status***

(a) Pursuant to Rule 1105 of the Listing Manual, 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(1) 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 724(2) 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.

12.2 ***Compulsory acquisition***

Pursuant to Section 215(1) of 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.

12.3 ***Offeror's intentions***

(a) As stated in the Pre-Conditional Announcement and the Offer Announcement, 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."

11. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATIONS

11.1 **SIC.** As stated in **paragraph 8** of the Offeror's Letter, Tan Lay Koon ("**TLK**"), President, Chief Executive Officer and Executive Director of the Company, has entered into the Management Employment Undertaking with the Offeror. Pursuant to such Management Employment Undertaking, the Offeror has agreed that, subject to the Offer becoming or being declared to be unconditional in all respects and compliance with applicable laws, rules and regulations, the Offeror will procure the Company to appoint TLK, and TLK has agreed to be employed, as Co-President and Chief Executive Officer of the Company for the Term on, among others, the following terms:

(a) a monthly base salary which represents an increase to the current salary;

(b) a guaranteed bonus equivalent to one year's annual base salary payable upon completion after every year of service of the Term;

(c) an incentive bonus which would allow TLK, together with certain other senior management personnel of the Company, to participate in the net profits of the Company;

(d) in the event the appointment is terminated prior to the expiry of the Term, other than the case of termination by TLK, TLK will be entitled to, among others, (i) the accelerated payment of the remuneration and the guaranteed bonus that he would have been entitled to receive for the remainder of the Term and (ii) a severance payment tied to his years of service completed pursuant to this appointment; and

(e) it is also intended that TLK will, subject to applicable laws and regulations, remain as a director of the Company during his appointment as Co-President and Chief Executive Officer, and that the Offeror will exercise its rights as shareholder of the Company in favour of such appointment.

Based upon the above, TLK is of the view that he faces an irreconcilable conflict of interest that would render him inappropriate to join the remainder of the Board in making a recommendation to Shareholders in relation to the Offer. Accordingly, the Company has, on 3 June 2015, obtained a ruling from the SIC that TLK is exempted from the requirement of having to make a recommendation to Shareholders in respect of the Offer.

11.2 **Scope of Responsibility.** In light of the reasons set out in **paragraph 11.1** above, TLK has been exempted by the SIC from the requirement to make a recommendation to Shareholders in respect of the Offer. However, he remains responsible for the accuracy of the facts stated and opinions expressed in documents and advertisement issued by, or on behalf of, the Company in connection with the Offer.

12. ADVICE OF IFA

12.1 **IFA.** Maybank Kim Eng Securities Pte. Ltd. ("**MKES**") has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Independent Directors and the advice and recommendation of MKES to the Independent Directors before deciding whether to accept or reject the Offer. MKES's advice and recommendation are set out in its letter dated 16 July 2015, which is set out in **Appendix A** on **pages A-1 to A-30** of this Composite Document (the "**IFA Letter**").

12.2 **IFA's Advice and Recommendation to the Independent Directors.** The advice and recommendation of MKES to the Independent Directors in respect of the Offer is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

*"**9 CONCLUSION AND RECOMMENDATION***

This summary should be read in conjunction with, and in the context of, the full text of this letter. In arriving at our advice in respect of the Offer, we have taken into account, inter alia, the following key considerations summarised below.

(a) following the Pre-Conditional Announcement, the Company Shares have traded in a band between S$0.460 and S$0.520 (which is below the total of the Offer Price and the Distribution, if effected);

(b) in the 12-month period prior to and including the Latest Practicable Date, the Company's Average Daily Trading Volume of 1.53% to Free Float and Average Daily Trading Value of 0.28% to Market Capitalisation is higher than the respective mean and median liquidity measure for the Top-15 SGX-ST listed companies by market capitalisation for the same time period;

(c) based on our comparison of the Offer Price against the Company's VWAP over the various timeframes, we have assessed:

(i) the Offer Price represents a premia of approximately 30.2%, 32.1%, 27.6% and 24.5% over the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including 14 May 2014; and

(ii) the total of the Offer Price and the Distribution, if effected, represents a premia of approximately 45.5%, 47.5%, 42.6% and 39.1% over the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including 14 May 2014.

(d) the premia implied by the total of the Offer Price and the Distribution, if effected, over the 1-month, 3-month and 6-month VWAP of the Shares prior to and including 14 May 2014, are above the mean and the median premia as implied by the respective offer prices in respect of the Precedent Privatisations;

(e) the valuation multiples implied by the Offer Price are within the trading levels of the Selected Comparable Companies;

(f) the valuation multiples implied by the Offer Price are within the range of the implied transaction multiples indicated by the Selected Precedent Transactions;

(g) comparison of the financial and operating performance of the Company with publicly available information concerning the Comparable Companies. The Company's profitability (as indicated by the LTM EBITDA margin) is lower than the mean of the Comparable Companies and the Company's financial leverage position (as indicated by the Net Debt/LTM EBITDA multiple) is higher than the mean of the Comparable Companies;

(h) discussions with representatives of the Company and its financial advisers;

(i) review of relevant Company announcement and fillings, including announcements dated 12 Jun 2014 and 1 Sep 2014 confirming discussions with other potential buyers were unlikely to lead to any transaction;

(j) confirmation from the Company that alternative strategic options were considered, but the Company was of the view that none of these options represented as compelling a proposal as the Offer; and

(k) other relevant considerations.

In summary, having considered the aforesaid points including the various factors as set out in this letter, we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable, and not prejudicial to the interests of the Shareholders from a market perspective. Based on our opinion and accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

We wish to emphasise that we have been appointed to render our opinion on the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company.

We wish to highlight that we have compared the Offer Price of S$0.46577 against the pro-forma financials of the Company as disclosed in Appendix B of the Offeree's Circular, assuming completion of the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering. As set out in paragraph 2.3(e) of the Offeror's Letter, the Offer Price "does not include the entitlements of Shareholders pursuant to the Capital Reduction and Distribution."

In rendering our advice, we have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

The Independent Directors should note that trading of the Shares is subject to, inter alia, the performance and prospects of the Company, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion does not and cannot take into account future trading activities, patterns or price levels that may be established beyond the Latest Practicable Date.

The Independent Directors should advise the Shareholders that the opinion and advice of MKES should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

This letter is addressed to the Independent Directors solely for their benefit, in connection with and for the purpose of their consideration of the Offer, any recommendation to the Shareholders remains the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and there is no implication with regard to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply."

Shareholders should read and consider carefully the considerations relied upon by MKES in arriving at its advice to the Independent Directors, in conjunction with and in the context of the full text of the IFA Letter.

13. RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS

13.1 **Recommendations.** The Independent Directors, having considered carefully the terms of the Offer and the advice given and recommendation made by MKES in the IFA Letter, concur with the recommendation of MKES in respect of the Offer, and accordingly, they recommend that Shareholders **accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions**.

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX A ON PAGES A-1 TO A-30 OF THIS COMPOSITE DOCUMENT CAREFULLY.

13.2 **No Regard to Specific Objectives. In making their recommendations, the Independent Directors have not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

14. OVERSEAS SHAREHOLDERS

Information in relation to Overseas Shareholders has been set out in **paragraph 15** of the Offeror's Letter.

15. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Information pertaining to CPFIS Investors and SRS Investors has been set out in **paragraph 16** of the Offeror's Letter.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

16.1 **Offer.** Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on 13 August 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in **Appendix 2** of Part 1 of this Composite Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Registrar (in respect of the FAT), as the case may be, not later than 5.30 p.m. on 13 August 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Shareholders who do not wish to accept the Offer need not take any further action in respect of Part 1 of this Composite Document, the FAA and/or the FAT which have been sent to them.

Shareholders are advised to read the Offer Document set out in Part 1 of this Composite Document and the FAA and/or the FAT carefully for full details relating to the Offer.

16.2 **Capital Reduction and Distribution.** Eligible Shareholders who wish to exercise the Cash Election to receive their Full Cash Entitlement in respect of Shares held as at the Books Closure Date must submit the signed original of the Cash Election Form so as to reach CDP (in the case of Depositors) or the Registrar (in the case of scripholders) no later than 5.00 p.m. on 31 July 2015 (or such other time and date as may be announced by or on behalf of the Company), abiding by the procedures for the exercise of Cash Election as set out in the Cash Election Form.

Eligible Shareholders who wish to receive Basic Entitlement of cash and Taiwan HoldCo Shares need not take any further action in relation to the Cash Election Forms which have been sent to them.

Shareholders are advised to read the Company's Circular, the BCD Announcement and the Cash Election Form carefully for full details relating to the Capital Reduction and Distribution.

16.3 **Perpetual Securities Offering.** The Instruction Booklet and the ARE and/or the PAL set out the full details relating to the Perpetual Securities Offering, including the eligibility of Shareholders to participate in the Perpetual Securities Offering and the procedure for acceptance of the provisional allotments of Perpetual Securities.

Shareholders are advised to read the Instruction Booklet and the ARE and/or the PAL carefully for full details relating to the Perpetual Securities Offering.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of Part 2 of this Composite Document, comprising this Letter to Shareholders from the Board and **Appendices A to J** to this Composite Document) have taken all reasonable care to ensure that the facts

stated and all opinions expressed in Part 2 of this Composite Document (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer, the IFA Letter and the letters issued by the auditors of the Company and the IFA concerning the 1Q2015 Results and the Performance Update as set out in **Appendices A, E, F, H and I** in Part 2 of this Composite Document respectively as well as the disclosures made by the IFA in **paragraphs 5.7 and 5.8** of **Appendix B** in Part 2 of this Composite Document) are fair and accurate and that no material facts have been omitted from Part 2 of this Composite Document which might cause Part 2 of this Composite Document 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 Part 2 of this Composite Document.

In respect of the IFA Letter and the letters issued by the auditors of the Company and the IFA concerning the 1Q2015 Results and the Performance Update as set out in **Appendices A, E, F, H and I** in Part 2 of this Composite Document respectively, the sole responsibility of the Directors has been to ensure that the facts stated with respect to STATS Group are fair and accurate.

APPENDIX A: LETTER FROM IFA TO INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

16 July 2015

To: The Independent Directors of
STATS ChipPAC Ltd.
10 Ang Mo Kio Street 65
#04-08/09 Techpoint
Singapore 569059

Dear Sir / Madam,

VOLUNTARY CONDITIONAL GENERAL OFFER (THE "OFFER") BY DEUTSCHE BANK AG, SINGAPORE BRANCH ("DEUTSCHE BANK"), CHINA INTERNATIONAL CAPITAL CORPORATION (SINGAPORE) PTE. LIMITED ("CICC") AND DBS BANK LTD. ("DBS", AND TOGETHER WITH DEUTSCHE BANK AND CICC, THE "OFFEROR'S FINANCIAL ADVISERS"), FOR AND ON BEHALF OF JCET-SC (SINGAPORE) PTE. LTD. (THE "OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF STATS CHIPPAC LTD. ("STATS" OR THE "COMPANY")

1 INTRODUCTION

On 30 December 2014, Deutsche Bank and CICC announced, for and on behalf of the Offeror, that subject to the fulfilment or waiver of the Pre-Conditions, the Offeror would make the Offer to acquire all of the Offer Shares.

As set out in the Company's announcement dated 30 December 2014 and the Company's Circular dated 30 March 2015, the Company announced that it intends, subject to certain conditions, to undertake an internal reorganisation pursuant to which the Company will transfer all its shares in SCT3 to SCT1. Subsequent to the SCT3 Transfer, the Company will transfer its shares in SCT1 to Taiwan HoldCo, and immediately prior to and as one of the conditions to the completion of the SCT3 Transfer, the intercompany loan extended by the Company to SCT3 of approximately US$127 million will be repaid in full by SCT3. Following the completion of the Internal Restructuring Exercise, subject to the satisfaction of certain conditions, the Company intends to distribute US$89,119,520 to eligible Shareholders by way of a proposed cash distribution of an aggregate amount of approximately US$15,000,000 in cash on a pro-rata basis to eligible Shareholders based on the number of Shares held by such eligible Shareholders as at the Books Closure Date, and a proposed distribution in specie of US$74,119,520 in the form of Taiwan HoldCo Shares on the basis of one (1) Taiwan HoldCo Share for each Share held by the eligible Shareholders as at the Books Closure Date, by way of a capital reduction, and offer the Perpetual Securities to Shareholders by way of a non-renounceable rights offering.

As set out in the Company's announcement dated 21 April 2015, the Shareholders have approved at an extraordinary general meeting of the Company on 21 April 2015, inter alia the Capital Reduction and Distribution; and amendments to the Articles to reflect certain rights of the holders of the Perpetual Securities.

On 5 May 2015, the Company announced that the High Court of Singapore had also approved the Capital Reduction. The Capital Reduction Condition will be regarded as having been fulfilled upon the filing of the court order approving the Capital Reduction with ACRA and the transfer on the same day of the legal title to the Taiwan HoldCo Shares to all Shareholders who have not elected for the Cash Election.

On 26 June 2015, the Offeror's Financial Advisers announced, for and on behalf of the Offeror, that all of the Pre-Conditions have been satisfied and accordingly, the Offeror's firm intention to make the Offer.

On 3 July 2015, the Company announced the Books Closure Date being 5.00 p.m. (Singapore time) on 13 July 2015 for the purpose of determining the provisional allotments of Perpetual

Securities of the Entitled Shareholders (comprising Entitled Depositors and Entitled Scripholders) under the Perpetual Securities Offering, and for the purpose of determining the entitlements of Shareholders under the Capital Reduction and Distribution.

On 8 July 2015, the Company issued an announcement relating to the performance update of STATS Group for 2Q2015.

As set out in paragraph 2.3(e) of the Offeror's Letter, the Offer Price does not include the entitlements of Shareholders pursuant to the Capital Reduction and Distribution.

For illustration purposes, as announced by the Company in the BCD Announcement, Electing Shareholders will be entitled to receive US$0.0404681 in cash for each Share held as at the Books Closure Date.

Accordingly, by way of illustration, an Electing Shareholder will receive a cash amount of approximately S$0.5204019[1] a Share in aggregate for the total of the Offer Price and the Distribution.

Maybank Kim Eng Securities Pte. Ltd. ("**MKES**") has been appointed by the Company to advise the directors of the Company who are considered to be independent for the purposes of the Offer (the "**Independent Directors**"). This letter, which sets out, *inter alia*, our views and evaluation of the financial terms of the Offer and our advice thereon to the Independent Directors, will form part of the composite document dated 16 July 2015 and jointly issued by the Offeror's Financial Advisers (for and on behalf of the Offeror) and the Company, in respect of the Offer (the "**Composite Document**").

Unless otherwise defined or the context otherwise requires, capitalised terms defined in the Composite Document shall bear the same meanings when used herein.

2 TERMS OF REFERENCE

We do not, by this letter, comment on or warrant the merits of the Offer other than to form an opinion, for the purposes of compliance with the Code, as to whether the financial terms of the Offer are fair and reasonable.

We have confined our evaluation to the financial terms of the Offer. Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits and/or risks of the Offer or on the future prospects of the Company (or any of its related or associated companies). Such evaluation or comment, if any, remains the sole responsibility of the Directors and the Management (as defined herein) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this letter. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Company Shares or the assets of the Company. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction (if any) previously considered by the Company (or the Shareholders) or that otherwise may be available to the Company (or the Shareholders), or as compared to any alternative offer that might otherwise be available in the future.

We wish to highlight that we have compared the Offer Price of S$0.46577 against the pro-forma financials of the Company as disclosed in Appendix B of the Offeree's Circular, assuming completion of the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering. As set out in paragraph 2.3(e) of the Offeror's Letter, the Offer Price "does not include the entitlements of Shareholders pursuant to the Capital Reduction and Distribution."

[1] Based on the exchange rate of US$1 to S$1.3500, being the prevailing exchange rate as at the Latest Practicable Date, as extracted from Bloomberg L.P.

We were neither a party to the negotiations entered into by the Company and/or STSPL in relation to the Offer nor were we involved in the discussions leading up to the decision on the part of the Directors to enter into the Offer implementation agreement dated 30 December 2014.

The Board have confirmed to us that all relevant information duly required for our performance of services as an IFA hereunder has been provided to us, that such information provided and representations made to us are true, complete and accurate as at the Latest Practicable Date, and that there are no omissions of which would cause any information disclosed to us to be inaccurate, incomplete or misleading as at the Latest Practicable Date.

We have relied upon the assurances of the Directors that the Offeree's Circular has been approved by the Directors (including those who may have delegated detailed supervision of the Offeree's Circular). We have also relied upon such confirmation by the Directors and the assurances of the Directors made pursuant to the Directors' responsibility statement set out in paragraph 17 of the Letter to Shareholders from the Board in the Offeree's Circular, that the Directors (including those who may have delegated detailed supervision of the Offeree's Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Offeree's Circular (excluding those expressed in this letter, the Letter from the IFA on the 1Q2015 Results and the Letter from the IFA on the Performance Update) and those expressed by or in relation to the Offeror, the Company and the Offeror's Financial Advisers are fair and accurate and that no material facts have been omitted which might cause the Offeree's Circular to be misleading in any material respect. The Directors jointly and severally accept responsibility accordingly. Where any information provided to us has been extracted from published or otherwise publicly available sources, the responsibility of the Directors has been to ensure that having made reasonable inquiries, such information was accurately extracted from these sources, or as the case may be, reflected or reproduced in the Offeree's Circular.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Company and formed a substantial basis for this opinion. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

We are not required to express, and we do not express, any view on the growth prospects, earnings potential or valuation of the Company. We are therefore not expressing any view herein as to the prices at which the Company Shares may trade assuming the absence of the Offer or if the Offer is not effected.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company and we have not been furnished with any such independent evaluation or appraisal. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us.

The preparation of this letter, our financial evaluation of the Offer and our opinion in this letter are based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, as well as publicly available information and information provided to us by the Company and its advisers as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. Shareholders should further take note of any announcements relevant to their consideration of the Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date. In arriving at our view, we have taken into account certain other factors and have been required to make certain assumptions. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our advice and giving our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

We are not legal, tax or regulatory advisers. We are financial advisers only and have relied upon, without independent verification, the assessment of the Company by its legal, tax or other regulatory advisers with respect to legal, tax or regulatory requirements.

The Company has been separately advised by its own advisers in the preparation of the Offeree's Circular (other than this letter, the Letter from the IFA on the 1Q2015 Results and the Letter from the IFA on the Performance Update). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Offeree's Circular (other than this letter, the Letter from the IFA on the 1Q2015 Results and the Letter from the IFA on the Performance Update). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Offeree's Circular (other than this letter, the Letter from the IFA on the 1Q2015 Results and the Letter from the IFA on the Performance Update).

This letter is addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer, and the recommendations made by them to Shareholders with regard to the Offer shall remain the responsibility of the Independent Directors. Our opinion should not, in any event, be relied on as a recommendation to, or confer any rights or remedies upon, any Shareholder as to what they should do in relation to the Offer or any matters related thereto. Nothing herein shall confer or be deemed or is intended to confer, any right or benefit to any third party.

Our advice in relation to the Offer should be considered in the context of the entirety of this letter and the Offeree's Circular.

3 THE OFFER

The principal terms and conditions of the Offer are set out in paragraph 2 of the Offer Document. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

Based on the information set out in the Offer Document, the Offeror's Financial Advisers have, for and on behalf of the Offeror, made the Offer to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and FAT on the basis reproduced below:

3.1 Offer Terms

As stated in paragraph 2 of the Offer Document, the Offeror's Financial Advisers, for and on behalf of the Offeror, make the Offer on the following basis:

(a) The Offeror's Financial Advisers, for and on behalf of the Offeror, hereby make the Offer on the following basis:

(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 Document.

(ii) Offer Price: The consideration is for each Offer Share: S$0.46577[2].

(iii) 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 returns 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 Capital Reduction or the Perpetual Securities Offering).

(iv) 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 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) 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, in which case the Offeror will comply with the provisions of Note 2 to Rule 20.2 of the Code.

3.2 Shareholders

The Offer will be extended to all persons who are registered as holders of Shares in the Register or Depositors who have Shares entered against their names in the Depository Register.

3.3 Conditions of the Offer

(a) As stated in paragraph 2 of the Offer Document, the Offer is conditional upon:

(i) the Offeror having received, by 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 all Shares issued or to be issued pursuant to Options and/or Awards validly exercised by the Closing Date; accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the Closing Date unless at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of

[2] As stated in paragraphs 3.1(a)(ii) and (iii) of the Pre-Conditional Announcement and in paragraph 3.1(a)(ii) of the Offer Announcement, the Offer Price has been calculated based on the Diluted Share Capital. The Offer Price as set out in this letter is rounded to five decimal places, which will be the basis on which payment for the Offer Shares will be settled (whilst the illustrative offer price in the Pre-Conditional Announcement was rounded to three decimal places).

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 as of the date of the Offer being declared unconditional as to acceptances have been validly exercised or vested as of such date, excluding any Shares held in treasury;

(ii) the Company making its Perpetual Securities Offering on the Offer Announcement Date; and

(iii) the completion of the Internal Restructuring Exercise and the Capital Reduction.

3.4 Options and Awards

(a) Based on the latest information available to the Offeror as stated in paragraph 2 of the Offer Document, as at the Latest Practicable Date:

(i) there are 23,635 outstanding Options under the Share Option Plan; and

(ii) there are 10,022,089 outstanding Awards under the Performance Share Plan.

(b) The Company has, on 30 December 2014, given an undertaking to the Offeror that, on and from the Offer Announcement Date:

(i) no further Options would be granted;

(ii) no new Shares shall be issued by the Company other than pursuant to valid exercises of the Options; and

(iii) no Awards shall be vested into and be settled by the issue of new Shares in the Company,

save where the Offeror has granted its prior written consent.

(c) As stated in the Pre-Conditional Announcement and the Offer Announcement, 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.

(d) The Offer however 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 Closing Date, of any Options outstanding as at the Offer 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 Perpetual Securities Offering

(a) The Company has, on the Offer Announcement Date, made the Rights Issue Announcement. Accordingly, the Perpetual Securities Offering Condition has been fulfilled.

(b) The Company has stated in the Rights Issue Announcement that the Perpetual Securities Offering is expected to be open for acceptance by Shareholders up to 14 August 2015 at 5:00 p.m.

(c) STSPL has undertaken (subject to the fulfilment of certain conditions and an aggregate cap of US$200,000,000) to 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.

A copy of the Rights Issue Announcement is available on SGXNET.

The Offer does 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.

3.6 Details of the Offer

The Offer will close at 5:30 p.m. on 13 August 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Appendix 1 of the Composite Document sets out further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

Appendix 2 of the Composite Document sets out the procedures for acceptance of the Offer by a Shareholder.

4 STSPL UNDERTAKINGS AND PROPOSED PRE-ACQUISITION

As set out in paragraph 3 of the Offer Document, the Offeror has received the STSPL Undertakings from STSPL, a wholly-owned subsidiary of Temasek Holdings (Private) Limited which owns 1,843,513,470 Shares representing approximately 83.7% of the Shares as at the Latest Practicable Date. Pursuant to the STSPL Undertakings, STSPL has, subject to the fulfilment of certain conditions, *inter alia*, undertaken to accept the Offer in respect of all and not some of their Shares by not later than 5.00 p.m. on the 6th day prior to the date of the lodgement with ACRA of the court order approving the Capital Reduction and the transfer of the legal title to the Taiwan HoldCo Shares to all Shareholders who have not exercised the Cash Election.

As stated in the Offer Announcement, the Offeror, STSPL and the Company have also entered into a share purchase agreement on the Offer Announcement Date pursuant to which STSPL has agreed to sell, and the Offeror has agreed to purchase, 2,202,219 Shares at the Offer Price and on the same terms as the Offer. Completion of the Proposed Pre-Acquisition took place on the Offer Announcement Date. Under the terms of the SPA, STSPL has granted the Offeror a put option pursuant to which, subject to the Offer lapsing or being withdrawn without having become wholly unconditional, the Offeror will have the right to sell, and STSPL will purchase, the Pre-Acquisition Shares on the same terms as the Proposed Pre-Acquisition. Pursuant to the SPA and for the avoidance of doubt, the right to receive the Distribution in respect of the Pre-Acquisition Shares remains with STSPL notwithstanding that completion of the Proposed Pre-Acquisition occurs before the books closure date for determining entitlements of Shareholders to the Distribution.

The purpose of the Proposed Pre-Acquisition was to facilitate the obtaining of approval from SAFE in relation to the obligations of JCET and JXTG under the Deed Poll. In connection with the same, JCET has given the SAFE Undertaking to SAFE that the Offeror will acquire, in accordance with the terms of the Offer, the Relevant Shares pursuant to STSPL's acceptance of the Offer. On 6 July 2015, SAFE granted its approval in relation to the Deed Poll.

Consequential and corresponding amendments to the STSPL Undertakings have been made to reflect the Proposed Pre-Acquisition.

Please refer to paragraph 3 of the Offer Document for further details in relation to the STSPL Undertakings, Proposed Pre-Acquisition and the SAFE Undertaking.

5 INFORMATION ON THE OFFEROR

Please refer to paragraph 6 of the Offer Document for information on the Offeror.

6 OFFEROR'S RATIONALE AND INTENTIONS

The text stating the Offeror's rationale for the Offer and its intentions for the Company has been extracted from paragraph 9 of the Offer Document and is set out in italics below. We would recommend Independent Directors to advise Shareholders to read this section carefully.

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

The acquisition of the Company will allow the Offeror and JCET to acquire new advanced packaging technologies and increase their testing capabilities and R&D strength. The acquisition of the Company will also allow the Offeror and JCET to expand to overseas markets and help them establish a broader base of higher end customers. 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.

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.

Subject to normal business conditions, the Offeror does not intend to (i) make major changes to the business of the Company or its management team, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of the employees of the Company and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time (x) to consider any options or opportunities which may present themselves or (y) to effect the relocation of the Company's manufacturing site in Shanghai, as may be required for the continuity of the business of the Company, and which it regards to be in the interests of the Offeror.

7 ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

7.1 General Bases and Assumptions

The figures and underlying financial data used in our analyses in this section of this letter have been extracted from, amongst others, Bloomberg, Capital IQ, SGX-ST filings and relevant public documents of those respective companies covered by those sources as at the Latest Practicable Date. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representations or warranties, express or implied, on the accuracy or completeness or adequacy of such information. We note that the accounting polices used by the respective comparable companies or the targets of the comparable transactions may be different. The differences between accounting principles used by the Company and the respective accounting polices used by the

comparable companies or the targets of the comparable transactions may therefore render comparisons between these companies less useful than if they all used the same accounting policy. In addition, we point out that the comparable companies or the targets of the comparable transactions are not exactly identical to the Company in terms of location, business mix, scale, geographical spread and track record. Any conclusions drawn from comparisons made may therefore not necessarily reflect the possible market valuation for the Company.

In the course of our analysis, we have relied on the basis that the Offeror will not make any proposal to acquire the Options or the Awards, and will not make any comparable offer for the Perpetual Securities under Rule 18 of the Code, as stated in paragraph 2 of the Offer Document. For the purpose of our analysis, we have only considered the issued and paid-up share capital of the Company as of the Latest Practicable Date comprising 2,202,218,293 Shares, excluding treasury shares and the Shares comprised in the outstanding Options under the Share Option Plan and Awards under the Performance Share Plan. As at the Latest Practicable Date, there are 23,635 outstanding Options under the Share Option Plan, and 10,022,089 outstanding Awards under the Performance Share Plan.

7.2 Methodology

In assessing the fairness and reasonableness of the financial terms of the Offer from a financial point of view as at the Latest Practicable Date, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

(a) share price analysis to assess how the Offer Price compares to the historical share price of the Company over different observation periods;

(b) liquidity analysis to assess whether the historical share price of the Company provides a meaningful reference point for comparison against the Offer Price;

(c) precedent take-over analysis to compare the premium/discount of the Offer Price over the historical share price of the Company to selected take-over offer transactions in Singapore;

(d) trading comparable analysis to assess the valuation multiples implied by the Offer Price in comparison with trading multiples of comparable companies; and

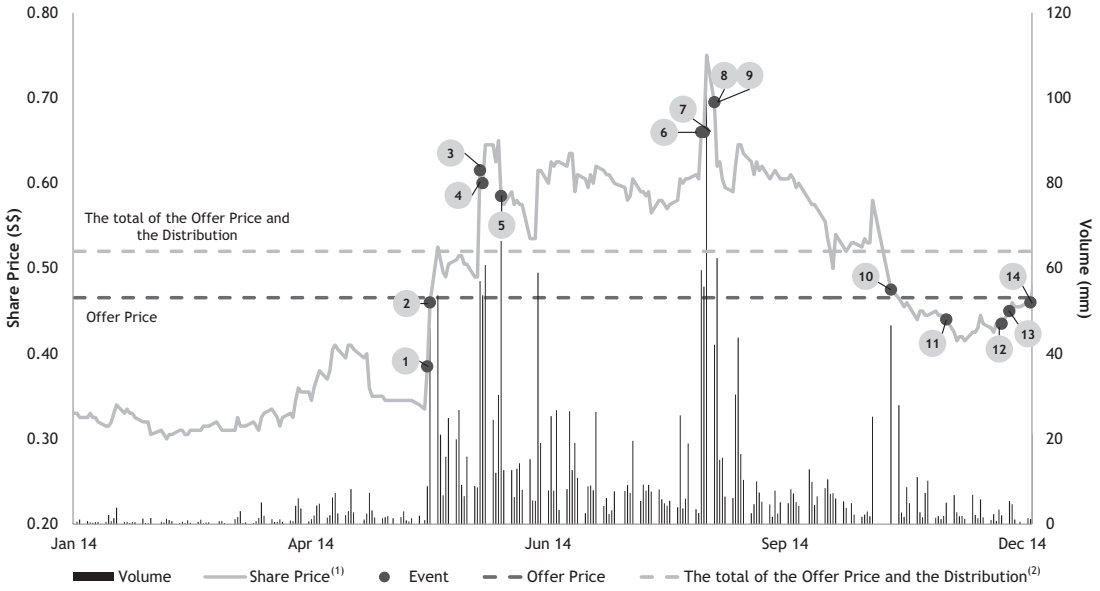
(e) precedent transaction analysis to assess the valuation multiples implied by the Offer Price in comparison with multiples of comparable transactions.

The evaluation parameters are discussed in greater detail in the ensuing paragraphs.

7.3 Historical Share Price Trading Analysis

(a) Historical Share Price Performance and Trading Volume for the 12 months prior to and including the Pre-Conditional Announcement Date

We set out in the chart below, the closing price and daily trading volume of the Company Shares for the 12 months prior to and including the Pre-Conditional Announcement Date.



Notes:

(1) Share Price is not adjusted for the Full Cash Entitlement of US$0.0404681 per Share (or approximately S$0.054632 per Share)

(2) Based on the cash amount of approximately S$0.5204019 per Share in aggregate for the total of the Offer Price and the Distribution

	Date	Synopsis
1	15-May-2014	SGX-ST Query Regarding Trading Activity (**"SGX-ST Query Date"**)
2	16-May-2014	The Company disclosed that it received a non-binding expression of interest from a third party, with a view to acquire all the Shares in the Company subject to a number of conditions
3	04-Jun-2014	SGX-ST Query Regarding Trading Activity
4	05-Jun-2014	The Company disclosed that certain other parties have indicated interest to explore a possible acquisition of all the Shares in the Company
5	12-Jun-2014	The Company announced that the discussions with the party in which it had received a non-binding expression of interest with a view to a possible acquisition as disclosed on 16 May 2014 were discontinued
6	27-Aug-2014	SGX-ST Query Regarding Trading Activity
7	28-Aug-2014	The Company confirmed that JCET and Tianshui Huatian Technology Co., Ltd. contacted the Company to explore a possible acquisition
8	01-Sep-2014	Tianshui Huatian Technology Co Ltd terminated discussions with the Company in relation to the possible acquisition of the Company
9	01-Sep-2014	JCET announced on the Shanghai Stock Exchange that its discussions with the Company are still at a preliminary stage and it estimates that there is a low likelihood of reaching any definitive agreement for the acquisition of the Company within the next three months
10	06-Nov-2014	JCET made a non-binding proposal dated 5 November 2014 to acquire all of the issued and paid-up ordinary Shares in the Company on a fully-diluted basis for an aggregate purchase price of US$780 million by way of a pre-conditional voluntary cash offer. The Company and its controlling shareholder STSPL agreed to negotiate, on an exclusive basis with JCET, the definitive terms for the proposed transaction. The proposed transaction does not include the Company's subsidiaries in Taiwan, being 52%-owned STATS ChipPAC Taiwan Semiconductor Corporation and 100%-owned STATS ChipPAC Taiwan Co., Ltd.
11	30-Nov-2014	The Company announced that the Company, STSPL and JCET had agreed to negotiate, on an exclusive basis, the definitive agreement for the proposed transaction up to 5p.m. (Singapore time) on 20 December 2014 or such later date to be agreed by all parties
12	20-Dec-2014	The Company announced that the Company, STSPL and JCET had agreed to negotiate, on an exclusive basis, the definitive agreement for the proposed transaction up to 5p.m. (Singapore time) on 31 December 2014 or such later date to be agreed by all parties

	Date	Synopsis
13	22-Dec-2014	JCET entered into a joint investment agreement with the National Integrated Circuit Industry Investment Fund Co., Ltd. and SMIC, a company listed on the Hong Kong Exchanges and Clearing Limited ("**HKEx**"), with bonds listed on the SGX-ST in relation to the proposed transaction
14	30-Dec-2014	JCET announced the Pre-Conditional Voluntary Offer for all the Shares the Company. The Company also announced the proposed distribution of the Taiwan Subsidiaries and offering of US$200,000,000 Perpetual Securities by way of a non-renounceable rights offering

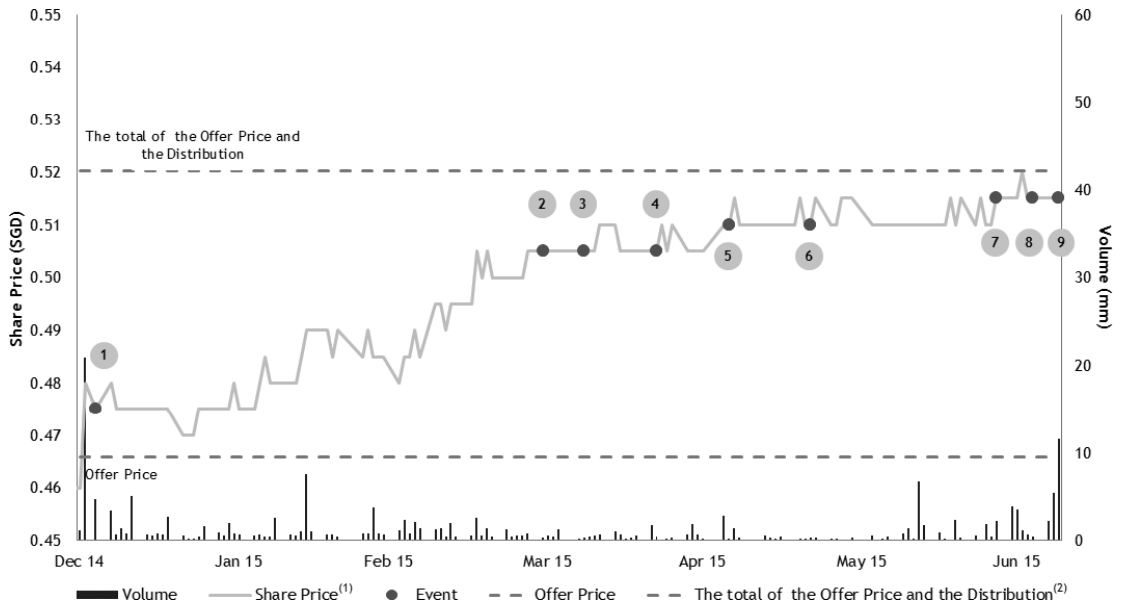
Sources: Capital IQ, Bloomberg and Company's filings

The Company Shares have traded in a band between S$0.300 and S$0.750 over the 12 month period prior to and including the Pre-Conditional Announcement Date. The last time the price traded at or above the Offer Price preceding the Pre-Conditional Announcement Date was on 07 November 2014.

The Independent Directors should note that on 15 May 2014, SGX-ST posted a query regarding trading activity of the Company due to unusual price and volume movements in the Company Shares. On 16 May 2014 before trading hours, the Company disclosed the receipt of non-binding expression of interest from a third party, with a view to a possible acquisition of all the Shares in the Company subject to a number of conditions. This information may have been incorporated into the price of the Company Shares on the SGX-ST prior to the Announcement Date such that 14 May 2014 (being the date prior to the SGX-ST Query Date) can be considered the "Unaffected Price Date".

(b) Historical Share Price Performance and Trading Volume from the Pre-Conditional Announcement Date to the Latest Practicable Date

We also set out in the chart below, the closing price and daily trading volume of the Company Shares from the Pre-Conditional Announcement Date prior to and including the Latest Practicable Date.



Notes:

(1) Share Price is not adjusted for the Full Cash Entitlement of US$0.0404681 per Share (or approximately S$0.054632 per Share)

(2) Based on the cash amount of approximately S$0.5204019 per Share in aggregate for the total of the Offer Price and the Distribution

	Date	Synopsis
1	01-Jan-2015	The Company announced its plan to relocate the Company's wholly-owned subsidiary, STATS ChipPAC Shanghai, Co., Ltd. to a new manufacturing site in China
2	30-Mar-2015	The Company announced its intent, subject to certain conditions, to undertake the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering as stated in paragraph 2 of the Offer Document
3	7-April 2015	Cavendish Kinetics announced it has adopted STATS' advanced wafer level packaging technology to deliver Cavendish's SmarTune™ RF MEMS tuners in the smallest possible form factor, as a 2mm^2 chip scale package
4	21-Apr-2015	Shareholders have approved at an extraordinary general meeting of the Company on 21 April 2015, *inter alia* the Capital Reduction and Distribution; and amendments to the Articles to reflect certain rights of the holders of the Perpetual Securities.
5	05-May-2015	The Company announced that the High Court of Singapore had approved the Capital Reduction
6	21-May-2015	JCET announced the satisfaction of the Pre-Conditions set out in paragraphs 1 to 4 of Schedule 1 of the Pre-Conditional Announcement. There are still Authorisations necessary or appropriate for or in connection with the Offer from the Ministry of Commerce of the PRC ("**MOFCOM**") and State Administration of Foreign Exchange of the PRC that remain outstanding. The Anti-trust Authorisation required from the Anti-Monopoly Bureau of MOFCOM also remains outstanding
7	26-June-2015	The Offeror's Financial Advisers announced, for and on behalf of the Offeror, that all of the Pre-Conditions have been satisfied and accordingly, that the Offeror intended to make the Offer in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Announcement and the Composite Document at S$0.46577 in cash per Offer Share for all the issued and paid-up ordinary shares in the capital of the Company
8	03-July-2015	The Company announced the Books Closure Date being 5.00 p.m. (Singapore time) on 13 July 2015 for the purpose of determining the provisional allotments of Perpetual Securities of the Entitled Shareholders (comprising Entitled Depositors and Entitled Scripholders) under the Perpetual Securities Offering, and for the purpose of determining the entitlements of Shareholders under the Capital Reduction and Distribution
9	08-July-2015	The Company issued an announcement relating to the performance update of STATS Group for 2Q2015.

Sources: Capital IQ, Bloomberg and Company's filings

Since the Pre-Conditional Announcement Date to the Latest Practicable Date, the Company's closing share price has traded in a band between S$0.460 and S$0.520. We note that the daily closing price of the Company Shares has not closed above the total of the Offer Price and the Distribution, if effected, since the Pre-Conditional Announcement Date to the Latest Practicable Date.

(c) VWAP Analysis

The Offer Price represents the following premia 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 the Latest Practicable Date	0.515	-9.6
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 traded price of the Shares on the SGX-ST on 31 October 2014 (being the last full day of trading of the Shares prior to the Possible Offer Announcement Date)	0.580	-19.7
Last undisturbed traded price of the Shares on the SGX-ST on 14 May 2014	0.335	39.0
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.

(i) The Offer Price represents a premium of approximately 30.2%, 32.1%, 27.6% and 24.5% over the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including 14 May 2014;

(ii) The Offer Price represents a premium of approximately 39.0% over the last undisturbed traded price of the Shares on the SGX-ST on 14 May 2014;

(iii) The Offer Price represents a discount of approximately 19.7% over the last traded price of the Shares on the SGX-ST on 31 October 2014 (being the last full day of trading of the Shares prior to the Possible Offer Announcement Date);

(iv) The Offer Price represents a premium of approximately 1.3% over the 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;

(v) The Offer Price represents a discount of approximately 9.6% over the last traded price of the Shares on the SGX-ST on the Latest Practicable Date.

The total of the Offer Price and the Distribution[3], if effected, represents the following premia 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 the Latest Practicable Date	0.515	1.0
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	13.1
Last traded price of the Shares on the SGX-ST on 31 October 2014 (being the last full day of trading of the Shares prior to the Possible Offer Announcement Date)	0.580	-10.3
Last undisturbed traded price of the Shares on the SGX-ST on 14 May 2014	0.335	55.3
VWAP for the 1-month period prior to and including 14 May 2014	0.374	39.1
VWAP for the 3-month period prior to and including 14 May 2014	0.365	42.6
VWAP for the 6-month period prior to and including 14 May 2014	0.353	47.5
VWAP for the 12-month period prior to and including 14 May 2014	0.358	45.5

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.

(i) The total of the Offer Price and the Distribution, if effected, represents a premium of approximately 45.5%, 47.5%, 42.6% and 39.1% over the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including 14 May 2014;

(ii) The total of the Offer Price and the Distribution, if effected, represents a premium of approximately 55.3% over the last undisturbed traded price of the Shares on the SGX-ST on 14 May 2014;

(iii) The total of the Offer Price and the Distribution, if effected, represents a discount of approximately 10.3% over the last traded price of the Shares on the SGX-ST on 31 October 2014 (being the last full day of trading of the Shares prior to the Possible Offer Announcement Date);

[3] Based on the information set out in paragraph 5 of the Offeree's Letter and assuming that Shareholders make a Cash Election.

(iv) The total of the Offer Price and the Distribution, if effected, represents a premium of approximately 13.1% over the 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;

(v) The total of the Offer Price and the Distribution, if effected, represents a premium of approximately 1.0% over the last traded price of the Shares on the SGX-ST on the Latest Practicable Date.

In addition, we note that our analysis of the past price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiments.

7.4 Liquidity Analysis

Ordinarily, share prices may be affected by different factors including relative liquidity, free float and investor interest or market sentiment at a given point in time. In considering the Offer Price relative to the Company's historical share price, we have considered the relative liquidity of the Company in comparison with companies that make up the top 15 companies traded on the SGX-ST in Singapore based on market capitalisation, excluding the Company. This analysis is to check whether historical trading prices provide a meaningful reference point for comparison against the Offer Price.

(a) Liquidity Analysis of the Top 15 SGX-ST Listed Companies by Market Capitalisation(1)

Company Name	Market Cap (S$ billion)	Free Float(2)	12M ADTV / Free float(3)	12M ADTV / Market Cap(4)
Singapore Telecommunications	68.9	48.0%	0.24%	0.11%
DBS Group Holdings Ltd	52.6	44.1%	1.20%	0.13%
Jardine Matheson Hldgs Ltd	52.3	70.7%	0.01%	0.03%
Jardine Strategic Hldgs Ltd	47.6	17.5%	0.08%	0.02%
Oversea-Chinese Banking Corp	41.5	66.1%	0.17%	0.11%
United Overseas Bank Ltd	37.5	76.0%	0.18%	0.14%
Hongkong Land Holdings Ltd	25.7	50.0%	0.16%	0.07%
Wilmar International Ltd	21.0	28.3%	0.29%	0.08%
Thai Beverage Pcl	19.1	27.7%	0.27%	0.07%
Dairy Farm Intl Hldgs Ltd	15.9	22.4%	0.06%	0.01%
Keppel Corp Ltd	15.1	66.0%	0.41%	0.30%
Capitaland Ltd	15.1	53.2%	0.43%	0.22%
Singapore Airlines Ltd	13.2	20.5%	1.61%	0.10%
Global Logistic Properties	12.2	44.0%	2.64%	0.30%
Jardine Cycle & Carriage Ltd	11.8	51.9%	0.01%	0.08%
Mean	30.0	45.8%	0.52%	0.12%
Median	21.0	48.0%	0.24%	0.10%
Maximum	68.9	76.0%	2.64%	0.30%
Minimum	11.8	17.5%	0.01%	0.01%
STATS (12-month prior to and including the Pre-Conditional Announcement Date)	1.0	16.3%	2.42%	0.49%
STATS (12-month prior to and including the Latest Practicable Date)	1.1	16.3%	1.53%	0.28%

Sources: Bloomberg and companies' filings
Notes:
(1) All figures as of the Latest Practicable Date
(2) Free float percentages are based on latest Company's filings
(3) 12-month average daily trading volume leading up to and including the Latest Practicable Date, divided by free float number of shares
(4) 12-month average daily trading value leading up to and including the Latest Practicable Date, divided by market capitalisation

With respect to the table above, we note that in the twelve months leading up to and including the Pre-Conditional Announcement Date and the Latest Practicable Date, the Company's average daily trading volume as a percentage to its free float is above the mean and the median liquidity measure of the top 15 largest companies by market capitalization traded on the SGX-ST.

(b) Historical Trading Volume

As at the Latest Practicable Date, the Company had a free float[4] of approximately 16.3 per cent. The Independent Directors should also note that the average daily trading volume on the SGX-ST of the Company Shares is approximately 8,691,000 Company Shares per day during the 12 months up to and including the Pre-Conditional Announcement Date and that the free float turned 41.3 times during this period[5].

We have also considered the historical trading volume of the Shares for the 1-month, 2-month, 3-month, 6-month, 9-month and 12-month periods leading prior to and including the Pre-Conditional Announcement Date, and the period after the Pre-Conditional Announcement Date prior to and including the Latest Practicable Date as set out in the table below. We note that there was a significant increase in the trading volume/liquidity of the Shares on the Market Day immediately after the Pre-Conditional Announcement Date but average daily trading volume has since declined for the period after the Pre-Conditional Announcement Date and prior to the Latest Practicable Date.

Reference Period	Average Daily Trading Volume	ADTV / Free float(1)	ADTV / Market Cap(2)
12-month period prior to and including Pre-Conditional Announcement Date	8,691,000	2.42%	0.49%
9-month period prior to and including Pre-Conditional Announcement Date	11,290,000	3.15%	0.64%
6-month period prior to and including Pre-Conditional Announcement Date	10,241,669	2.86%	0.61%
3-month period prior to and including Pre-Conditional Announcement Date	5,781,000	1.61%	0.29%
2-month period prior to and including Pre-Conditional Announcement Date	5,643,026	1.57%	0.26%
1-month period prior to and including Pre-Conditional Announcement Date	2,673,143	0.75%	0.11%
Pre-Conditional Announcement Date	1,181,000	0.33%	0.05%
Market Day after Pre-Conditional Announcement Date	20,952,000	5.84%	0.98%
12-month period prior to and including the Latest Practicable Date	5,482,795	1.53%	0.28%
9-month period prior to and including the Latest Practicable Date	2,568,495	0.72%	0.11%
6-month period prior to and including the Latest Practicable Date	1,103,185	0.31%	0.05%
3-month period prior to and including the Latest Practicable Date	1,077,833	0.30%	0.05%
2-month period prior to and including the Latest Practicable Date	1,246,458	0.35%	0.06%
1-month period prior to and including the Latest Practicable Date	2,120,557	0.59%	0.10%
From Market Day after Pre-Conditional Announcement Date to the Latest Practicable Date	1,301,008	0.36%	0.06%
Latest Practicable Date	11,534,000	3.22%	0.52%

[4] Free float is calculated based on the issued shares of a company that are held by the public. The term "public" shall have the meaning ascribed to it in the Listing Manual

[5] Based on total number of Company Shares in issue of 2,202,218,293 excluding treasury shares as at the Latest Practicable Date

Source: Bloomberg
Notes:
(1) 12-month average daily trading volume leading prior to and including the Latest Practicable Date, divided by free float number of shares
(2) 12-month average daily trading value leading prior to and including the Latest Practicable Date, divided by market capitalisation

Overall, the above analysis suggests that the Shares do not suffer from illiquid trading conditions and that the historical market price of the Shares provides a meaningful reference point for comparison with the Offer Price. However, it should be noted that the level of liquidity of the Shares may make it difficult for Shareholders with substantial holdings to realise their Shares through a sale on the open market.

The past liquidity of the Shares especially for the period after the Pre-Conditional Announcement Date should not in any way be relied upon as an indication of the future liquidity of the Shares. There is no assurance that the liquidity of the Shares will remain at these levels after the Offer closes.

7.5 Precedent Take-over Premia Analysis

We note that it is the intention of the Offeror, and the purpose of the Offer, to privatise and delist the Company from the Official List of the SGX-ST (the "**Proposed Delisting**"). 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 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 any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the Shares (excluding 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. For the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Offer Price vis-a-vis those in respect of recent successful privatisations and delistings of companies listed on the SGX-ST.

Successful take-overs of companies listed on the SGX-ST Mainboard as set out below generally fall into the categories of (i) privatisation transactions by way of general offer under the Code (Voluntary General Offer ("**VGO**") and Mandatory General Offer" ("**MGO**")); and (ii) delisting offers under Rule 1307 of the Listing Manual ("**Voluntary Delisting**" or "**VD**") where the primary intention of the offeror is to delist the target company from the Official List of the SGX-ST, regardless of whether the offeror succeeds in acquiring the entire issued share capital of the target (collectively, the "**Precedent Privatisations**").

We set out in the table below the premium/discount implied by the offer price of the Precedent Privatisations in Singapore to the last transacted price and the VWAPs of the respective targets for the 1-month, 3-month and 6-month periods prior to the respective offer announcements. We have selected transactions announced between 1 January 2013 and the Latest Practicable Date, and where the transaction size implied by the respective offer is greater than S$100 million.

			Premium / (Discount) of offer price[24] over/(to)			
Company	Announced Date	Type	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)
Fraser & Neave, Limited[1]	18-Jan-13	MGO	20.9	31.7	38.8	41.5
WBL Corporation Ltd[2]	09-May-13	MGO	28.9	27.6	25.5	28.9
Pan Pacific Hotel Group Limited[3]	10-May-13	VD	9.0	8.2	6.1	8.1
Guthrie GTS Limited[4]	21-Jun-13	VGO	21.4	21.9	19.7	20.2
Armstrong Industrial Corporation Limited[5]	05-Jul-13	VD	5.9	14.0	17.0	21.1
Viz Branz Limited[6]	05-Jul-13	MGO	15.0	17.9	17.4	17.4
China Minzhong[7]	02-Sep-13	MGO	10.3	5.5	6.9	2.2
Sound Global Ltd[8]	10-Sep-13	VD	22.8	18.9	22.6	18.9
Superbowl Holdings Limited[9]	07-Oct-13	VGO	15.4	34.9	41.2	45.0
People's Food Holdings Limited[10]	19-Oct-13	VGO	2.6	4.2	10.0	(6.4)
Singapore Land Limited[11]	24-Feb-14	VGO	11.2	16.9	13.9	11.0
Olam International Limited[12]	14-Mar-14	VGO	11.8	24.3	33.0	39.9
China XLX Fertiliser Ltd. [13]	31-Mar-14	VD	23.1	28.9	24.8	22.2
Capitamalls Asia Limited[14]	14-Apr-14	VGO	31.5	35.8	34.2	27.6
Hotel Properties Limited[15]	14-Apr-14	MGO	29.4	33.8	35.1	32.2
Forterra Trust[16]	04-Nov-14	MGO	32.4	51.1	49.7	39.8
UE E&C Ltd. [17]	28-Nov-14	VGO	5.0	12.3	17.0	21.1
CH Offshore Ltd[18]	11-Dec-14	VGO	18.3	20.1	17.0	16.8
LCD Global Investments Limited[19]	12-Jan-15	VGO	10.0	11.5	13.4	13.4
Keppel Land[20]	23-Jan-15	VGO	20.0	25.0	28.8	28.2
United Envirotech Ltd. [21]	05-Mar-15	VGO	12.6	16.5	20.2	28.1
Mean			**17.0**	**22.0**	**23.4**	**22.7**
Median			**15.4**	**20.1**	**20.2**	**21.1**
Max			**32.4**	**51.1**	**49.7**	**45.0**
Min			**2.6**	**4.2**	**6.1**	**(6.4)**
Prior to the SGX-ST Query Date[22]						
STATS (based on Offer Price)			**39.0**	**24.5**	**27.6**	**32.1**
STATS (based on the total of the Offer Price and the Distribution, if effected)			**55.3**	**39.1**	**42.6**	**47.5**
Prior to the Pre-Conditional Announcement Date[23]						
STATS (based on Offer Price)			**1.3**	**7.1**	**(7.5)**	**(22.5)**
STATS (based on the total of the Offer Price and the Distribution, if effected)			**13.1**	**19.7**	**3.3**	**(13.5)**

Sources: Bloomberg and relevant offer documents. Includes Singapore general offer transactions and mandatory general offers, excludes scheme of arrangements

Notes:

(1) Time reference in calculating the premia is 16 July 2012, the unaffected share price date being the last trading day prior to the announcement on 17 July 2012 on which the shares of F&N were traded on the SGX-ST. On 17 July 2012, F&N announced that Oversea Chinese Banking Corporation Limited and Great Eastern Holdings Limited were approached with an offer to purchase, *inter alia*, their combined stakes in F&N and Asia Pacific Breweries Limited

(2) Time reference in calculating the premia is 26 November 2012 being the possible Straits Trading Company Limited's offer date (also known as the unaffected price date)

(3) Time reference in calculating the premia is 9 May 2013 being the last trading day prior to the joint announcement date

(4) Time reference in calculating the premia is 19 June 2013 being the last trading day prior to the offer announcement

(5) Time reference in calculating the premium over the last transacted price is 2 July 2013 being the last trading day prior to the joint announcement date. Time reference in calculating the premia over the respective VWAPs is 20 June 2013 being the holding announcement date

(6) Time reference in calculating the premia is 4 July 2013 being the last market day prior to the offer announcement date

(7) Time reference in calculating the premia is 23 August 2013 being the last full market day on which the company's shares were traded prior to the offer announcement date when the offeror agreed to acquire pursuant to married deals, an aggregate of 25,590,000 issued shares, representing approximately 3.90% of the total number of issued shares as at the offer announcement date, at the price of S$1.12 per share, triggering a mandatory conditional cash offer for the offer shares at the offer price

(8) Time reference in calculating the premia is 27 June 2013 being the last business day on which the shares were traded on the SGX-ST and the SEHK prior to the possible offer announcement date

(9) Time reference in calculating the premia is 1 October 2013, being the last trading day of SuperBowl shares on the SGX-ST immediately prior to the Pre-Conditional Offer Announcement Date

(10) Time reference in calculating the premia is 17 October 2013 being the last trading day prior to the release of the offer announcement

(11) Time reference in calculating the premia is 19 February 2014, the last trading day prior to the offer announcement date
(12) Time reference in calculating the premia is 12 March 2014 being the last full day of trading in the shares on the SGX-ST prior to the offer announcement date
(13) Time reference in calculating the premia is 6 December 2013 being the last business day on which the shares were traded on the SGX-ST and the SEHK prior to the possible offer announcement date
(14) Time reference in calculating the premia is 11 April 2014 being the last full trading day of the shares on the SGX-ST immediately preceding the offer announcement date
(15) Time reference in calculating the premia is 11 April 2014 being the last traded market day prior to the offer announcement date
(16) Time reference in calculating the premia is 3 November 2014 being the last traded market day prior to the offer announcement date
(17) Time reference in calculating the premia is 21 March 2014 being the last trading date before SGX-ST's query regarding the unusual price movements in the shares of the company. On 24 March 2014, SGX-ST initiated a query regarding the trading activity of the company, and the company responded with a trading halt and announced that its controlling shareholder, United Engineers Limited, is currently in discussions with a third party in connection with the sale of its shareholding in the company
(18) Time reference in calculating the premia is 10 December 2014 being the last trading day prior to the offer announcement date
(19) Time reference in calculating the premia is 9 January 2015 being the last trading day prior to the offer announcement date
(20) Time reference in calculating the premia is 20 January 2015 being the last full market day preceding the date of announcement on which the shares were traded on the SGX-ST
(21) Time reference in calculating the premia is 1 July 2014 being the last full market day preceding the holding announcement date when the company announced a holding announcement stating that it has been approached to explore a potential acquisition of shares in the company
(22) Time reference in calculating the premia is 14 May 2014 being the date prior to the SGX-ST Query Date
(23) Time reference in calculating the premia is 29 December 2014 being the date prior to the Pre-Conditional Announcement Date
(24) Offer price based on the final bid price per share

Based on the above analysis, we note the following:

(a) The premium of approximately 55.3% implied by the total of the Offer Price and the Distribution, if effected, over the last undisturbed traded price of the Shares on 14 May 2014 is above the range and higher than the mean and median premium of 17.0% and 15.4% implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Privatisations;

(b) The premium of approximately 39.1% implied by the total of the Offer Price and the Distribution, if effected, over the 1-month VWAP of the Shares prior to and including 14 May 2014 is within the range and higher than the mean and median premium of 22.0% and 20.1% respectively as implied by the respective offer prices over the 1-month VWAP of the shares with respect to the Precedent Privatisations;

(c) The premium of approximately 42.6% implied by the total of the Offer Price and the Distribution, if effected, over the 3-month VWAP of the Shares prior to and including 14 May 2014 is within the range and higher than the mean and the median premium of 23.4% and 20.2% respectively as implied by the respective offer prices over the 3-month VWAP of the shares in respect of the Precedent Privatisations;

(d) The premium of approximately 47.5% implied by the total of the Offer Price and the Distribution, if effected, over the 6-month VWAP of the Shares prior to and including 14 May 2014 is above the range and higher than the mean and median premium of 22.7% and 21.1% as implied by the respective offer prices over the 6-month VWAP of the shares in respect of the Precedent Privatisations.

The Independent Directors should note that the level of premium (if any) that an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of

the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Hence, each Precedent Privatisation has to be judged on its own merits (or otherwise).

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisations and would not, therefore, be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, the Independent Directors should note that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Precedent Privatisations. Therefore, any comparison of the Offer with the Precedent Privatisations is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Company.

The list of Precedent Privatisations indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premium/(discount) implied by the offer prices in respect of the Precedent Privatisations over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/(discount) for the recent Precedent Privatisations. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

7.6 Valuation Ratios

We have applied the following valuation ratios in our analysis:

Valuation Multiples	Description
EV/EBITDA	"EV" or "enterprise value" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less investments in associates, and cash and cash equivalents. "EBITDA" stands for historical earnings before interest, tax, depreciation and amortization expenses, excluding share of associates' and joint ventures' income and other exceptional items. The EV/EBITDA ratio illustrates the market value of a company's business relative to its historical pre-tax operating cash flow performance, without regard to the company's capital structure
P/E	"P/E" or "price-to-earnings" ratio illustrates the ratio of the market price of a company's shares relative to its earnings per share. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to revenues recognition, depreciation and intangible assets
P/B	"P/B" or "price-to-book" multiple illustrates the ratio of the market price of a company's shares relative to its historical book NAV (as defined herein) per share as recorded in its financial statements. The NAV of a company is defined as its total assets (including intangible assets and goodwill) less its total liabilities, and excludes, where applicable, minority interests. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at its book value, the proceeds of which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies

Valuation Multiples	Description
P/NTA	"P/NTA" or "price-to-NTA" ratio illustrates the ratio of the market price of a company's shares relative to its historical NTA per share as recorded in financial statements. "NTA" or "net tangible asset" is defined to exclude, where applicable, minority interests, intangible assets and goodwill. The NTA figure provides an estimate of the value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected differences in their respective accounting policies, in particular their depreciation and asset valuation policies

For illustrative purposes only, the implied EV/EBITDA, P/B and P/NTA multiples over the last twelve months ("**LTM**") prior to the Latest Practicable Date for STATS are based on the Offer Price of S$0.46577 for each Offer Share and pro-forma financials reflecting the last twelve months for the period ended 29 March 2015 (as disclosed in Appendix B of the Offeree's Circular), assuming the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering had been completed.

7.7 Trading Comparable Analysis

We have considered the valuation ratios of selected listed companies principally engaged in the Outsourced Semiconductor Assembly and Test ("**OSAT**") services market which are in our opinion, broadly comparable to the Company (the "**Comparable Companies**"). The companies which we have selected as Comparable Companies in the list below have significant geographic presence in Asia Pacific. A summary profile of the Comparable Companies is set out below.

(a) A brief description of the Comparable Companies selected for our analysis is set out below:

Company	Target Description	Market Capitalisation (US$mm)
Advanced Semiconductor Engineering Inc. ("**ASE**")	ASE is a subcontractor of semiconductor back-end manufacturing services, offering complete turnkey services including IC packaging, IC testing, substrate design and manufacturing, module assembly, and Electronic Manufacturing Services (through Universal Scientific Industrial). ASE provides integrated solutions for electronics manufacturing services in relation to computers, peripherals, communications, industrial, automotive, and storage and server applications. ASE was founded in 1984 and began test services in 1987, with its principal executive offices located at Kaohsiung, Taiwan. The company has multiple plants and offices throughout Asia Pacific, North America, as well as Europe.	10,032.6
Siliconware Precision Industries Co. Ltd. ("**SPIL**")	SPIL is a provider of comprehensive semiconductor assembly and test services, including integrated circuit packaging and testing. It engages in turnkey solutions ranging from bumping, wafer sort, assembly, final test, to shipment. Products include Advanced Leadframe and Substrate based Packages, which are widely used in, but not limited to, computers, tablets, cellular phones, set-top boxes, LCD monitors, wearable devices, smart appliances, digital cameras and video game consoles. SPIL provides services and support to fabless design houses, integrated device manufacturers and wafer foundries globally. The company was established in 1984 and is headquartered in Taichung, Taiwan. It has factories located throughout Taiwan and China, and has offices located in USA, Switzerland, Japan, Singapore, and China.	4,499.1

Company	Target Description	Market Capitalisation (US$mm)
Powertech Technology Inc. ("**Powertech**")	Powertech is a provider of IC backend services, including IC chip probing, packaging, final testing and burn in to end products with drop shipments to worldwide end customers. Powertech offers Quad Flat No-leads (QFN), Redistribution Layer (RDL), Copper Pillar Bump (CPB), Lead-Free Bump, CMOS Image Sensor TSV, Fine Pitch Ball Grid Array (FBGA), FBGA (BOC), Thin Smaller Outline package (TSOP) I/II, memory card, Chip Package (MCP), System-in-Package (SiP), Package-on-Package (PoP), Package-in-Package (PiP), Flip Chip BGA (FCBGA), and Flip Chip CSP (FCCSP). The company also provides services in wafer level packaging, chip probing, assembly (product design and package characterization), final test and burn in. Powertech employs technologies such as thin wafer, 3DIC packaging, chip stacking, wire bonding, package stacking, memory cube die stacking, and through silicon via (TSV). Powertech was founded in 1997, with its company headquarters in Hsin-Chu, Taiwan. The company has manufacturing plants in Taiwan, China, and Singapore.	1,546.9
Amkor Technology, Inc. ("**Amkor**")	Amkor is a provider of contract semiconductor assembly and test services. The company offers services in wafer bumping and wafer probing, IC assembly, semiconductor packaging, final testing, package design, and turnkey. Amkor offers more than 850+ different IC package formats and sizes, from traditional leadframe packages for throughhole and surface mounting, all the way to the latest Chip Scale (CSP) and Ball Grid Array (BGA) solutions. Amkor has developed Thin Package Formats, BGA packages, Through Silicon Via (TSV), Through Mold Via (TMV), System in Package (SiP), Copper wirebond, Copper (Cu) Pillar, improved interconnect with flip chip technology, and 3D solutions like stacking die and packages. The company has also formed teams focused on the latest industry developments including packaging options for gallium arsenide and silicon germanium, and the emerging markets of optics, microelectromechanical systems (MEMS) and green/lead-free packaging. Die are used in multi-chip modules (MCM), flip chip, and chip-on-board applications. Amkor was founded in 1968, and is headquartered in Arizona, USA, with production facilities, product development centers and sales & support offices located in key electronics manufacturing regions in Asia, Europe and the United States.	1,382.4
JCET	JCET, one of the shareholders in the Consortium undertaking the Offer, is a listed semi-conductor packaging and testing private enterprise established in the People's Republic of China). Its major businesses include integrated circuit packaging, testing, sales, and the chip design and manufacturing of discrete devices. Besides multiple fully-owned subsidiaries including Jiangyin Changdian Advanced Packaging, Jiangyin Xinshun Microelectronic Co. Ltd., Jiangyin Xinsheng Electronics, Jiangyin Ace Electronic Equipments and Shenzhen Changjiang Electronic Co. Ltd., JCET has five production bases including in Jiangyin, Chuzhou and Suqian, and operates the National Engineering Laboratory for High-density IC Packaging and Testing Technologies.	2,412.2

Sources: Capital IQ and companies' filings

We wish to highlight that the Comparable Companies are not exhaustive and they differ from the Company in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, listing venue, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide. Accordingly, the Comparable Companies may not provide a meaningful basis for valuation comparison. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

(b) Valuation ratios of the Comparable Companies

	Exchange	Local Currency	Stock Price (Local currency)	Market Cap[1] (Local currency mm)	Market Cap[1] US$mm	Enterprise value[2] (US$ mm)	EV / EBITDA[3] LTM	P / E[3] LTM	P/B LTM	P/NTA LTM	EBITDA Margin LTM	Net Debt / LTM EBITDA[10]
JCET[4]	SHSE	RMB	15.22	14,985.2	2,412.2	2,780.5	15.7 x	66.6 x	3.9 x	4.2 x	17.1%	1.94 x
ASE[5]	TSEC	NT$	39.50	311,571.3	10,032.6	11,609.9	6.2 x	13.4 x	2.1 x	2.3 x	21.7%	0.76 x
SPIL[6]	TSEC	NT$	44.45	139,724.2	4,499.1	4,263.5	4.8 x	11.7 x	1.9 x	1.9 x	32.3%	0.03 x
Powertech[7]	TSEC	NT$	62.60	48,039.6	1,546.9	1,732.1	4.0 x	15.4 x	1.5 x	1.5 x	33.4%	(0.00) x
Amkor[8]	NasdaqGS	US$	5.84	1,382.4	1,382.4	2,368.6	3.0 x	7.8 x	1.2 x	1.2 x	24.9%	1.21 x
Max (excludes JCET)							**6.2 x**	**15.4 x**	**2.1 x**	**2.3 x**	**33.4%**	**1.21 x**
Mean (excludes JCET)							**4.5 x**	**12.1 x**	**1.7 x**	**1.7 x**	**28.1%**	**0.50 x**
Median (excludes JCET)							**4.4 x**	**12.6 x**	**1.7 x**	**1.7 x**	**28.6%**	**0.40 x**
Min (excludes JCET)							**3.0 x**	**7.8 x**	**1.2 x**	**1.2 x**	**21.7%**	**(0.00) x**
Max (Overall)							**15.7 x**	**66.6 x**	**3.9 x**	**4.2 x**	**33.4%**	**1.94 x**
Mean (Overall)							**6.7 x**	**23.0 x**	**2.1 x**	**2.2 x**	**25.9%**	**0.79 x**
Median (Overall)							**4.8 x**	**13.4 x**	**1.9 x**	**1.9 x**	**24.9%**	**0.76 x**
Min (Overall)							**3.0 x**	**7.8 x**	**1.2 x**	**1.2 x**	**17.1%**	**(0.00) x**
STATS[9]	SGX-ST	S$	0.46577	1,025.7	759.8	1,690.8	5.6 x	nm	0.9 x	1.9 x	20.8%	2.46 x

Sources: Relevant offer documents, Bloomberg, Capital IQ and companies' financials and filings

Notes:

1. Market capitalisation is calculated based on share price from Capital IQ as of the Latest Practicable Date multiplied by total ordinary shares outstanding and foreign exchange conversion rates as of the Latest Practicable Date
2. Enterprise value has been calculated as market capitalisation + net debt + minority interest - interest in associates
3. EBITDA and net income attributable to equity holders of the company have been adjusted for one-off and extraordinary items per footnotes below. Tax effect on these adjustments applied using marginal tax rate as disclosed in the company filings
4. Financial information reflects data for the last twelve months for the period ended 31 March 2015. EBITDA reflects data for the financial year ended 31 December 2014. EBITDA and net income figures have been adjusted for gain/loss from investment, loss from impairment of assets and revaluation gain/loss. Tax effect on these adjustments applied using marginal tax rate of 25%
5. Financial information reflects data for the last twelve months for the period ended 31 March 2015. Enterprise value has been adjusted for retirement benefit obligations and other financial assets. EBITDA figure has been adjusted for gain/loss on disposal of property, plant and equipment and other assets, loss on damages and claims, and impairment loss on property, plant and equipment. Net income figure has been adjusted for gain/loss on disposal of property, plant and equipment and other assets, loss on damages and claims, impairment loss on property, plant and equipment, foreign currency exchange gain/ loss, and gain/loss on valuation of financial assets and liabilities. Tax effect on these adjustments applied using marginal tax rate of 25%
6. Financial information reflects data for the last twelve months for the period ended 31 March 2015. Enterprise value has been adjusted for available-for-sale financial assets and financial liabilities held at fair value. Net income figure has been adjusted for one-off items including foreign exchange currency gain/loss, gain on disposal of property, plant and equipment, gain on disposal of investments, impairment loss and loss on financial liabilities held at fair value. 25.0% statutory tax rate applied to net income adjustments
7. Financial information reflects data for the last twelve months for the period ended 31 March 2015. Enterprise value has been adjusted for financial liabilities and assets, lease obligations and retirement benefit obligations. Net income figure has been adjusted for gain/loss on sale of investments, foreign currency exchange gain, gain from acquisition of subsidiary and revaluation gain/loss on financial assets. Tax effect on these adjustments applied using marginal tax rate of 17%
8. Financial information reflects data for the last twelve months for the period ended 31 March 2015. Enterprise value has been adjusted for pension and severance obligations. EBITDA figure has been adjusted for settlement charges as a result of the patent license dispute and restructuring charge relating to the workforce reduction programme. Net income figure has been adjusted for one-off items including gain on sale of subsidiary to J-devices, foreign exchange currency gain, loss on debt retirement, and settlement charges as a result of the patent license dispute and restructuring charge relating to the workforce reduction programme. Net debt excludes related party debt. 35.0% statutory tax rate applied to net income adjustments
9. Implied equity value is based on the Offer Price of S$0.46577 for each Offer Share and the exchange rate of US$1 to S$1.3500, being the prevailing exchange rate as at the Latest Practicable Date, as extracted from Bloomberg L.P. Pro-forma financials reflects last twelve months for the period ended 29 March 2015 for STATS (as disclosed in Appendix B of the Offeree's Circular), assuming the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering had been completed. Adjusted EBITDA is computed as net income attributable to the Company plus income tax expense, interest expense, net, depreciation and amortisation, restructuring charges, share-based compensation, asset impairment, tender offer, debt exchange or debt redemption expenses and write-off of debt issuance

costs. Shareholders' equity and NTA exclude the value of the Perpetual Securities. Negative LTM earnings reported for STATS for the last twelve months for the period ended 29 March 2015. Net debt does not include the value of the Perpetual Securities

10. Net debt = interest-bearing borrowings – cash and equivalents. Negative denotes net cash position as of 31 March 2015

The Independent Directors should note that the analysis of trading multiples indicates that the equivalent Company multiples implied by the Offer Price are within the range indicated by the Selected Comparable Companies set out above.

We also note that the Company's profitability (as indicated by the LTM EBITDA margin) is lower than the mean of the Comparable Companies and the Company's financial leverage position (as indicated by the Net Debt/LTM EBITDA multiple) is higher than the mean of the Comparable Companies. The Independent Directors should note the above financial benchmarking while comparing the trading multiples implied by the Offer Price with those represented by the Comparable Companies.

7.8 Precedent Transaction Analysis

We have reviewed selected transactions completed between 1 January 2007 and the Latest Practicable Date, involving the acquisitions of equity interests in companies that operate in the OSAT services market in the Asia Pacific region, and for which information is publicly available (the "**Selected Precedent Transactions**"). Furthermore, in order to compile a list of representative transactions, we have excluded transactions where the transaction sizes are less than S$100 million.

(a) A brief description of the target companies in the Selected Precedent Transactions selected for our analysis is set out below:

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
ThaiLin Semiconductor Corp. ("**ThaiLin**")	12-Nov-14	ThaiLin is a specialized independent provider of total semiconductor testing solutions. ThaiLin provides a broad range of back-end testing services for high density memory, logic IC and mixed-signal etc., and offers assembly and testing services for overseas customers through its subsidiary in Shanghai. The company was established in 1996 and listed in Taiwan over-the-counter market, Gre Tai Securities Market.	52.5%
Greatek Electronic Inc. ("**Greatek**")	15-Dec-11	Greatek provides chip probing services for logic, mix mode device, and analog devices. The company offers leadframe based packaging and assembly services of integrated circuits. It also provides testing solutions, including testing program development, platform conversion, devices correlation, engineering or special lots support, and test peripheral equipment and spare parts development services. The company, formerly known as He Teh Integrated Circuit Co. Ltd., was founded in 1983 and is based in Zhunan, Taiwan.	44.1%
AIC Corporation Berhad ("**AIC**")	29-Jul-11	AIC's principal activity is investment holding whilst its subsidiaries are principally involved in the design, procurement, sales, assembly and test of integrated circuit chips and other ancillary activities and manufacture of high precision tooling, die-sets, semiconductor moulds and parts and high precision components, jigs and fixtures and the design and manufacture of turnkey automation systems. AIC was incorporated as a private limited company in Malaysia under the Act on 6 March 1990 as Autoindustries Corporation Sdn Bhd. On 28 April 1997, Autoindustries Corporation Berhad changed its name to AIC. AIC was transferred to the then Main Board of the Kuala Lumpur Stock Exchange, now known as the Main Market of Bursa Securities, on 31 July 2000.	100.0%

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
International Semiconductor Technology Ltd. ("**International Semiconductor**")	07-Dec-09	International Semiconductor provides integrated circuit assembly and testing services, including package, testing, and bumping technology development. The company was founded in 1998 and is headquartered in Kaohsiung, Taiwan.	100.0%
United Test and Assembly Center Ltd ("**UTAC**")	26-Jun-07	UTAC is an independent provider of semiconductor assembly and testing services for a broad range of integrated circuits including memory, mixed-signal, logic and radio-frequency ICs. UTAC offers a full range of package and test development, engineering and manufacturing services and solutions to a worldwide customer base, comprising leading integrated device manufacturers ("IDMs"), fabless companies and wafer foundries. UTAC operates manufacturing facilities in Singapore, Thailand, Taiwan and China, in addition to its global network of sales offices in the United States, Europe, Japan, Korea, China and Singapore.	100.0%
STATS	01-Mar-07	STATS is a service provider of semiconductor packaging design, assembly, testing and distribution solutions. STATS provides mixed signal testing and advanced packaging technology for semiconductors used in diverse end markets. STATS is headquartered in Singapore and has manufacturing facilities located in Singapore, South Korea, China, Malaysia and Taiwan and test preproduction facilities in the United States.	46.4%
Chipmos Technologies Inc. ("**Chipmos Technologies**")	13-Feb-07	Chipmos Technologies is one of the independent providers of testing and assembly services for LCD and other flat-panel display driver semiconductors globally and a provider of testing and assembly services for advanced memory products in Taiwan. Chipmos Technologies is headquartered in Taiwan and has production facilities in Hsinchu and Tainan, Taiwan and Shanghai, Mainland China.	28.8%

Sources: Relevant offer documents and companies' filings

(b) Selected Precedent Transactions

The Selected Precedent Transactions are provided for illustrative purposes only. The Selected Precedent Transactions and the acquired companies may not be directly comparable with the Company and may vary with respect to, amongst other factors, the geographical spread of activities, business mix and model, scale of operations, asset intensity, accounting policies, risk profile, track record and future prospects. Accordingly, the Selected Precedent Transactions may not provide a meaningful basis for valuation comparison. We further wish to highlight that underlying financial data used to calculate the, EV/EBITDA, P/E, P/B and P/NTA multiples in our analysis have been extracted from the relevant companies' financials and filings as at the relevant announcement date of each transaction. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

Announced	Target	Acquirer	Form of Consideration	% Acquired	Deal value (US$mm)	Enterprise value (US$mm)	EV / EBITDA LTM	P/E LTM	P/B LTM	P/NTA LTM
12-Nov-14	ThaiLin(1)	Chipmos Technologies (Bermuda) ("**Chipmos**")	Cash & Shares	52.5%	94.5	110.7	6.1x	28.3x	1.1x	1.1x
15-Dec-11	Greatek(2)	Powertech	Cash	44.1%	203.5	347.2	4.5x	15.2x	1.3x	1.3x
29-Jul-11	AIC(3)	Temasek Formation Sdn Bhd	Shares	100.0%	114.3	113.9	10.7x	23.1x	2.4x	2.5x
07-Dec-09	International Semiconductor(4)	Chipbond Technology Corporation ("**Chipbond**")	Shares	100.0%	191.0	240.4	14.7x	nm	1.4x	1.4x
26-Jun-07	UTAC(5)	TPG Capital & Affinity Equity Partners	Cash	100.0%	1,417.9	1,503.0	5.7x	20.9x	2.1x	2.7x
01-Mar-07	STATS(6)	STSPL	Cash	46.4%	1,083.8	2,930.4	6.9x	29.2x	2.0x	3.7x
13-Feb-07	Chipmos Technologies(7)	Chipmos	Cash	28.8%	191.1	1,049.6	3.2x	5.3x	1.2x	1.3x
Max - Overall							**14.7x**	**29.2x**	**2.4x**	**3.7x**
Mean - Overall							**7.4x**	**20.3x**	**1.7x**	**2.0x**
Median - Overall							**6.1x**	**22.0x**	**1.4x**	**1.4x**
Min - Overall							**3.2x**	**5.3x**	**1.1x**	**1.1x**
Max - Cash only Transactions							**6.9x**	**29.2x**	**2.1x**	**3.7x**
Mean - Cash only Transactions							**5.1x**	**17.6x**	**1.7x**	**2.2x**
Median - Cash only Transactions							**5.1x**	**18.0x**	**1.6x**	**2.0x**
Min - Cash only Transactions							**3.2x**	**5.3x**	**1.2x**	**1.3x**
30-Dec-14	STATS(8)	JCET		100.0%	759.8	1,690.8	5.6x	nm	0.9x	1.9x

Sources: Relevant offer documents, Mergermarket, Capital IQ and companies' financials and filings
Notes:

(1) As per the Merger Agreement, ThaiLin's shareholders were offered a combination of NT$12.5 in cash and 0.311 of one Chipmos share in exchange for each ThaiLin's common share held. Offer price of NT$24.78 per ThaiLin's share is derived by adding cash consideration of NT$12.5 to the value of 0.311 of one Chipmos' share valued at the last close share price of NT$39.50 per Chipmos share, prior to the date of the offer announcement. Financial information reflects data for the last twelve months for the period ended 30 September 2014 for ThaiLin. Net income figure has been adjusted for gain on sale of investment, foreign currency exchange gain, gain on sale of property, plant & equipment, and gain on financial and non-financial assets. Tax effect on these adjustments applied using marginal tax rate as disclosed in the company filings. Cash includes fixed deposits. Debt represents interest-bearing borrowings and employees' retirement benefit obligations

(2) Enterprise value is based on offer price of NT$25.28 per share as per announcement dated 15 December 2011. Deal value and percentage acquired as of 03 February 2012. Financial information reflects data for the last twelve months for the period ended 30 September 2011 for Greatek. Net income figure has been adjusted for gain/loss on disposal of fixed assets, gain/loss on sale of investments, foreign currency exchange gain, and revaluation gain/loss on financial assets. Tax effect on these adjustments applied using marginal tax rate of 17%

(3) Enterprise value is calculated using the total purchase consideration of RM1.80 per ordinary share of AIC and RM1.00 per warrant of AIC ("**AIC Warrant**") based on the outstanding securities of AIC as at 09 September 2011 (assuming AIC Warrants in issue are not exercised). Temasek Formation Sdn Bhd issued its shares in settlement of the aggregate offer consideration. Deal value and percentage acquired as of 25 May 2012. Financial information reflects data for the last twelve months for the period ended 30 June 2011 for AIC. Cash includes cash and current financial assets

(4) Chipbond agreed to issue 1 Chipbond share for every 1.8 shares in International Semiconductor. Offer price of NT$15.25 per International Semiconductor's share is derived by dividing the value of one Chipbond's share valued at the last close share price of NT$27.45 per Chipbond share prior to the date of the offer announcement by the exchange ratio of 1.8. Financial information reflects data for the last twelve months for the period ended 30 September 2009 for International Semiconductor. Cash includes current financial assets. Debt represents interest-bearing borrowings and employees' retirement benefit obligations. Negative LTM earnings reported for International Semiconductor for the last twelve months for the period ended 30 September 2009

(5) UTAC's deal value is calculated based on the scheme price and 1,817,455,802 shares outstanding, which incorporates conversion of the convertible bonds and the exercise of all in-the-money options. Multiples are derived from the Letter from ANZ Singapore Limited to the directors of the scheme as disclosed in the scheme document dated 7 September 2007

(6) STSPL, a wholly owned subsidiary of Temasek, agreed to acquire all outstanding shares and American Depository Shares ("**ADS**") of STATS it has not already owned at a price of S$1.75 per share and S$17.50 per ADS. Deal value and implied equity value exclude the US$134.5 mm principal amount of Convertible Subordinated Notes due 2008 which STSPL had gained valid acceptances for. Financial information reflects last twelve months for the period ended 31 December 2006 for STATS. Cash includes short term marketable securities. Debt includes obligations under capital leases. Net income figure has been adjusted for restructuring charges, gain on sale and maturity of marketable securities, loss from repurchase and redemption of senior and convertible notes and foreign currency exchange loss. Tax effect on these adjustments applied using marginal tax rate of 20% as disclosed in the company filings

(7) Implied equity value is based on offer price of US$0.75 per share. Financial information reflects last twelve months for the period ended 31 December 2006 for Chipmos Technologies. Enterprise value has been adjusted for beneficiary certificates and share investments, long-term investments accounted for using equity method and

retirement benefit obligations. Net income has been adjusted for impact due to accounting policy changes, gain/ loss on fixed assets disposal, gain on sale of investment, revaluation gain, foreign currency exchange gain and impairment loss. Tax effect on these adjustments applied using marginal tax rate of 25%

(8) Implied equity value is based on the Offer Price of S$0.46577 for each Offer Share and the exchange rate of US$1 to S$1.3500, being the prevailing exchange rate as at the Latest Practicable Date, as extracted from Bloomberg L.P. Pro-forma financials reflects last twelve months for the period ended 29 March 2015 for STATS (as disclosed in Appendix B of the Offeree's Circular), assuming the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering had been completed. Adjusted EBITDA is computed as net income attributable to the Company plus income tax expense, interest expense, net, depreciation and amortisation, restructuring charges, share-based compensation, asset impairment, tender offer, debt exchange or debt redemption expenses and write-off of debt issuance costs. Shareholders' equity and NTA exclude the value of the Perpetual Securities. Negative LTM earnings reported for STATS for the last twelve months for the period ended 29 March 2015.

The Independent Directors should note that the analysis of Precedent Transaction multiples indicates that the equivalent Company multiples implied by the Offer Price are within the range indicated by the Selected Precedent Transactions set out above.

8 OTHER CONSIDERATIONS IN RELATION TO THE OFFER

8.1 Listing Status and Suspension of Trading

As stated in the Offer Document, 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 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 any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the Shares (excluding 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.

Suspension of Trading

Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend the trading of the Shares only at the close of the Offer.

Free Float

Under Rule 724(1) of the Listing Manual, if the percentage of the total Shares (excluding treasury shares) held in public hands falls below 10%, the Company must as soon as practicable, announce the fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares in public hands to at least 10%, failing which the Company may be delisted.

In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, **the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror**.

8.2 Compulsory Acquisition

As stated in the Offer Document, pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer of not less than 90% of the total number of issued 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 treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms a s those offered under the Offer.

The Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

8.3 Implications of Delisting for Shareholders

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of marketability. Following the Proposed Delisting, it is likely to be difficult for Shareholders who do not accept the Offer to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. If the Company is delisted, even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Offer Price. Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer.

As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1, 7.2, 7.4.1 and 7.4.2 of the Listing Manual.

Shareholders who are in doubt of their position should seek independent professional advice.

8.4 Offeror's Future Plans for the Company

Subject to normal business conditions, the Offeror does not intend to (i) make major changes to the business of the Company or its management team, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of the employees of the Company and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time (x) to consider any options or opportunities which may present themselves or (y) to effect the relocation of the Company's manufacturing site in Shanghai, as may be required for the continuity of the business of the Company, and which it regards to be in the interests of the Offeror.

8.5 STSPL Undertakings

We note that under the terms of the STSPL Undertakings, STSPL has, subject to the fulfilment of certain conditions, undertaken, *inter alia*:

(a) to accept the Offer in respect of all and not some of the Relevant Shares by not later than 5:00 p.m. on the 6th day prior to the date of the lodgement with ACRA of the court order in connection with the Capital Reduction and the transfer of the legal title to the Taiwan HoldCo Shares to all Shareholders who have not exercised the Cash Election or, in relation to the Relevant Shares falling within paragraphs 3.5(b)(ii) and 3.5(b)(iii) of the Offer Document, 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;

(b) 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;

(c) not to accept (or permit the acceptance of) any Competing Proposal (as defined in paragraph 3.5(a) of the Offer Document) 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;

(d) 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);

(e) not to exercise the Cash Election; and

(f) (subject to an aggregate cap of US$200,000,000) to 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.

9 CONCLUSION AND RECOMMENDATION

This summary should be read in conjunction with, and in the context of, the full text of this letter. In arriving at our advice in respect of the Offer, we have taken into account, *inter alia*, the following key considerations summarised below.

(a) following the Pre-Conditional Announcement, the Company Shares have traded in a band between S$0.460 and S$0.520 (which is below the total of the Offer Price and the Distribution, if effected) ;

(b) in the 12-month period prior to and including the Latest Practicable Date, the Company's Average Daily Trading Volume of 1.53% to Free Float and Average Daily Trading Value of 0.28% to Market Capitalisation is higher than the respective mean and median liquidity measure for the Top-15 SGX-ST listed companies by market capitalisation for the same time period;

(c) based on our comparison of the Offer Price against the Company's VWAP over the various timeframes, we have assessed:

(i) the Offer Price represents a premia of approximately 30.2%, 32.1%, 27.6% and 24.5% over the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including 14 May 2014; and

(ii) the total of the Offer Price and the Distribution, if effected, represents a premia of approximately 45.5%, 47.5%, 42.6% and 39.1% over the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including 14 May 2014.

(d) the premia implied by the total of the Offer Price and the Distribution, if effected, over the 1-month, 3-month and 6-month VWAP of the Shares prior to and including 14 May 2014, are above the mean and the median premia as implied by the respective offer prices in respect of the Precedent Privatisations;

(e) the valuation multiples implied by the Offer Price are within the trading levels of the Selected Comparable Companies;

(f) the valuation multiples implied by the Offer Price are within the range of the implied transaction multiples indicated by the Selected Precedent Transactions;

(g) comparison of the financial and operating performance of the Company with publicly available information concerning the Comparable Companies. The Company's profitability (as indicated by the LTM EBITDA margin) is lower than the mean of the Comparable Companies and the Company's financial leverage position (as indicated by the Net Debt/LTM EBITDA multiple) is higher than the mean of the Comparable Companies;

(h) discussions with representatives of the Company and its financial advisers;

(i) review of relevant Company announcement and fillings, including announcements dated 12 Jun 2014 and 1 Sep 2014 confirming discussions with other potential buyers were unlikely to lead to any transaction;

(j) confirmation from the Company that alternative strategic options were considered, but the Company was of the view that none of these options represented as compelling a proposal as the Offer; and

(k) other relevant considerations.

In summary, having considered the aforesaid points including the various factors as set out in this letter, we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable, and not prejudicial to the interests of the Shareholders from a market perspective. Based on our opinion and accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

We wish to emphasise that we have been appointed to render our opinion on the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company.

We wish to highlight that we have compared the Offer Price of S$0.46577 against the pro-forma financials of the Company as disclosed in Appendix B of the Offeree's Circular, assuming completion of the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering. As set out in paragraph 2.3(e) of the Offeror's Letter, the Offer Price "does not include the entitlements of Shareholders pursuant to the Capital Reduction and Distribution."

In rendering our advice, we have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or

circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

The Independent Directors should note that trading of the Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion does not and cannot take into account future trading activities, patterns or price levels that may be established beyond the Latest Practicable Date.

The Independent Directors should advise the Shareholders that the opinion and advice of MKES should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

This letter is addressed to the Independent Directors solely for their benefit, in connection with and for the purpose of their consideration of the Offer, any recommendation to the Shareholders remains the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and there is no implication with regard to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply.

Yours faithfully

Maybank Kim Eng Securities Pte. Ltd.

1. DIRECTORS

The names, addresses and descriptions of the directors of the Company are as follows:

Name	Address	Description
James Albert Norling	7239 N Desert Fairways Drive Paradise Valley, Arizona 85253, Phoenix U.S.A.	Chairman, Non-executive and Independent Director
Tan Lay Koon	63 Cardiff Grove Serangoon Garden Estate Singapore (558929)	President, CEO and Executive Director
Peter Seah Lim Huat	45 Binjai Park Singapore (589845)	Non-executive and Independent Director
R. Douglas Norby	39 West Shore Road, Belvedere California 94920 U.S.A.	Non-executive and Independent Director
Teng Cheong Kwee	16B Margoliouth Road #06-03 Singapore (258542)	Non-executive and Independent Director
Rohit Sipahimalani	44 Coronation Road West #01-02 Astrid Meadows Singapore (269260)	Non-executive and Non-Independent Director
Pasquale Antonio Pistorio	Via Marconi 19 23873 Missaglia (LC) Italy	Non-executive and Independent Director
Gary Windle Tanner	812 Stonewall Ridge Lane Austin, Texas 78746, U.S.A.	Non-executive and Independent Director

2. HISTORY

The Company was incorporated in the Republic of Singapore on 31 October 1994 and was listed on the Main Board of the SGX-ST on 31 January 2000. The Company's registered office is at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore.

3. PRINCIPAL ACTIVITIES

The Company is a leading service provider of semiconductor packaging design, assembly, test and distribution solutions in diverse end market applications including communications, digital consumer and computing. With global headquarters in Singapore, the Company has design, research and development, manufacturing or customer support offices throughout Asia, the United States and Europe.

4. SHARE CAPITAL

4.1 **Issued Shares.** As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately US$872,766,000 comprising 2,202,218,293 Shares. The Company's statutory issued share capital represented by 2,202,218,293 Shares is S$2,343,908,031.29 as at the Latest Practicable Date.

Since the end of FY2014, the Company has not issued any new Shares. The Shares are ordinary shares carrying equal ranking rights to dividend, voting at general meetings and return of capital. The Company does not hold any other class of share capital as at the Latest Practicable Date. The Company has also not purchased any Company Securities during the

period commencing six months prior to the Possible Offer Announcement Date, and ending on the Latest Practicable Date.

There is no restriction in the Memorandum and the Articles on the right to transfer any Shares, that has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

4.2 **Rights in respect of Capital, Dividends and Voting.** The rights of Shareholders in respect of capital, dividends and voting in relation to the Shares are contained in the Articles. For ease of reference, selected texts of the Articles relating to the same have been extracted and reproduced in **Appendix J** set out in Part 2 of this Composite Document.

4.3 **Other Securities.** Save as disclosed below and in Part 2 of this Composite Document, the Company has not issued any other instruments convertible into, rights to subscribe for and options in respect of Shares and securities which carry voting rights affecting Shares that are outstanding as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has:

(a) 23,635 outstanding Options under the Share Option Plan exercisable into 23,635 Shares, the details of which are set out below:

Optionholders	No. of Option-holders	No. of Options	No. of Shares into which the Options are exercisable	Exercise Period	Exercise Price
STATS Group employees	8	23,635	23,635	31 October 2006 to 30 October 2015	S$0.925

(b) 10,022,089 outstanding Awards granted to the executives of the STATS Group under the Performance Share Plan, of which:

(i) 4,550,889 Awards were granted for the performance period beginning 1 January 2013 through 31 December 2015 (except for the performance period for measuring the total shareholder return beginning 31 March 2013 through 31 March 2016); and

(ii) 5,471,200 Awards were granted for the performance period beginning 1 January 2014 through 31 December 2016 (except for the performance period for measuring the total shareholder return beginning 31 March 2014 through 31 March 2017).

The actual number of Shares that may be delivered to the participants of the Performance Share Plan will range from 0 per cent. to 150 per cent. of the Awards if the performance targets set by the ERCC are achieved. The participants of the Performance Share Plan are not required to pay for the grant of the Awards or the delivery of Shares pursuant to the vesting of the Awards.

As at the Latest Practicable Date, none of the outstanding Awards have vested. In addition:

(1) the Company has undertaken with the Offeror that, save where the Offeror has granted its prior written consent, on and after the Offer Announcement Date, no Awards shall be vested into and be settled by the issue of new Shares; and

(2) the ERCC has determined that as the prescribed performance targets are not met, none of the outstanding Awards will vest and, accordingly, all of the outstanding Awards will lapse upon the Offer becoming or being declared unconditional in all respects.

Pursuant to the Perpetual Securities Offering, the Company proposes to offer US$200,000,000 aggregate principal amount of 4 per cent. Perpetual Securities to existing Shareholders by way of a non-renounceable rights issue at the issue price of US$1,000 for each Perpetual Security, on the basis of one Perpetual Security for every 11,011 existing Shares held by Shareholders as at the Books Closure Date (fractional entitlements to be disregarded). The Perpetual Securities are not convertible or exercisable into Shares. However, the holders of the Perpetual Securities will be entitled to exercise certain voting rights upon the occurrence of certain events as set out in the terms and conditions of the Perpetual Securities. As at the Latest Practicable Date, the Company has not issued any of the Perpetual Securities.

5 DISCLOSURE OF INTERESTS

5.1 **Interest of Company in Offeror Securities and JCET Securities.** As at the Latest Practicable Date, neither the Company nor its subsidiaries has any direct or indirect interests in Offeror Securities and JCET Securities.

5.2 **Dealings in Offeror Securities and JCET Securities by Company.** During the period commencing six months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, neither the Company nor its subsidiaries has dealt for value in Offeror Securities and JCET Securities.

5.3 **Interest of Directors in Offeror Securities and JCET Securities.** As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in Offeror Securities and JCET Securities.

5.4 **Dealings in Offeror Securities and JCET Securities by Directors.** During the period commencing six months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in Offeror Securities and JCET Securities.

5.5 **Interest of Directors in Company Securities.** Save as disclosed below and in Part 2 of this Composite Document, as at the Latest Practicable Date, none of the Directors has any interest, direct or indirect, in the Company Securities.

	Number of Shares					
Directors	**Direct Interest**	**%**	**Deemed Interest**	**%**	**Number of outstanding Awards**	**Number of Shares comprised in outstanding Options**
James A. Norling	-	-	-	-	-	-
Tan Lay Koon	107,333	n.m.	-	-	4,463,332[(1)]	-
Peter Seah Lim Huat	6,900	n.m.	-	-	-	-
R. Douglas Norby	6,900	n.m.	-	-	-	-
Teng Cheong Kwee	-	-	-	-	-	-
Rohit Sipahimalani	-	-	-	-	-	-
Pasquale A. Pistorio	-	-	-	-	-	-
Gary W. Tanner	-	-	-	-	-	-

Note

(1) Pursuant to the Performance Share Plan:

(i) 1,951,037 Awards were granted to TLK for the performance period beginning 1 January 2013 through 31 December 2015 (except for the performance period for measuring total shareholder return beginning 31 March 2014 through 31 March 2016); and

(ii) 2,512,295 Awards were granted to TLK for the performance period beginning 1 January 2014 through 31 December 2016 (except for the performance period for measuring total shareholder return beginning 31 March 2014 through 31 March 2017).

Subject to certain performance targets being met and the other terms and conditions, the actual number of Shares that may be delivered to TLK will range from 0 per cent. to 150 per cent. of the Awards. TLK is not required to pay for the grant of the Awards or the delivery of Shares pursuant to the vesting of the Awards.

As at the Latest Practicable Date, none of the Awards held by TLK have vested. In view of the ERCC Decision, the Awards held by TLK will lapse upon the Offer becoming or being declared unconditional in all respects.

5.6 **Dealings in Company Securities by Directors.** Save as disclosed below and in this Circular, during the period commencing six months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in the Company Securities.

On 8 May 2014, the Company granted 2,512,295 Awards to TLK pursuant to the Performance Share Plan for the performance period beginning 1 January 2014 through 31 December 2016 (except for the performance period for measuring the total shareholder return beginning 31 March 2014 through 31 March 2017). Subject to certain performance targets being met and other terms and conditions, the actual number of Shares that may be delivered to TLK will range from 0 per cent. to 150 per cent. of the number of Awards granted. As a result of the grant of such Awards on 8 May 2014, TLK holds 4,463,332 Awards in aggregate.

As at the Latest Practicable Date, none of the Awards held by TLK have vested. Further, in view of the ERCC Decision, all the Awards held by TLK will lapse upon the Offer becoming or being declared unconditional in all respects. Please refer to **paragraph 2.4** of the Letter to Shareholders from the Board set out in Part 2 of this Composite Document and the table set out in **paragraph 5.5** of this **Appendix B** together with the accompanying note for further information.

5.7 **Interests of IFA in Company Securities.** As at the Latest Practicable Date, none of MKES, or any of the other entities of the Maybank Group with established offices in Singapore, owns or controls any Company Securities.

5.8 **Dealings in Company Securities by IFA.** Save as disclosed below, during the period commencing six months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of MKES, or any of the other entities of the Maybank Group with established offices in Singapore, has dealt for value in the Company Securities.

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	15 May 2014	1,000		0.36000
MKES	15 May 2014		1,000	0.36000
MKES	16 May 2014	7,000		0.44714
MKES	16 May 2014		7,000	0.44786
MKES	16 May 2014	52,000		0.42529
MKES	16 May 2014		52,000	0.43163
MKES	16 May 2014	438,000		0.46000
MKES	16 May 2014		243,000	0.46000
MKES	16 May 2014	223,000		0.44626

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	16 May 2014		223,000	0.44655
MKES	19 May 2014		22,000	0.48000
MKES	19 May 2014	22,000		0.48045
MKES	19 May 2014		8,000	0.51750
MKES	19 May 2014	8,000		0.52188
MKES	19 May 2014		195,000	0.48000
MKES	19 May 2014	50,000		0.52000
MKES	19 May 2014		50,000	0.52500
MKES	20 May 2014		23,000	0.50870
MKES	20 May 2014	52,000		0.50942
MKES	21 May 2014	45,000		0.50222
MKES	21 May 2014		74,000	0.50412
MKES	21 May 2014		320,000	0.50000
MKES	21 May 2014	320,000		0.50005
MKES	23 May 2014	60,000		0.51000
MKES	23 May 2014		30,000	0.51000
MKES	23 May 2014	17,000		0.49471
MKES	23 May 2014		17,000	0.49500
MKES	26 May 2014	36,000		0.51222
MKES	26 May 2014		66,000	0.51273
MKES	26 May 2014	95,000		0.51500
MKES	26 May 2014		95,000	0.51500
MKES	27 May 2014	201,000		0.52002
MKES	27 May 2014		201,000	0.52500
MKES	29 May 2014		1,000	0.51000
MKES	29 May 2014	1,000		0.51500
MKES	2 June 2014		1,000	0.49500
MKES	2 June 2014	1,000		0.50000
MKES	3 June 2014	109,000		0.49041
MKES	3 June 2014		109,000	0.49202
MKES	3 June 2014	150,000		0.49500
MKES	3 June 2014		50,000	0.49500
MKES	4 June 2014		100,000	0.49500
MKES	5 June 2014	77,000		0.59416
MKES	5 June 2014		77,000	0.60338
MKES	5 June 2014		2,704,000	0.58445
MKES	5 June 2014	2,704,000		0.59961
MKES	5 June 2014		282,000	0.59027
MKES	5 June 2014	340,000		0.59200
MKES	6 June 2014	6,103,000		0.62880
MKES	6 June 2014		6,103,000	0.63337
MKES	6 June 2014	444,000		0.60043
MKES	6 June 2014		501,000	0.60509

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	9 June 2014	50,000		0.66000
MKES	9 June 2014		50,000	0.66000
MKES	9 June 2014	805,000		0.65002
MKES	9 June 2014		805,000	0.65002
MKES	9 June 2014		1,000	0.64500
MKES	9 June 2014		101,000	0.65990
MKES	9 June 2014	101,000		0.66005
MKES	10 June 2014	3,000		0.63167
MKES	10 June 2014		1,000	0.63500
MKES	10 June 2014		2,000	0.63000
MKES	10 June 2014	2,000		0.63250
MKES	11 June 2014		2,000	0.63000
MKES	12 June 2014		516,000	0.63183
MKES	12 June 2014	516,000		0.65165
MKES	12 June 2014	5,246,000		0.59595
MKES	12 June 2014		5,246,000	0.59650
MKES	12 June 2014		1,065,000	0.60793
MKES	12 June 2014	1,065,000		0.61770
MKES	12 June 2014		609,000	0.62780
MKES	12 June 2014	609,000		0.64107
MKES	13 June 2014		478,000	0.57450
MKES	13 June 2014	478,000		0.57453
MKES	16 June 2014		1,000	0.59000
MKES	16 June 2014	1,000		0.59500
MKES	17 June 2014	20,000		0.58500
MKES	17 June 2014		20,000	0.58500
MKES	18 June 2014	20,000		0.57000
MKES	18 June 2014		20,000	0.57000
MKES	19 June 2014		347,000	0.57829
MKES	19 June 2014	447,000		0.57979
MKES	20 June 2014	276,000		0.57750
MKES	20 June 2014		307,000	0.57775
MKES	23 June 2014	1,000		0.55500
MKES	23 June 2014		1,000	0.56000
MKES	23 June 2014	52,000		0.56500
MKES	23 June 2014		121,000	0.56715
MKES	24 June 2014	136,000		0.53500
MKES	24 June 2014		45,000	0.54000
MKES	25 June 2014	11,000		0.53727
MKES	25 June 2014		102,000	0.53809
MKES	26 June 2014	192,000		0.60003
MKES	26 June 2014		192,000	0.60445
MKES	26 June 2014	6,951,000		0.61257
MKES	26 June 2014		6,951,000	0.61523

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	27 June 2014	25,000		0.62500
MKES	27 June 2014		25,000	0.62500
MKES	30 June 2014		14,000	0.59000
MKES	30 June 2014	14,000		0.59536
MKES	1 July 2014	22,000		0.61955
MKES	1 July 2014		22,000	0.62455
MKES	1 July 2014	257,000		0.60549
MKES	1 July 2014		257,000	0.61500
MKES	1 July 2014		150,000	0.62500
MKES	1 July 2014	150,000		0.62507
MKES	2 July 2014	444,000		0.63000
MKES	2 July 2014		444,000	0.63000
MKES	4 July 2014	1,000		0.62500
MKES	4 July 2014		1,000	0.62500
MKES	7 July 2014		53,000	0.62491
MKES	7 July 2014	53,000		0.62500
MKES	7 July 2014		185,000	0.62635
MKES	7 July 2014	185,000		0.63005
MKES	7 July 2014		106,000	0.62486
MKES	7 July 2014	106,000		0.62991
MKES	8 July 2014	10,000		0.64000
MKES	8 July 2014		1,000	0.64000
MKES	8 July 2014	387,000		0.63004
MKES	8 July 2014		387,000	0.63196
MKES	9 July 2014		27,000	0.63667
MKES	9 July 2014	18,000		0.63750
MKES	9 July 2014	100,000		0.64000
MKES	9 July 2014		100,000	0.64000
MKES	9 July 2014		101,000	0.63500
MKES	9 July 2014	101,000		0.64000
MKES	11 July 2014	20,000		0.61500
MKES	11 July 2014		20,000	0.61500
MKES	11 July 2014		1,000	0.60000
MKES	11 July 2014	1,000		0.61000
MKES	14 July 2014		5,000	0.61000
MKES	14 July 2014	5,000		0.61300
MKES	15 July 2014		32,000	0.60484
MKES	15 July 2014	33,000		0.60591
MKES	16 July 2014		1,000	0.60000
MKES	18 July 2014	52,000		0.62481
MKES	18 July 2014		52,000	0.62740
MKES	18 July 2014	350,000		0.61571
MKES	18 July 2014		350,000	0.61857

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	21 July 2014	90,000		0.61778
MKES	21 July 2014		90,000	0.62000
MKES	21 July 2014	6,000		0.62000
MKES	21 July 2014		6,000	0.62000
MKES	22 July 2014		183,000	0.61773
MKES	22 July 2014	233,000		0.61991
MKES	22 July 2014	327,000		0.62000
MKES	22 July 2014		114,000	0.62000
MKES	22 July 2014		100,000	0.62000
MKES	22 July 2014	229,000		0.62007
MKES	23 July 2014	1,000		0.61000
MKES	23 July 2014		1,000	0.61000
MKES	23 July 2014	80,000		0.61000
MKES	23 July 2014		111,000	0.61140
MKES	23 July 2014		213,000	0.61000
MKES	23 July 2014	151,000		0.61003
MKES	23 July 2014	180,000		0.61000
MKES	23 July 2014		129,000	0.61000
MKES	24 July 2014	1,000		0.61000
MKES	24 July 2014		1,000	0.61000
MKES	24 July 2014	12,000		0.61000
MKES	24 July 2014		31,000	0.61177
MKES	24 July 2014	50,000		0.61000
MKES	24 July 2014		101,000	0.61000
MKES	24 July 2014		180,000	0.61000
MKES	25 July 2014		546,000	0.60341
MKES	25 July 2014	446,000		0.60427
MKES	29 July 2014	100,000		0.59500
MKES	29 July 2014		100,000	0.59500
MKES	30 July 2014		5,000	0.59100
MKES	30 July 2014	5,000		0.60000
MKES	30 July 2014		54,000	0.59926
MKES	30 July 2014	54,000		0.59954
MKES	30 July 2014	1,000		0.58500
MKES	30 July 2014		1,000	0.58500
MKES	30 July 2014		111,000	0.60000
MKES	30 July 2014	111,000		0.60014
MKES	31 July 2014	20,000		0.58500
MKES	31 July 2014		20,000	0.59000
MKES	1 August 2014		1,005,000	0.60876
MKES	1 August 2014	1,005,000		0.61292
MKES	4 August 2014		304,000	0.59227
MKES	4 August 2014	304,000		0.59362

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	5 August 2014	1,000		0.60000
MKES	5 August 2014		1,000	0.60000
MKES	5 August 2014	359,000		0.59304
MKES	5 August 2014		358,000	0.59316
MKES	6 August 2014	23,000		0.59000
MKES	6 August 2014		24,000	0.59000
MKES	6 August 2014	100,000		0.59500
MKES	7 August 2014	1,000		0.58500
MKES	7 August 2014		1,000	0.58500
MKES	7 August 2014		100,000	0.58500
MKES	11 August 2014	328,000		0.58000
MKES	11 August 2014		128,000	0.58000
MKES	12 August 2014	2,000		0.58500
MKES	12 August 2014		2,000	0.58500
MKES	12 August 2014		491,000	0.58796
MKES	12 August 2014	417,000		0.58881
MKES	13 August 2014	447,000		0.57961
MKES	13 August 2014		473,000	0.58081
MKES	14 August 2014		506,000	0.57341
MKES	14 August 2014	406,000		0.57500
MKES	15 August 2014	206,000		0.58000
MKES	15 August 2014		6,000	0.58000
MKES	18 August 2014	104,000		0.57510
MKES	18 August 2014		304,000	0.57669
MKES	19 August 2014		105,000	0.60738
MKES	19 August 2014	105,000		0.60743
MKES	19 August 2014		1,474,000	0.60907
MKES	19 August 2014	1,874,000		0.60926
MKES	19 August 2014	1,051,000		0.59350
MKES	19 August 2014		1,051,000	0.59884
MKES	19 August 2014		139,000	0.60500
MKES	19 August 2014	201,000		0.60754
MKES	20 August 2014	100,000		0.60000
MKES	20 August 2014		500,000	0.60000
MKES	20 August 2014		62,000	0.60089
MKES	21 August 2014	1,000		0.60500
MKES	21 August 2014		1,000	0.60500
MKES	21 August 2014	100,000		0.60500
MKES	21 August 2014		81,000	0.60500
MKES	21 August 2014	84,000		0.60518
MKES	22 August 2014		116,000	0.61849
MKES	22 August 2014	116,000		0.61940
MKES	22 August 2014		101,000	0.61005

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	22 August 2014		3,000	0.61000
MKES	26 August 2014		176,000	0.60497
MKES	26 August 2014	198,000		0.60500
MKES	27 August 2014	150,000		0.65007
MKES	27 August 2014		150,000	0.65263
MKES	27 August 2014	251,000		0.65500
MKES	27 August 2014		100,000	0.65990
MKES	27 August 2014	1,000		0.61500
MKES	27 August 2014		22,000	0.60500
MKES	27 August 2014	100,000		0.65500
MKES	27 August 2014	100,000		0.65750
MKES	27 August 2014		50,000	0.66000
MKES	28 August 2014	38,000		0.66539
MKES	28 August 2014		35,000	0.68329
MKES	28 August 2014		252,000	0.67002
MKES	28 August 2014	151,000		0.68334
MKES	28 August 2014	1,128,000		0.68284
MKES	28 August 2014		1,128,000	0.68451
MKES	28 August 2014		402,000	0.67251
MKES	28 August 2014	302,000		0.67667
MKES	28 August 2014		250,000	0.67600
MKES	28 August 2014	200,000		0.68500
MKES	29 August 2014		34,000	0.73382
MKES	29 August 2014	31,000		0.73984
MKES	29 August 2014		100,000	0.67500
MKES	29 August 2014	50,000		0.68500
MKES	29 August 2014	9,198,000		0.74829
MKES	29 August 2014		9,198,000	0.75051
MKES	29 August 2014		1,000	0.68500
MKES	29 August 2014	1,000		0.69500
MKES	1 September 2014		10,000	0.70000
MKES	1 September 2014	10,000		0.69000
MKES	1 September 2014		3,894,000	0.73235
MKES	1 September 2014	3,894,000		0.72567
MKES	2 September 2014		20,000	0.60000
MKES	2 September 2014	20,000		0.60500
MKES	2 September 2014		1,777,000	0.61375
MKES	2 September 2014	1,777,000		0.61034
MKES	2 September 2014		51,000	0.62980
MKES	2 September 2014	51,000		0.62490
MKES	3 September 2014	152,000		0.62500
MKES	3 September 2014	1,000		0.62500
MKES	3 September 2014		1,000	0.62500

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	3 September 2014	150,000		0.62500
MKES	3 September 2014	150,000		0.62500
MKES	4 September 2014		153,000	0.61500
MKES	4 September 2014	1,000		0.61000
MKES	4 September 2014	2,000		0.61000
MKES	4 September 2014		2,000	0.60500
MKES	4 September 2014		505,000	0.60804
MKES	4 September 2014	355,000		0.60721
MKES	4 September 2014		150,000	0.61500
MKES	9 September 2014	3,544,000		0.61537
MKES	9 September 2014		3,544,000	0.61641
MKES	10 September 2014		3,384,000	0.65088
MKES	10 September 2014	3,384,000		0.64310
MKES	11 September 2014	2,000		0.66000
MKES	12 September 2014		2,000	0.65000
MKES	16 September 2014	1,000		0.61500
MKES	16 September 2014		1,000	0.61000
MKES	18 September 2014	2,000		0.61500
MKES	18 September 2014		2,000	0.61250
MKES	19 September 2014		1,000	0.62500
MKES	19 September 2014	1,000		0.62500
MKES	22 September 2014	204,000		0.61350
MKES	22 September 2014		204,000	0.61350
MKES	23 September 2014		20,000	0.61000
MKES	23 September 2014	20,000		0.61000
MKES	24 September 2014	1,000		0.62000
MKES	24 September 2014		1,000	0.62000
MKES	24 September 2014		1,000	0.62000
MKES	24 September 2014	1,000		0.62000
MKES	29 September 2014		497,000	0.61500
MKES	29 September 2014	497,000		0.61000
MKES	30 September 2014		1,000	0.61000
MKES	30 September 2014	1,000		0.61000
MKES	30 September 2014		225,000	0.61000
MKES	30 September 2014	225,000		0.61000
MKES	3 October 2014		1,000	0.60000
MKES	3 October 2014	1,000		0.60000
MKES	3 October 2014		183,000	0.60000
MKES	3 October 2014	183,000		0.60003
MKES	7 October 2014		103,000	0.58500
MKES	7 October 2014	103,000		0.58505
MKES	7 October 2014	363,000		0.58001
MKES	7 October 2014		363,000	0.58000

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	8 October 2014		1,928,000	0.57995
MKES	8 October 2014	1,928,000		0.57661
MKES	10 October 2014		213,000	0.57500
MKES	10 October 2014	213,000		0.57502
MKES	13 October 2014	100,000		0.55500
MKES	14 October 2014		205,000	0.54866
MKES	14 October 2014	105,000		0.54543
MKES	14 October 2014		1,000	0.55000
MKES	14 October 2014	1,000		0.55000
MKES	17 October 2014		480,000	0.54364
MKES	17 October 2014	480,000		0.53688
MKES	23 October 2014		667,000	0.53500
MKES	23 October 2014	712,000		0.53019
MKES	24 October 2014	1,000		0.53500
MKES	24 October 2014		1,000	0.53000
MKES	24 October 2014		66,000	0.53159
MKES	24 October 2014	45,000		0.53000
MKES	27 October 2014		24,000	0.53188
MKES	27 October 2014	24,000		0.53000
MKES	28 October 2014		3,000	0.53167
MKES	28 October 2014	3,000		0.53000
MKES	28 October 2014		124,000	0.53000
MKES	28 October 2014	100,000		0.53000
MKES	29 October 2014		20,000	0.53500
MKES	29 October 2014	20,000		0.53500
MKES	31 October 2014		60,000	0.56417
MKES	31 October 2014	60,000		0.56217
MKES	31 October 2014	1,000		0.58500
MKES	31 October 2014		1,000	0.58500
MKES	7 November 2014	9,185,000		0.48920
MKES	7 November 2014		9,185,000	0.48665
MKES	10 November 2014	7,160,000		0.46203
MKES	10 November 2014		7,160,000	0.45833
MKES	21 November 2014		1,000	0.45000
MKES	21 November 2014	1,000		0.45000
MKES	27 November 2014	162,000		0.44500
MKES	27 November 2014		162,000	0.44500
MKES	28 November 2014	1,000		0.44000
MKES	28 November 2014		1,000	0.44000
MKES	8 December 2014	1,000		0.43000
MKES	8 December 2014		1,000	0.43000
MKES	18 December 2014	50,000		0.43000
MKES	18 December 2014		50,000	0.43000

Name	Date	Number of Shares Bought	Number of Shares Sold	Transaction Price per Share (S$)
MKES	18 December 2014		101,000	0.43000
MKES	18 December 2014	101,000		0.43005
MKES	18 December 2014	100,000		0.43000
MKES	19 December 2014		100,000	0.43500
MKES	22 December 2014	223,000		0.44500
MKES	22 December 2014		223,000	0.45365
MKES	22 December 2014		273,000	0.45148
MKES	22 December 2014	273,000		0.44505
MKES	30 December 2014		136,000	0.45496
MKES	30 December 2014	136,000		0.45632
MKES	30 December 2014		1,000	0.45500
MKES	30 December 2014	1,000		0.45500
MKES	31 December 2014	3,417,000		0.47694
MKES	31 December 2014		3,417,000	0.47508
MKES	2 January 2015	1,000		0.48000
MKES	2 January 2015		1,000	0.48000
MKES	2 January 2015	1,000		0.48000
MKES	2 January 2015		1,000	0.48000
MKES	9 January 2015	50,000		0.48000
MKES	9 January 2015		50,000	0.48000

5.9 **Intentions of the Directors.** The following Directors who have direct interests in the Shares have informed the Company of their intentions in respect of the Offer, as follows:

(a) Mr Tan Lay Koon intends to accept the Offer in respect of all of his 107,333 Shares;

(b) Mr Peter Seah Lim Huat intends to accept the Offer in respect of all of his 6,900 Shares; and

(c) Mr R. Douglas Norby intends to accept the Offer in respect of all of this 6,900 Shares.

6. ARRANGEMENTS AFFECTING DIRECTORS

6.1 **Directors' Service Contracts.** There are no service contracts between any director or proposed director with the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation.

In addition, there were no such service contracts entered into or amended between any director or proposed director with, the Company or any of its subsidiaries during the period between the start of six months preceding the Possible Offer Announcement Date, and ending on the Latest Practicable Date.

6.2 **No Payment or Benefit to Directors.** As at the Latest Practicable Date, save as disclosed in **paragraphs 8 and 11** of the Letter to Shareholders from the Board set out in Part 2 of this Composite Document and below, it is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

In order to incentivise and to help ensuring the continuity of management of STATS Group, the Company has put in place arrangements whereby certain employees of STATS Group, some of whom are also directors of the subsidiaries of STATS Group, will receive from the Company a retention bonus. The amount of the retention bonus payable to each employee of STATS Group has been determined based upon such employee's seniority and contribution to STATS Group. A portion of the retention bonus will be paid by the Company upon the Offer becoming or being declared unconditional in all respects, with the balance being payable within a certain period of time thereafter, provided the relevant employees of STATS Group remain in the employment of STATS Group and have not tendered or been given notice of termination of employment at the time of payments.

6.3 **No Agreement Conditional upon Outcome of Offer.** As at the Latest Practicable Date, save as disclosed in **paragraphs 8 and 11** of the Letter to Shareholders from the Board set out in Part 2 of this Composite Document and in **paragraph 6.2** of this **Appendix B**, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

6.4 **Material Contracts entered into by Offeror.** As at the Latest Practicable Date, save as disclosed in **paragraphs 8 and 11** of the Letter to Shareholders from the Board set out in Part 2 of this Composite Document and in **paragraph 6.2** of this **Appendix B**, there are no material contracts entered into by the Offeror and JCET in which any Director has a material personal interest.

7. FINANCIAL INFORMATION

7.1 Consolidated Income Statements

(a) Consolidated income statements of STATS Group for FY2012, FY2013, FY2014, 1Q2014 and 1Q2015

The consolidated income statements of STATS Group for FY2012, FY2013, FY2014, 1Q2014 and 1Q2015 are set out below:

	FY2012 (Audited) (in US$'000)	FY2013 (Audited) (in US$'000)	FY2014 (Audited) (in US$'000)	1Q2014 (Unaudited) (in US$'000)	1Q2015 (Unaudited) (in US$'000)
Net revenues	1,701,549	1,598,522	1,585,834	365,476	371,080
Cost of revenues	(1,414,045)	(1,380,941)	(1,402,331)	(328,956)	(332,144)
Gross profit	287,504	217,581	183,503	36,520	38,936
Operating expenses:					
Selling, general and administrative	122,958	96,140	96,164	24,122	22,711
Research and development	51,722	46,432	39,200	9,932	8,514
Restructuring charges	5,715	1,886	4,319	—	—
Exchange offer and redemption expenses	—	15,701	—	—	—
Write-off of debt issuance costs	—	2,392	—	—	—
Operating expenses	180,395	162,551	139,683	34,054	31,225

	FY2012 (Audited) (in US$'000)	FY2013 (Audited) (in US$'000)	FY2014 (Audited) (in US$'000)	1Q2014 (Unaudited) (in US$'000)	1Q2015 (Unaudited) (in US$'000)
Goodwill impairment	24,100	—	—	2,261	—
Equipment impairment	3,819	—	3,713	—	—
Total operating expenses	208,314	162,551	143,396	36,315	31,225
Operating income before exceptional items	79,190	55,030	40,107	205	7,711
Plant closure costs	—	(36,909)	—	—	—
Flood related insurance settlement	26,741	19,582	—	—	—
Flood related plan charges	(10,061)	(3,000)	—	—	—
Operating income after exceptional items	95,870	34,703	40,107	205	7,711
Other income (expenses), net:					
Interest income	1,518	1,334	1,692	562	437
Interest expense	(59,829)	(54,459)	(51,432)	(12,375)	(14,325)
Foreign currency exchange gain (loss)	583	3,641	3,145	(210)	(459)
Share of loss of associate	(739)	—	—	—	—
Other non-operating income (expenses), net	477	(1,969)	(547)	9	(1,389)
Total other expenses, net	(57,990)	(51,453)	(47,142)	(12,014)	(15,736)
Loss before income taxes	37,880	(16,750)	(7,035)	(11,809)	(8,025)
Income tax expense (benefit)	(14,023)	(22,329)	(6,515)	(2,938)	7,154
Net loss for the year	23,857	(39,079)	(13,550)	(14,747)	(871)
Less: Net income attributable to the non-controlling interest	(7,294)	(8,414)	(8,245)	(1,060)	(1,194)
Net loss attributable to STATS ChipPAC Ltd.	16,563	(47,493)	(21,795)	(15,807)	(2,065)
Net loss per ordinary share attributable to STATS ChipPAC Ltd. (in US cents):					
— Basic	$ 0.01	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.00)
— Diluted	$ 0.01	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.00)

	FY2012 (in US$'000)	FY2013 (in US$'000)	FY2014 (in US$'000)	1Q2014 (in US$'000)	1Q2015 (in US$'000)
Non-GAAP and other Data (unaudited)					
Net dividends per Share	Nil	Nil	Nil	Nil	Nil
Adjusted EBITDA[1]	408,938	392,357	353,421	78,372	83,201

The financial information for FY2012, FY2013 and FY2014 should be read in conjunction with the audited consolidated financial statements of STATS Group and the accompanying notes as set out in the annual reports of the Company for the relevant years and the financial information for 1Q2014 and 1Q2015 should be read in conjunction with the 1Q2014 Results and the 1Q2015 Results and the accompanying notes as set out therein. The annual reports of the Company for FY2012, FY2013 and FY2014, the 1Q2014 Results and the 1Q2015 Results are available for inspection at the registered office of the Company at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059, during normal business hours for the period which the Offer remains open for acceptance.

(b) **Unaudited pro forma consolidated income statements of STATS Group for FY2014, 1Q2014 and 1Q2015**

The unaudited pro forma consolidated income statement of STATS Group set forth below **are for illustrative purposes only and do not necessarily reflect the actual future results of STATS Group after the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering** and should be read in conjunction with the audited consolidated financial statements of STATS Group for FY2014, the 1Q2014 Results and the 1Q2015 Results, copies of which are available for inspection at the registered office of the Company at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059, during normal business hours for the period which the Offer remains open for acceptance.

	FY2014 (Unaudited Pro Forma) (in US$'000)	1Q2014 (Unaudited Pro Forma) (in US$'000)	1Q2015 (Unaudited Pro Forma) (in US$'000)
Net revenues	1,445,026	333,096	340,602
Cost of revenues	(1,293,372)	(302,478)	(307,800)
Gross profit	151,654	30,618	32,802
Operating expenses:			
Selling, general and administrative	89,796	22,599	21,066
Research and development	37,490	9,441	8,278
Restructuring charges	4,319	-	-
Exchange offer and redemption expenses	-	-	-
Write-off of debt issuance costs	-	-	-
Operating expenses	131,605	32,040	29,344
Goodwill impairment	-	-	-
Asset impairment	3,713	2,261	-
Total operating expenses	135,318	34,301	29,344

[1] Adjusted EBITDA is not required by, or presented in accordance with, Singapore Financial Reporting Standards ("**FRS**"). The Company defines adjusted EBITDA as net income attributable to the Company plus income tax expense, interest expense, net, depreciation and amortisation, restructuring charges, share-based compensation, asset impairment, tender offer, debt exchange or debt redemption expenses and write-off of debt issuance costs. The Company presents adjusted EBITDA as a supplemental measure of its performance. Management of the Company believes the non-FRS financial measure is useful to investors in enabling them to perform additional analysis.

	FY2014 (Unaudited Pro Forma) (in US$'000)	1Q2014 (Unaudited Pro Forma) (in US$'000)	1Q2015 (Unaudited Pro Forma) (in US$'000)
Operating income before exceptional items	16,336	(3,683)	3,458
Plant closure costs	-	-	-
Flood related insurance settlement	-	-	-
Flood related plan charges	-	-	-
Operating income after exceptional items	16,336	(3,683)	3,458
Other income (expenses), net			
Interest income	1,367	481	339
Interest expense	(59,432)	(14,375)	(16,325)
Foreign currency exchange gain (loss)	2,210	(437)	(167)
Share of loss of associate	-	-	-
Other non-operating income (expense), net	(709)	20	(1,220)
Total other expenses, net	(56,564)	(14,311)	(17,373)
Income (loss) before income taxes	(40,228)	(17,994)	(13,915)
Income tax benefit (expense)	(2,560)	(2,221)	7,975
Net income (loss) for the year	(42,788)	(20,215)	(5,940)
Less: Net income attributable to the non-controlling interest	-	-	-
Net income (loss) attributable to shareholders	(42,788)	(20,215)	(5,940)

The pro forma adjusted EBITDA[2] of STATS Group for FY2014, 1Q2014 and 1Q2015 are US$296.091 million, US$65.067 million and US$70.910 million respectively.

The pro forma financial information of STATS Group for FY2014, 1Q2014 and 1Q2015 set out above is provided for illustrative purposes only and has been prepared based on following assumptions:

(i) the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering had been completed at the beginning of the financial period or the financial year, as applicable;

(ii) the interest expense of the Perpetual Securities had been adjusted in the unaudited pro forma consolidated income statements;

(iii) in connection with the pro forma financial effects of the Internal Restructuring Exercise, adjustments had been made for:

(1) the transfer of SCT3 by the Company to SCT1 for an aggregate cash consideration of US$15,000,000;

(2) the transfer of the shares in SCT1 by the Company to Taiwan HoldCo for an aggregate consideration of approximately US$74.12 million; and

(3) the repayment in full of the intercompany loan extended by the Company to SCT3 of approximately US$127 million (the "**Taiwan Intercompany Loan**") by SCT3; and

2 Please refer to the preceding footnote for the definition of "adjusted EBITDA".

(iv) the proceeds from the repayment in full of the Taiwan Intercompany Loan by SCT3 and the Perpetual Securities Offering would be used to reduce STATS Group's borrowings.

(c) **Performance Update of STATS Group for 2Q2015**

On 8 July 2015, the Company issued an announcement relating to the performance update of STATS Group for 2Q2015 (the "**Performance Update**"). The Performance Update has been reproduced in **Appendix G** of Part 2 of this Composite Document. The letters from the auditors of the Company and the IFA relating to the Performance Update have been reproduced in **Appendices H and I** of Part 2 of this Composite Document respectively.

7.2 **Consolidated Statements of Financial Position**

(a) **Consolidated statements of financial position of STATS Group as at 28 December 2014 and 29 March 2015**

The consolidated statements of financial position of STATS Group as at 28 December 2014 and 29 March 2015 have been extracted from the audited consolidated financial statements of STATS Group for FY2014 and the 1Q2015 Results respectively and are reproduced below.

	28 December 2014 (Audited) (In US$'000)	29 March 2015 (Unaudited) (in US$'000)
ASSETS		
Current assets:		
Cash and cash equivalents	117,456	150,665
Short-term bank deposits	66,054	44,757
Accounts receivable	238,684	221,031
Other receivables	29,479	13,479
Inventories	73,232	74,552
Assets held for sale	11,373	11,373
Prepaid expenses and other current assets	20,192	18,670
Total current assets	556,470	534,527
Non-current assets:		
Long-term bank deposits	1,659	1,669
Property, plant and equipment	1,637,195	1,595,659
Intangible assets	33,617	33,781
Goodwill	381,487	381,487
Deferred tax assets	100	211
Prepaid expenses and other non-current assets	3,306	8,504
Total non-current assets	2,057,364	2,021,311
Total assets	2,613,834	2,555,838
LIABILITIES		
Current liabilities:		
Accounts and other payable	198,076	187,968
Payables related to property, plant and equipment purchases	95,592	48,242
Accrued operating expenses	107,312	93,729
Income taxes payable	12,327	12,274
Short-term borrowings	212,597	224,404
Short-term amounts due to related parties	31	224
Total current liabilities	625,935	566,841

	28 December 2014 (Audited) (In US$'000)	29 March 2015 (Unaudited) (in US$'000)
Non-current liabilities:		
Long-term borrowings	990,688	944,501
Deferred tax liabilities	38,689	32,154
Deferred government compensation for plant relocation	—	49,347
Other non-current liabilities	16,079	17,564
Total non-current liabilities	1,045,456	1,043,566
Total liabilities	1,671,391	1,610,407
EQUITY		
Share capital	873,666	873,666
Retained earnings	29,683	27,618
Other reserves	(13,800)	(10,852)
Equity attributable to equity holders of STATS ChipPAC Ltd.	889,549	890,432
Non-controlling interest	52,894	54,999
Total equity	942,443	945,431
Total liabilities and equity	2,613,834	2,555,838

The consolidated statements of financial position of STATS Group as at 28 December 2014 should be read in conjunction with the audited consolidated financial statements of STATS Group and the accompanying notes as set out in the annual report of the Company for FY2014 and the consolidated statements of financial position of STATS Group as at 29 March 2015 should be read in conjunction with the 1Q2015 Results and the accompanying notes as set out therein. The annual report of the Company for FY2014 and the 1Q2015 Results are available for inspection at the registered office of the Company at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059, during normal business hours for the period which the Offer remains open for acceptance.

(b) **Unaudited pro forma consolidated statements of financial position of STATS Group as at 28 December 2014 and 29 March 2015**

The unaudited pro forma consolidated statements of financial position of STATS Group set forth below **are for illustrative purposes only and do not necessarily reflect the actual future results of STATS Group after the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering** and should be read in conjunction with the audited consolidated financial statements of STATS Group for FY2014 and the 1Q2015 Results, copies of which are available for inspection at the registered office of the Company at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059, during normal business hours for the period which the Offer remains open for acceptance.

	28 December 2014 (Unaudited Pro Forma) (in US$'000)	29 March 2015 (Unaudited Pro Forma) (in US$'000)
ASSETS		
Current assets:		
Cash and cash equivalents	99,320	99,579
Short-term bank deposits	10,725	-
Accounts receivable	203,815	194,754
Other receivables	29,419	13,303
Inventories	71,296	72,476
Assets held for sale	11,373	11,373
Prepaid expenses and other current assets	17,302	16,136
Total current assets	443,250	407,621
Long-term bank deposits	1,203	1,204
Property, plant and equipment	1,474,061	1,441,271
Intangible assets	33,001	33,284
Goodwill	380,166	380,166
Prepaid expenses and other non-current assets	3,190	8,386
Total non-current assets	1,891,621	1,864,311
Total assets	2,334,871	2,271,932
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts and other payables	194,137	183,353
Payables related to property, plant and equipment purchases	92,976	46,299
Accrued operating expenses	98,596	86,012
Income taxes payable	8,981	7,943
Short-term bank borrowings	-	-
Short-term amounts due to related parties	31	224
Total current liabilities	394,721	323,831
Long-term borrowings	876,351	841,982
Deferred tax liabilities	38,689	32,154
Other non-current liabilities	16,045	66,874
Total non-current liabilities	931,085	941,010
Total liabilities	1,325,806	1,264,841
Share capital	784,546	784,546
Retained earnings and other reserves	24,519	22,545
Equity attributable to equity holders of STATS ChipPAC Ltd.	809,065	807,091
Perpetual Securities	200,000	200,000
Total equity	1,009,065	1,007,091
Total liabilities and shareholders' equity	2,334,871	2,271,932

The unaudited pro forma consolidated statements of financial position of STATS Group as at 28 December 2014 and 29 March 2015 respectively set out above are provided for illustrative purposes only and have been prepared based on the following assumptions:

(i) the Internal Restructuring Exercise, the Capital Reduction and Distribution and the Perpetual Securities Offering had been completed at the end of the financial period or the financial year, as applicable;

(ii) in connection with the pro forma financial effects of the Internal Restructuring Exercise, adjustments had been made for:

(1) the transfer of SCT3 by the Company to SCT1 for an aggregate cash consideration of US$15,000,000;

(2) the transfer of the shares in SCT1 by the Company to Taiwan HoldCo for an aggregate consideration of approximately US$74.12 million; and

(3) the repayment in full of the Taiwan Intercompany Loan by SCT3;

(iii) the total distribution amount of approximately US$89.12 million, which is based upon the independent valuation of the Taiwan Subsidiaries, would be distributed out of STATS Group pursuant to the Capital Reduction and Distribution. In connection therewith:

(1) in relation to the unaudited pro forma consolidated statement of financial position of STATS Group as at 28 December 2014, the book value of the Taiwan Subsidiaries as at 28 December 2014 was approximately US$80.48 million and an amount of approximately US$8.64 million, representing the excess of the total distribution amount over the book value of the Taiwan Subsidiaries has been credited to retained earnings and other reserves; and

(2) in relation to the unaudited pro forma consolidated statement of financial position of STATS Group as at 29 March 2015, the book value of the Taiwan Subsidiaries as at 29 March 2015 was approximately US$83.52 million and an amount of approximately US$5.6 million, representing the excess of the total distribution amount over the book value of the Taiwan Subsidiaries, has been credited to retained earnings and other reserves;

(iv) the proceeds from the repayment in full of the Taiwan Intercompany Loan by SCT3 and the Perpetual Securities Offering would be used to reduce STATS Group's borrowings;

(v) historical retained earnings would not be adjusted for the historical profit of the Taiwan Subsidiaries and the pro forma financial effects of the Perpetual Securities Offering; and

(vi) goodwill allocation to the Taiwan Subsidiaries, if any, has not been considered in the preparation of the unaudited pro forma consolidated statements of financial position.

9. MATERIAL CHANGES

9.1 **Financial Position.** As at the Latest Practicable Date, save as disclosed in the 1Q2015 Results, the Performance Update and any other information on STATS Group which is publicly available (including without limitation the announcements released by the Company on the SGX-ST up to the Latest Practicable Date), there have been no material changes to the financial position of STATS Group since 28 December 2014, being the date of the last audited accounts of STATS Group laid before Shareholders in general meeting.

9.2 **General.** Save as disclosed in Part 2 of this Composite Document, the Performance Update and any other information on STATS Group which is publicly available (including without limitation the announcements released by the Company on the SGX-ST up to the Latest Practicable Date), there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Possible Offer Announcement and ending on the Latest Practicable Date.

10. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of STATS Group are disclosed in Note 3 of the audited consolidated financial statements of STATS Group for FY2014, a copy of which is reproduced in **Appendix C** of Part 2 of this Composite Document.

11. CHANGES IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there is no change in the accounting policies of STATS Group which will cause the figures disclosed in Part 2 of this Composite Document not to be comparable to a material extent.

12. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the STSPL-STATS Undertakings as disclosed in Part 2 of this Composite Document, neither the Company nor any of its subsidiaries have entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period commencing three years before the Possible Offer Announcement Date and ending on the Latest Practicable Date.

13. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed below, neither the Company nor any of its subsidiaries are engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of STATS Group as a whole. The Directors are not aware of any proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of STATS Group taken as a whole.

The Company has been served by ERS Electronic GMBH with a Writ of Summons which was filed in the Court alleging infringement of two of its patents relating to debonder machines used in wafer level package assembly process (the "**ERS Claim**"). The Company has sought legal advice and is of the opinion that the ERS Claim is groundless and without merit and the Company intends to take all necessary steps to vigorously defend the ERS Claim, including but not limited to, a counterclaim for invalidation of the patents which the Company has been alleged to infringe. The Company does not expect the ERS Claim to have a material financial impact.

14. GENERAL

14.1 **Costs and Expenses.** All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

14.2 **Consent of the IFA.** MKES has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its name, its letter to the Independent Directors dated 16 July 2015 containing its advice and recommendation on the Offer, its letter to the Directors dated 16 July 2015 relating to the 1Q2015 Results and its letter dated 8 July 2015 relating to the Performance Update, and all references thereto in the form and context in which they appear in this Composite Document.

14.3 **Consent of Auditors**. PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its name, its independent auditor's report on the audited consolidated financial statements of STATS Group for FY2014, its letters dated 21 April 2015 and 8 July 2015 reporting on the 1Q2015 Results and the Performance Update respectively in accordance with the Code and all references thereto in the form and context in which they appear in this Composite Document.

14.4 **Consent of Offeror's Financial Adviser.** Citigroup Global Markets Singapore Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of and all references to its name in the form and context in which it appears in this Composite Document.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059, during normal business hours for the period which the Offer remains open for acceptance:

(a) the Memorandum and Articles of Association of the Company;

(b) the annual reports of the Company for FY2012, FY2013 and FY2014;

(c) the 1Q2014 Results and the 1Q2015 Results;

(d) the IFA Letter as set out in **Appendix A** of Part 2 of this Composite Document;

(e) the letters from the auditors of the Company and IFA respectively in relation to the 1Q2015 Results, as set out in **Appendices E and F** of Part 2 of this Composite Document respectively;

(f) the letters from the auditors of the Company and IFA respectively in relation to the Performance Update, as set out in **Appendices H and I** of Part 2 of this Composite Document respectively; and

(g) the letters of consent referred to in **paragraphs 14.2 to 14.4** of this **Appendix B**.

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STATS CHIPPAC LTD. AND ITS SUBSIDIARIES

DIRECTORS' REPORT
For the financial year ended 28 December 2014

The directors present their report to the members together with the audited consolidated financial statements of the Group for the financial year ended 28 December 2014 and the unconsolidated statement of financial position of the Company as at 28 December 2014.

Directors

The directors of the Company in office at the date of this report are:

James A. Norling	(Chairman)
Tan Lay Koon	(President and Chief Executive Officer)
Peter Seah Lim Huat	
R. Douglas Norby	
Teng Cheong Kwee	
Rohit Sipahimalani	
Pasquale Antonio Pistorio	
Gary Windle Tanner	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Directors' interests in shares or debentures" and "Equity Compensation Benefits" of this report.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest or was deemed to have any interest in the shares or debentures of the Company or its related corporations, except as follows:

The Company – Fully paid ordinary shares

	At Beginning of Year	At End of Year
Tan Lay Koon	107,333	107,333
Peter Seah Lim Huat	6,900	6,900
R. Douglas Norby	6,900	6,900

The Company – Options to acquire ordinary shares

	At Beginning of Year	At End of Year	Per Share Exercise Price S$	Exercisable Period
Tan Lay Koon	500,000	--	1.91	17/02/2005 to 16/02/2014
Peter Seah Lim Huat	35,000	--	1.91	17/02/2005 to 16/02/2014

STATS CHIPPAC LTD. AND ITS SUBSIDIARIES

DIRECTORS' REPORT
For the financial year ended 28 December 2014

Directors' interests in shares or debentures (continued)

The Company – Awards under STATS ChipPAC Ltd. Performance Share Plan 2013

	At Beginning of Year	At End of Year
Tan Lay Koon	1,951,037	4,463,332

Singapore Telecommunications Limited – Fully paid ordinary shares

	At Beginning of Year	At End of Year
Tan Lay Koon	190	190
Peter Seah Lim Huat	3,217	3,217

Singapore Technologies Engineering Limited – Fully paid ordinary shares

	At Beginning of Year	At End of Year
Peter Seah Lim Huat	545,325	545,325

Starhub Ltd – Fully paid ordinary shares

	At Beginning of Year	At End of Year
Peter Seah Lim Huat	556,192	567,092

Telechoice International Limited – Fully paid ordinary shares

	At Beginning of Year	At End of Year
Peter Seah Lim Huat	50,000	50,000

There were no changes in the above-mentioned directors' interests in the Company between the end of the financial year and 18 January 2015.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Equity Compensation Benefits

The Executive Resource and Compensation Committee ("**ERCC**"), comprising three directors, namely Peter Seah Lim Huat (Chairman), R. Douglas Norby and Gary W. Tanner, is responsible for administering the STATS ChipPAC Share Option Plan, as amended and the STATS ChipPAC Ltd. Performance Share Plan 2013 (collectively, the "**Share Plans**").

STATS CHIPPAC LTD. AND ITS SUBSIDIARIES

DIRECTORS' REPORT
For the financial year ended 28 December 2014

During the financial year, except as disclosed below, there were no options granted to acquire unissued shares of the Company and no ordinary shares were issued by the Company to any person.

During the financial year, and since the commencement of the relevant Share Plan, except as disclosed below, no options and/or Awards (as defined below) have been granted to controlling shareholders of the Company or its associates or to directors or employees of Temasek Holdings (Pte) Ltd. or its associates and no employees have received 5% or more of the total options and/or Awards under any of the Share Plans.

STATS ChipPAC Share Option Plan, as amended (the "Share Option Plan")

(i) The ST Assembly Test Services Ltd Share Option Plan 1999 (the "**STATS 1999 option plan**") was approved and adopted by the members at the Annual General Meeting in May 1999. Subsequently, the STATS 1999 option plan was re-named the STATS ChipPAC Share Option Plan. The STATS ChipPAC Share Option Plan, as amended, was phased out as of December 2006. Since December 2006, no options have been granted under the STATS ChipPAC Share Option Plan.

(ii) Details of options granted to directors of the Company under the Share Option Plan are as follows:

	Options granted during financial year	Aggregate options granted since commencement of the Share Option Plan to 28 December 2014	Aggregate options exercised since commencement of the Share Option Plan to 28 December 2014	Aggregate options outstanding as at 28 December 2014
James A. Norling	--	--	--	--
Tan Lay Koon	--	7,574,000	--	--
Peter Seah Lim Huat	--	265,000	--	--
R. Douglas Norby	--	120,000	--	--
Teng Cheong Kwee	--	205,000	--	--
Rohit Sipahimalani	--	--	--	--
Pasquale A. Pistorio	--	--	--	--
Gary W. Tanner	--	--	--	--

(iii) The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

(iv) As at the end of the financial year, unissued ordinary shares of the Company under the Share Option Plan are as follows:

Number of Optionholders	Exercise Period From	Exercise Period To	Total	Exercise Price (S$)
8	03/05/2006	02/05/2015	23,446	1.01
10	31/10/2006	30/10/2015	27,571	0.925
Total			**51,017**	

(v) The number of ordinary shares that may be issued under the Share Option Plan may not exceed, in the aggregate, 118 million ordinary shares (subject to anti-dilution adjustments pursuant to the plan).

(vi) Since the commencement of the Share Option Plan to the end of the financial year, an aggregate of 151,107,405 options were granted and out of these options granted, 70,258,331 options have lapsed.

STATS CHIPPAC LTD. AND ITS SUBSIDIARIES

DIRECTORS' REPORT
For the financial year ended 28 December 2014

STATS ChipPAC Ltd. Performance Share Plan 2013 (the "PSP 2013")

(i) The PSP 2013 was approved and adopted by the members at the Annual General Meeting of the Company held in April 2013. The purpose of the PSP 2013 is to retain staff whose contributions are essential to the well-being and prosperity of the Company and its subsidiaries ("**Group**") and to give recognition to senior employees and executive directors of the Group who have contributed to the Group. The PSP 2013 will give participants an opportunity to have a personal equity interest in the Company.

(ii) Employees of the Group who have attained the age of 21 years and hold such rank as may be designated by the ERCC, unless they are also controlling shareholders (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**")) of the Company or associates (as defined in the SGX-ST Listing Manual) of such controlling shareholders, shall be eligible to participate in the PSP 2013 at the absolute discretion of the ERCC.

(iii) Awards granted under the PSP 2013 (each, an "**Award**") represent the right of a participant to receive fully paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance targets and other conditions are met in accordance with the terms of the PSP 2013. Participants are not required to pay for the grant of Awards.

(iv) Vesting of Awards and determination of the number of ordinary shares deliverable at the end of the performance period will depend on the extent of achievement of the strategic corporate performance condition(s) pre-set at the beginning of the performance period.

(v) The total number of ordinary shares which may be delivered pursuant to Awards granted under the PSP 2013 on any date, when added to:

(a) the total number of new ordinary shares allotted and issued and/or to be allotted and issued, issued ordinary shares (including treasury shares) delivered and/or to be delivered, and ordinary shares delivered and/or to be delivered in the form of cash in lieu of ordinary shares, pursuant to Awards granted under the PSP 2013; and

(b) the total number of ordinary shares which may be delivered pursuant to options and/or awards granted under any other share scheme adopted by the Company after the adoption date of the PSP 2013 and for the time being in force,

shall not exceed 10% of the total number of issued ordinary shares (excluding ordinary shares held by the Company as treasury shares) on the date preceding the date of the relevant Award.

(vi) Details of Awards granted under the PSP 2013 are as follows:

Name of Participant	Awards granted during the financial year	Aggregate Awards granted since the commencement of PSP 2013 to 28 December 2014	Awards vested during the financial year	Aggregate Awards outstanding as at 28 December 2014
Director and CEO of the Company Tan Lay Koon	2,512,295	4,463,332	--	4,463,332
Group Executives (excluding Tan Lay Koon)	4,651,837	9,851,999	--	7,478,648

(vii) Since the commencement of the PSP 2013 to the financial year ended 28 December 2014, 14,315,331 Awards have been granted under the PSP 2013, and the actual number of fully paid ordinary shares that may be delivered will range from 0% to 150% of the Awards if the performance targets set by the ERCC are achieved. No Awards have vested and no ordinary shares have been delivered under the PSP 2013 during the financial year. Therefore, no participant has received ordinary shares pursuant to any vested Awards granted under the PSP 2013 which represent 5% or more of the total number of ordinary shares available under the PSP 2013.

Limits under the SGX-ST Listing Manual on the Issue of Shares Pursuant to our Share Plans

Under the listing rules of the SGX-ST, the aggregate number of shares which could be issued under all the share plans of the Company shall not exceed 15% of the total number of the Company's issued shares from time to time (excluding any treasury shares).

Other details of the Company's share options and incentive plans are set out in the accompanying consolidated financial statements.

STATS CHIPPAC LTD. AND ITS SUBSIDIARIES

DIRECTORS' REPORT
For the financial year ended 28 December 2014

Audit Committee

The members of the Audit Committee (all of whom are non-executive directors, the majority of whom, including the chairman, is independent) at the date of this report are as follows:

R. Douglas Norby (Chairman)
Teng Cheong Kwee
Rohit Sipahimalani

The Audit Committee performs the functions specified by Section 201B of the Companies Act, Cap. 50. It meets with the Company's external auditors and the internal auditors, and reviews the audit plans, the internal audit programme, the results of their examination and findings on their evaluation of the system of internal controls, the scope and results of the internal control procedures and the response from the Company's management and the assistance given by the officers of the Company to the auditors. It also reviews interested person transactions and the Company's relationship with the auditors, including their independence and objectivity. The Audit Committee reviews the consolidated financial statements of the Group and the unconsolidated statement of financial position of the Company and the auditors' report thereon and submits them to the Board of Directors for approval. The Audit Committee has full access to and the cooperation of the management and has been given the resources required for it to discharge its functions. The Audit Committee has full discretion to invite any Director and executive officer to attend its meetings.

The Audit Committee has recommended to the Board of Directors that the auditors, PricewaterhouseCoopers LLP, be nominated for re-appointment as auditor of the Company at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

James A. Norling
Chairman

Tan Lay Koon
President and Chief Executive Officer

Singapore
16 March 2015

STATS CHIPPAC LTD. AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS
For the financial year ended 28 December 2014

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the unconsolidated statement of financial position of the Company as set out on pages 40 to 92 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company at 28 December 2014, and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

James A. Norling
Chairman

Tan Lay Koon
President and Chief Executive Officer

Singapore
16 March 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STATS CHIPPAC LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of STATS ChipPAC Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 40 to 92, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 28 December 2014, and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 28 December 2014, and of the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
16 March 2015

STATS CHIPPAC LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	28 December 2014 $'000	29 December 2013 $'000
ASSETS			
Current assets:			
Cash and cash equivalents	5	117,456	129,136
Short-term bank deposits	6	66,054	42,042
Accounts receivable	7	238,684	238,441
Other receivables	8	29,479	15,239
Inventories	9	73,232	71,055
Assets held for sale	10	11,373	–
Prepaid expenses and other current assets		20,192	18,970
Total current assets		556,470	514,883
Non-current assets:			
Long-term bank deposits	6	1,659	11,604
Property, plant and equipment	11	1,637,195	1,431,247
Intangible assets	12	33,617	35,117
Goodwill	13	381,487	381,487
Deferred tax assets	15	100	186
Prepaid expenses and other non-current assets		3,306	3,146
Total non-current assets		2,057,364	1,862,787
Total assets		2,613,834	2,377,670
LIABILITIES			
Current liabilities:			
Accounts and other payable		198,076	138,004
Payables related to property, plant and equipment purchases		95,592	141,998
Accrued operating expenses	14	107,312	124,640
Income taxes payable		12,327	18,207
Short-term borrowings	16	212,597	37,947
Short-term amounts due to related parties	30	31	100
Total current liabilities		625,935	460,896
Non-current liabilities:			
Long-term borrowings	16	990,688	874,281
Deferred tax liabilities	15	38,689	47,476
Other non-current liabilities	18	16,079	24,228
Total non-current liabilities		1,045,456	945,985
Total liabilities		1,671,391	1,406,881
EQUITY			
Share capital	24	873,666	873,666
Retained earnings		29,683	51,478
Other reserves	25	(13,800)	(7,712)
Equity attributable to equity holders of STATS ChipPAC Ltd.		889,549	917,432
Non-controlling interest		52,894	53,357
Total equity		942,443	970,789
Total liabilities and equity		2,613,834	2,377,670

The accompanying notes form an integral part of these financial statements.

STATS CHIPPAC LTD. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

	Note	Year Ended 28 December 2014 $'000	Year Ended 29 December 2013 $'000
Net revenues		1,585,834	1,598,522
Cost of revenues		(1,402,331)	(1,380,941)
Gross profit		183,503	217,581
Operating expenses:			
Selling, general and administrative		96,164	96,140
Research and development		39,200	46,432
Restructuring charges	27	4,319	1,886
Exchange offer and redemption expenses		–	15,701
Write-off of debt issuance costs		–	2,392
Operating expenses		139,683	162,551
Equipment impairment		3,713	–
Total operating expenses		143,396	162,551
Operating income before exceptional items		40,107	55,030
Plant closure costs	20	–	(36,909)
Flood related insurance settlement	20	–	19,582
Flood related plan charges	20	–	(3,000)
Operating income after exceptional items		40,107	34,703
Other income (expenses), net:			
Interest income		1,692	1,334
Interest expense		(51,432)	(54,459)
Foreign currency exchange gain		3,145	3,641
Other non-operating expenses, net	22	(547)	(1,969)
Total other expenses, net		(47,142)	(51,453)
Loss before income taxes		(7,035)	(16,750)
Income tax expense	15	(6,515)	(22,329)
Net loss for the year		(13,550)	(39,079)
Less: Net income attributable to the non-controlling interest		(8,245)	(8,414)
Net loss attributable to STATS ChipPAC Ltd.		(21,795)	(47,493)
Net loss per ordinary share attributable to STATS ChipPAC Ltd.:	23		
– Basic		$ (0.01)	$ (0.02)
– Diluted		$ (0.01)	$ (0.02)

The accompanying notes form an integral part of these financial statements.

STATS CHIPPAC LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year Ended 28 December 2014 $'000	Year Ended 29 December 2013 $'000
Net loss for the year		(13,550)	(39,079)
Other comprehensive loss:			
Cash flow hedges	25	(2,322)	(389)
Foreign currency translation adjustment	25	(6,949)	(7,210)
Comprehensive loss, net of tax		(9,271)	(7,599)
Total comprehensive loss, net of tax		(22,821)	(46,678)
Total comprehensive income (loss), net of tax attributable to:			
STATS ChipPAC Ltd.		(27,883)	(53,377)
Non-controlling interest		5,062	6,699
		(22,821)	(46,678)

The accompanying notes form an integral part of these financial statements.

STATS CHIPPAC LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of STATS ChipPAC Ltd.						
	Share Capital $'000	Retained Earnings $'000	Foreign Currency Translation Reserve $'000	Hedging Reserve $'000	Total Equity Attributable to STATS ChipPAC Ltd. $'000	Non-controlling Interest $'000	Total Equity $'000
2014							
Balances at 30 December 2013	873,666	51,478	(7,844)	132	917,432	53,357	970,789
Total comprehensive income (loss), net of tax	–	(21,795)	(3,766)	(2,322)	(27,883)	5,062	(22,821)
Dividends paid by subsidiary	–	–	–	–	–	(5,525)	(5,525)
Balances at 28 December 2014	873,666	29,683	(11,610)	(2,190)	889,549	52,894	942,443
2013							
Balances at 31 December 2012	873,666	98,971	(2,349)	521	970,809	51,789	1,022,598
Total comprehensive income (loss), net of tax	–	(47,493)	(5,495)	(389)	(53,377)	6,699	(46,678)
Dividends paid by subsidiary	–	–	–	–	–	(5,131)	(5,131)
Balances at 29 December 2013	873,666	51,478	(7,844)	132	917,432	53,357	970,789

The accompanying notes form an integral part of these financial statements.

STATS CHIPPAC LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Cash Flows From Operating Activities		
Net loss for the year	(13,550)	(39,079)
Adjustments to reconcile net income to net cash provided by operating activities:		
Income tax expense	6,515	22,329
Depreciation and amortisation	310,929	302,508
Gain on sale of property, plant and equipment	(3,798)	(1,816)
Asset impairment	3,713	20,730
Exchange offer and redemption expenses	–	15,701
Write-off of debt issuance costs	–	2,392
Foreign currency exchange gain	(1,161)	(948)
Interest income	(1,692)	(1,334)
Interest expense	51,432	54,459
Others	(1,629)	(3,303)
Changes in working capital:		
Accounts receivable	(243)	19,602
Inventories	(2,177)	19,148
Other receivables, prepaid expense and other assets	(22,645)	(4,983)
Accounts payable, accrued operating expenses and other payables	32,538	(8,253)
Amounts due to related parties	(69)	72
Income tax paid	(15,390)	(16,729)
Net cash provided by operating activities	342,773	380,496
Cash Flows From Investing Activities		
Proceeds from maturity of bank deposits	81,311	85,410
Purchases of bank deposits	(97,744)	(89,248)
Acquisition of intangible assets	(5,093)	(5,163)
Purchases of property, plant and equipment	(581,135)	(408,214)
Interest received	955	607
Proceeds from sale of property, plant and equipment and others	11,596	3,927
Net cash used in investing activities	(590,110)	(412,681)
Cash Flows From Financing Activities		
Repayment of bank borrowings	(148,100)	(235,483)
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	432,789	314,731
Distribution to non-controlling interest in subsidiary	(5,383)	(4,936)
Grants received	702	4,780
Interest paid	(44,390)	(55,750)
Decrease in restricted cash	–	489
Net cash provided by (used in) financing activities	235,618	(9,221)
Net decrease in cash and cash equivalents	(11,719)	(41,406)
Effect of exchange rate changes on cash and cash equivalents	39	(16)
Cash and cash equivalents at beginning of the year	129,136	170,558
Cash and cash equivalents at end of the year	117,456	129,136

The accompanying notes form an integral part of these financial statements.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of the consolidated financial statements.

1. General Information

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. STATS ChipPAC is headquartered in Singapore and has manufacturing facilities in South Korea, Singapore, China, and Taiwan (which includes the facilities of the Company's 52%-owned Taiwan subsidiary, STATS ChipPAC Taiwan Semiconductor Corporation). STATS ChipPAC markets its services through its direct sales force in the United States, Singapore, South Korea, China, Taiwan and Switzerland.

STATS ChipPAC is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is incorporated and domiciled in Singapore. The registered office of the Company is at 10 Ang Mo Kio Street 65 Techpoint #05-17/20 Singapore 569059.

2. Presentation of Financial Statements

The financial statements of STATS ChipPAC comply with the Singapore Financial Reporting Standards ("FRS").

The financial statements for the year ended 28 December 2014 (including comparatives) were approved and authorised for issue by the board of directors on 16 March 2015.

3. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except as disclosed in the accounting policies below. The significant accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements are presented in US dollars ("US$" or "$") and all values are rounded to the nearest thousand ("$'000") except where otherwise indicated.

In connection with the excess of current liabilities over current assets of $69.5 million, the Company analysed its ability to continue in operation for the foreseeable future. The present set of financial statements is prepared based on the assumption that the Company is able to continue its business in the foreseeable future, which implies realisation of assets and settlement of liabilities in the normal course of business. The Company anticipates to finance its working capital deficit with cash generated from operations, cash realisation of non core assets and obtaining non current debt financing.

In connection with the offer implementation agreement (the "OIA") announced on 30 December 2014, the Company intends to offer USD200.0 million perpetual securities (the "Perpetual Securities") to the shareholders of the Company, by way of a non-renounceable rights offering (the "Perpetual Securities Offering"). Singapore Technologies Semiconductors Pte Ltd ("STSPL") has, subject to certain conditions, undertaken with the Company to subscribe for both its 83.8% pro rata share of the Perpetual Securities and all other Perpetual Securities not subscribed by the other shareholders of the Company, up to an aggregate maximum amount of $200.0 million.

(b) Changes in Significant Accounting Policies and Disclosure

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 29 December 2014 or later periods and which the Group has not early adopted:

- FRS 16: Amendment to FRS 16 Property, Plant and Equipment: Revaluation Method–Proportionate Restatement of Accumulated Depreciation (effective for annual periods beginning on or after 1 July 2014)

- FRS 19: Amendment to FRS 19: Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
- FRS 24: Amendment to FRS 24 Related Party Disclosures: Key Management Personnel (effective for annual periods beginning on or after 1 July 2014)
- FRS 38: Amendment to FRS 38 Intangible Assets: Revaluation Method–Proportionate Restatement of Accumulated Amortisation (effective for annual periods beginning on or after 1 July 2014)
- FRS 40: Amendment to FRS 40 Investment Property: Clarifying the Interrelationship between FRS 103 and FRS 40 When Classifying Property as Investment Property or Owner-occupied Property (effective for annual periods beginning on or after 1 July 2014)
- FRS 102: Amendment to FRS 102 Share-based Payment: Definition of Vesting Condition (effective for annual periods beginning on or after 1 July 2014)
- FRS 103: Amendment to FRS 103 Business Combinations: Accounting for Contingent Consideration in a Business Combination; Scope Exceptions for Joint Ventures (effective for annual periods beginning on or after 1 July 2014)
- Consequential amendments to other FRSs resulting from the amendment to FRS 103: Amendment to FRS 37 Provisions, Contingent Liabilities and Contingent Assets; Amendment to FRS 39 Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1 July 2014)
- FRS 108: Amendments to FRS 108 Operating Segments: Aggregation of Operating Segments; Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets (effective for annual periods beginning on or after 1 July 2014)
- FRS 109: Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
- FRS 113: Amendment to FRS 113 Fair Value Measurement: Scope of Paragraph 52 (Portfolio Exception) (effective for annual periods beginning on or after 1 July 2014)
- FRS 114: Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- FRS 115: Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)

The Group does not expect the adoption of the above FRSs, Interpretations of FRSs and amendments to FRS in the future periods to have a material impact on the financial statements of the Group in the period of their initial adoption.

(c) Fiscal/Financial Year

STATS ChipPAC's 52-53 week fiscal year ends on the Sunday nearest and prior to 31 December. STATS ChipPAC's fiscal quarters end on a Sunday and are generally thirteen weeks in length. Fiscal year 2014, a 52-week year, ended on 28 December 2014, and fiscal year 2013, a 52-week year, ended on 29 December 2013. Unless otherwise stated, all years and dates refer to STATS ChipPAC's fiscal years.

(d) Principles of Consolidation and Subsidiaries

The consolidated financial statements include the consolidated accounts of STATS ChipPAC and its majority-owned subsidiaries, being the companies that it controls. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the parent company and adjustments are made to bring any dissimilar accounting policies that may exist with the policies adopted by the Group. All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Non-controlling interests represent the portion of total comprehensive income and net assets in subsidiaries that is not held by the Group.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Business Combination

Business combinations are accounted for using the acquisition method of accounting. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. The consideration transferred for the acquisition is measured as the cash paid, the fair value of other assets given and equity instruments issued by the acquirer and liabilities incurred or assumed at the date of exchange by the acquirer to the former owners of the acquiree. The transaction cost of an acquisition is recognised as expenses in the periods in which the costs are incurred and the services are rendered. Any excess of the consideration transferred over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

(f) Issuances of Stock by Subsidiaries

Changes in the Group's proportionate share of the underlying net equity of a subsidiary, which result from the issuance of additional stock to third parties, are recognised as increases or decreases to equity.

(g) Foreign Currency Transactions

The Group predominantly utilises the U.S. dollar as its functional currency, which reflects the economic environment in which the activities of the Group are largely exposed to. Assets and liabilities which are denominated in foreign currencies are converted into the functional currency at the rates of exchange prevailing at the balance sheet date. Income and expenses which are denominated in foreign currencies are converted at the average rates of exchange prevailing during the period. Foreign currency transaction gains or losses are included in results of operations.

STATS ChipPAC Taiwan Semiconductor Corporation designates the New Taiwan Dollar as its functional currency. Where the functional currency of a subsidiary is other than the Company's U.S. dollar reporting currency, the financial statements are translated into U.S. dollars using exchange rates prevailing at the balance sheet date for assets and liabilities and average exchange rates for the reporting period for the results of operations. Adjustments resulting from translation of such foreign subsidiary financial statements are reported within accumulated other comprehensive income (loss), which is reflected as a separate component of equity.

(h) Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have original maturities of three months or less. Cash and cash equivalents consisted of cash, deposit accounts and money market funds.

Investments in securities, investments or bank accounts subject to restrictions, other than restrictions due to regulations specific to a country's exchange controls or activity sector, are not presented as cash and cash equivalents but as restricted cash. Restricted cash consists of time deposits and government bonds held in connection with foreign regulatory requirement and as collateral for bank loans.

(i) Derivative Instruments and Hedging Activities

The Group has established risk management policies for committed or forecasted exposures to protect against volatility of future cash flows. These programs reduce, but do not always entirely eliminate, the impact of the currency exchange, interest rate or commodities price movements. The Group uses derivative financial instruments such as forward currency contracts and interest rate swap contracts to hedge its risks associated with foreign currency rate movement arising from its operations in various countries and interest rate fluctuations.

The Group recognises all derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. Changes in the fair value of those instruments will be reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. The accounting for gains and losses associated with changes in the fair value of

derivatives and the effect on the consolidated financial statements will depend on the derivatives' hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair values of cash flows of the asset or liability hedged. Ineffectiveness of the hedge or termination of the hedged transaction requires amounts to be classified from other comprehensive income (loss) to earnings.

Certain foreign currency forward contracts entered into to economically hedge certain committed exposures are not designated as hedges. Accordingly, the changes in fair value of these foreign currency forward contracts are reported in earnings.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur or is unrecoverable, the net cumulative gain or loss recognised in equity is reported in earnings.

(j) Financial Assets

The Group classifies its financial assets at initial recognition in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities in which the Group has the ability and intent to hold the security until maturity. All securities not included in trading or held-to-maturity are classified as available-for-sale.

Trading and available-for-sale securities are recorded at fair value. Held-to-maturity securities are recorded at amortised cost, adjusted for the amortisation or accretion of premiums or discounts. Unrealised holding gains and losses on trading securities are included in earnings. Unrealised holding gains and losses, net of the related tax effect, if any, on available-for-sale securities are excluded from earnings and are reported as a separate component of other comprehensive loss until realised. Realised gains and losses from the sale of available-for-sale securities are determined on a specific identification basis.

A decline in the market value of individual available-for-sale or held-to-maturity securities below cost that is deemed to be other than temporary results in a reduction in its carrying amount to fair value, with the impairment charge related to credit losses being recognised in earnings, and amounts related to all other factors being recognised in other comprehensive loss. Premiums and discounts are amortised or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective interest method. Dividend and interest income are recognised when earned. On disposal or impairment of the securities, the cumulative gains and losses recognised in other comprehensive income is reclassified from the equity to profit or loss.

(k) Accounts and Other Receivables

Accounts and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Allowances are made for collectability of accounts receivable when there is doubt as to the collectability of individual accounts. The fair value of accounts and other receivables is not materially different from the carrying value presented. Collectability is assessed based on the age of the balance, the customer's historical payment history, its current credit-worthiness and current economic trends.

(l) Inventories

Inventories are stated at the lower of standard cost, which approximates actual cost determined on the weighted average basis, and net realisable value. Cost is generally computed on a standard cost basis, based on normal capacity utilisation, with unrecoverable costs arising from underutilisation of capacity expensed when incurred. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal. Reserves are established for excess and obsolete inventories based on estimates of salability and forecasted future demand. The Group generally does not take ownership of customer supplied semiconductors, and accordingly does not include them as part of its inventories.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(m) Goodwill

Goodwill represents the excess of the consideration transferred in a business combination over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is reviewed for impairment on an annual basis for its cash-generating-unit ("CGU"), and whenever there is an indication that the carrying value may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

(n) Intangible Assets

The Group capitalises direct costs associated with acquisition, development or purchase of patent rights and technology licenses for use in its processes. These costs are amortised over the shorter of the useful life or license period. In addition, intangible assets acquired in business combinations accounted for under the acquisition method of accounting are recorded at fair value on the Group's consolidated balance sheet at the date of acquisition. Management considered a number of factors when estimating fair value, including appraisals, discounted cash flow analysis, estimated royalty rates and appropriate market comparables.

Acquired intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated on the straight-line method over the following periods:

Tradenames	7 years
Technology and intellectual property	10 years
Customer relationships	2 years
Patents	18 to 19 years
Software and licenses	3 to 5 years

(o) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line method over the following periods:

Leasehold land and land use rights	50 to 99 years
Buildings, mechanical and electrical installation	3 to 25 years
Equipment	2 to 8 years

No depreciation is provided on property, plant and equipment under installation or construction and freehold land. Repairs and replacements of a routine nature are expensed, while those that extend the life of an asset are capitalised. Plant and equipment under finance leases are stated at the present value of minimum lease payments and are amortised straight-line over the estimated useful life of the assets.

(p) Impairment

The Group assesses at each reporting date, or when annual impairment assessment for an asset is required, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In estimating fair value, the Group considers the estimated market value from vendors and prices of similar assets and comparable market analyses. In assessing value in use, being the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the



asset for which the estimates of future cash flows have not been adjusted. The estimates of fair value are determined using various valuation techniques with the primary technique being a discounted cash flow analysis. A discounted cash flow analysis requires the Group to make various judgmental assumptions including assumptions about future cash flows, growth rates and discount rates. The assumptions about future cash flows and growth rates are based on the Group's budget and long-term plans.

Impairment losses recognised in respect of property, plant and equipment and intangible assets (other than goodwill) may be reversed in a later period if the recoverable amount becomes greater than the carrying amount, within the limit of impairment losses previously recognised.

(q) Accounts and Other Payable

Accounts and other payables are stated at their nominal value. The fair value of accounts and other payable is not materially different from the carrying value presented.

(r) Interest Bearing Loans and Other Borrowings

Interest bearing loans and other borrowings are recognised initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis and charged to the income statement on an effective interest basis.

Borrowing costs, to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale, are capitalised until the assets are substantially completed for their intended use or sale.

(s) Equity Instrument

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(t) Revenue Recognition

Revenue is derived primarily from wafer probe and bumping, packaging and testing of semiconductor integrated circuits. Net revenues represent the invoiced value of goods and services rendered net of returns, trade discounts and allowances, and excluding goods and services tax.

Revenue is recognised when all significant risks and rewards of ownership of the goods and services are transferred to the customer. Significant risks and rewards are generally considered to be transferred to the customers when the customer has taken undisputed delivery of the goods.

The Group generally does not take ownership of customer supplied semiconductors as these materials are sent to the Group on a consignment basis. Accordingly, the values of the customer supplied materials are neither reflected in revenue nor in cost of revenue.

Provisions are made for estimates of potential sales returns and discounts allowance for volume purchases and early payments and are recorded as a deduction from gross revenue based upon historical experience and expectations of customers' ultimate purchase levels and timing of payment. Specific returns and discounts are provided for at the time their existence is known and the amounts are estimable.

(u) Grants

Government grants relating to property plant and equipment used for research and development activities are treated as deferred income and are credited to income on the straight-line basis over the estimated useful lives of the relevant assets. Other grants on subsidies of training and research and development expenses are credited to income when it becomes probable that expenditures already incurred will constitute qualifying

expenditures for purposes of reimbursement under the grants, which is typically substantially concurrent with the expenditures.

(v) Share-Based Compensation

The Group maintains share-based compensation that grants contingent share awards or share purchase options to directors and employees of the Group. The cost of share-based compensation is measured at fair value at the date at which they are granted and is expensed on a straight-line basis over the vesting period. The fair value of share awards with non-market vesting conditions is determined based on the Group's estimate of awards and options that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. Any cumulative adjustment prior to vesting date is recognised in the current period. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

(w) Employee Benefit Plans

The Group provides post employment benefits through defined benefit plans as well as various defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The Group contributes to several state plans for individual employees that are considered defined contribution plans.

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The defined benefit plans sponsored by the Group defines the amount of pension benefit that an employee will receive on retirement by reference to length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

Provisions made in respect of employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Short-term employee benefits in respect of wages and salaries, annual leave and sick leave are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(x) Leases

Agreements under which payments are made to owners in return for the right to use an asset for a period are accounted for as leases. Leases that transfer substantially all the risks and rewards of ownership are recognised at the commencement of the lease term as finance leases within property, plant and equipment and debt at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance lease payments are apportioned between interest expense and repayments of debt. All other leases are recorded as operating leases and the costs are recognised in income on a straight-line basis term, even if the payments are not made on such a basis.

(y) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past event, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The Group guarantees that work performed will be free from any defects in workmanship, materials and manufacture generally for a period ranging from three to twelve months to meet the stated functionality as agreed to in each sales arrangement. Products are tested against specified functionality requirements prior to delivery, but the Group nevertheless from time to time experiences claims under its warranty guarantees. The

Group accrues for estimated warranty costs under those guarantees based upon historical experience, and for specific items at the time their existence is known and the amounts are determinable.

(z) Research and Development

As the Group cannot definitively distinguish the research phase from the development phase of its internal projects to create intangible assets, the Group treats the expenditure on its internal projects as if they were incurred in the research phase only. Accordingly, all research and development costs are expensed as incurred.

(aa) Income Taxes

Tax expense recognised in earnings comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, taxation authorities relating to the current or prior reporting periods, that are unpaid or estimated to be payable at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases, and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination and affects tax or accounting profit. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

In the ordinary course of business there is inherent uncertainty in quantifying the Group's income tax positions. The Group assesses its income tax positions and record tax benefits for all years subject to examination based upon evaluation of the facts, circumstances, and information available at the reporting dates.

(bb) Earnings per Share

Basic earnings per share is computed by dividing net income attributable to ordinary shareholders of STATS ChipPAC Ltd. by the weighted average shares outstanding during the year. Diluted earnings per share is calculated by assuming conversion or exercise of all potentially dilutive share options outstanding during the period plus other dilutive securities outstanding, such as convertible notes.

(cc) Segment Reporting

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by management (chief operating decision makers) for the purpose of making decisions about resources to be allocated and for assessing performance. Commencing in 2013, the Group realigned its segment reporting for packaging and test business as a single business unit delivering turnkey packaging and test solutions to customers. The Group considered developments and changes in its business to align the identification of its operating segments.

4. Critical Accounting Assumptions and Estimation Uncertainty

The preparation of financial statements requires the Group's management to make certain assumptions and estimates that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during

the reporting period. Despite regular reviews of these assumptions and estimates, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these assumptions and estimate which could impact the reported amount of the Group's assets, liabilities, equity or earnings. These assumptions and estimates are detailed in the following areas:

Revenue Recognition

Revenue recognition is impacted by the Group's ability to estimate sales incentives, expected returns and provisions for uncollectible receivables. The Group makes estimates of potential sales returns and discounts in which allowance for volume purchases and early payments is made as a deduction from gross revenue based on historical experience and expectations of the customers' ultimate purchase levels and payment timing. Actual revenues may differ from estimates if future customer purchases or payment timing differ, which may happen as a result of changes in general economic conditions, market demand for the customers' products, or by customers' desire to achieve payment timing discounts.

Allowances are made for collectability of accounts receivable when there is doubt as to the collectability of individual accounts. The Group considers various factors, including a review of specific transactions, age of the balance, the creditworthiness of the customers, historical payment experience and market and economic conditions when determining provisions for uncollectible receivables. Estimates are evaluated on a periodic basis to assess the adequacy of the estimates. The Group mitigates its credit risk through credit evaluation process, credit policies, and credit control and collection procedures but these methods cannot eliminate all potential credit risk losses. The actual level of debt collected may differ from the estimated levels of recovery and additional allowances may be required in the future.

Valuation of Inventory

The valuation of inventory requires the Group to estimate obsolete or excess inventory as well as inventory that are not of saleable quality. The determination of obsolete or excess inventory requires the Group to estimate the future demand from our customers within specific time horizons, generally six months or less. The estimates of future demand that is used in the valuation of inventories are based on the forecasts provided by the customers. If inventory for specific customer forecast is greater than actual demand, the Group may be required to record additional inventory reserves.

Depreciation and Amortisation

The Group's operations are capital intensive and the Group has significant investment in testing and packaging equipment. The Group depreciates its property, plant and equipment based on its estimate of the period that the Group expects to derive economic benefits from their use. The estimates of economic useful lives are set based on historical experience, future expectations and the likelihood of technological obsolescence arising from changes in production techniques or in market demand for the use of our equipment and machinery. However, business conditions, underlying technology and customers' requirements may change in the future which could cause a change in the useful lives. Any change in useful lives could have a significant effect on the Group's future operating results.

Valuation of Property, Plant and Equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management judgment is critical in assessing whether events have occurred that may impact the carrying value of property, plant and equipment.

Due to the nature of the business, which may include sudden changes in demand in the end markets, and due to the fact that certain equipment is dedicated to specific customers, the Group may not be able to anticipate declines in the utilisation of its equipment and machinery. Generally, the Group considers consecutive quarterly utilisation rate declines or projected utilisation deterioration or implication of natural disasters as principal factors for its impairment review. Consequently, additional impairment charges may be necessary in the future and this could have a significant negative impact on future operating results.



In determining the recoverable amount of equipment and machinery, the Group considers offers to purchase such equipment, comparable market analyses and expected future discounted cash flows. Discounted cash flows involves management estimates on selling prices, market demand and supply, economic and regulatory climates, production cost estimation, discount rates and other factors. Any subsequent changes to the discounted cash flow due to changes in the above mentioned factors could impact on the carrying value of the assets.

Deferred Tax Asset and Uncertain Income Tax Positions

Tax provisions are recognised when it is considered probable (more likely than not) that there will be a future outflow of funds to a taxing authority. In such cases, provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets upon reversal. This requires assumptions regarding future business plan, profitability, tax planning strategies and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets as well as the amounts recognised in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognised in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Valuation of Goodwill

Goodwill is reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. The determination of the recoverable amount of a CGU (or group of CGUs) to which goodwill is allocated involves the use of estimates by management. Fair value is determined based on a weighting of market or income approaches, or combination of both. Under the market approach, fair value is estimated based on market multiples of revenue or earnings for comparable companies. Under the income approach, fair value is estimated based on the present value of estimated future cash flows. Determining fair value is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, future economic and market conditions, and determination of appropriate market comparables. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

Contingencies

The Group is subject to claims and litigations, which arise in the normal course of business. These claims and litigations may include allegations of infringement of intellectual property rights of others, disputes over tax assessments, environmental liability, labour, products, as well as other claims of liabilities.

The Group assesses the likelihood of an adverse judgment or outcome for these matters, as well as the range of potential losses. A determination of the reserves required, if any, is made after careful analysis. The required reserves may change in the future due to new developments impacting the probability of a loss, the estimate of such loss, and the probability of recovery of such loss from third parties.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Cash and Cash Equivalents

	28 December 2014 $'000	29 December 2013 $'000
Cash at banks and on hand	70,826	84,694
Cash equivalents		
Bank fixed deposits	37,542	11,507
Money market funds	9,088	32,935
	117,456	129,136

Bank fixed deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and cash equivalents are deposited with financial institutions primarily in Singapore, Taiwan, the United States of America, British Virgin Islands, South Korea and China. Deposits in the financial institutions may exceed the amount of insurance provided on such deposits, if any. South Korean, Chinese and Taiwanese foreign currency exchange regulators may place restrictions on the flow of foreign funds into and out of those countries. The Group is required to comply with these regulations when entering into transactions in foreign currencies in South Korea, China and Taiwan.

6. Bank deposits

	28 December 2014 $'000	29 December 2013 $'000
Short-term and long-term bank deposits	67,713	53,646
Less: bank deposits pledged	(12,384)	(11,604)
	55,329	42,042

Bank deposits are made for periods more than three months depending on the cash requirements of the Group and earn interest at the respective deposit rates. Certain bank deposits are pledged in relation to performance security of the new factory construction in South Korea, and $10.7 million pledged bank deposits were released on 11 January 2015.

The aging of bank deposits is as follows:

	28 December 2014 $'000	29 December 2013 $'000
Current	66,054	42,042
Non-current	1,659	11,604
	67,713	53,646

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Accounts Receivable

	28 December 2014 $'000	29 December 2013 $'000
Accounts receivable – third parties, net of allowance for sales returns	239,217	238,589
Less: Allowance for impairment	(533)	(148)
Accounts receivable	238,684	238,441

As of 28 December 2014, the Group entered into $82.4 million (2013: $36.0 million) non-recourse factoring of accounts receivable for cash under its cash realisation program with bank, and the associated accounts receivable were derecognised.

8. Other Receivables

	28 December 2014 $'000	29 December 2013 $'000
Deposits and staff advances	436	487
Taxes receivable	26,951	12,181
Forward contracts receivables	209	562
Other receivables	1,883	2,009
	29,479	15,239

9. Inventories

	28 December 2014 $'000	29 December 2013 $'000
Raw materials	58,041	54,818
Work-in-progress	14,151	15,052
Finished goods	1,040	1,185
	73,232	71,055

Inventories recognised in cost of revenues during 2014 amounted to $525.4 million (2013: $575.1 million).

10. Assets held for sale

In 2014, land and building with net book value of $11.4 million in Malaysia were reclassified from property, plant and equipment to assets held for sale.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Property, Plant and Equipment

	Freehold Land $'000	Leasehold Land and Land Use Rights $'000	Buildings, Construction In Progress, Mechanical and Electrical Installation $'000	Equipment $'000	Total $'000
Cost					
Balances at 30 December 2013	9,738	19,864	433,589	3,139,803	3,602,994
Additions	–	–	211,382	323,347	534,729
Capitalised interest on construction in progress	–	–	2,217	–	2,217
Disposal/write-off	–	–	(6,023)	(256,393)	(262,416)
Reclassification to current held for sale assets	–	(15,822)	(31,253)	–	(47,075)
Currency translation differences	(376)	–	(1,638)	(10,059)	(12,073)
Balances at 28 December 2014	9,362	4,042	608,274	3,196,698	3,818,376
Accumulated depreciation and impairment losses					
Balances at 30 December 2013	–	9,373	179,057	1,983,317	2,171,747
Additions	–	296	24,433	280,689	305,418
Disposal/write-off	–	–	(5,901)	(248,577)	(254,478)
Reclassification to current held for sale assets	–	(7,997)	(27,705)	–	(35,702)
Impairment charge	–	–	–	3,713	3,713
Currency translation differences	–	–	(1,194)	(8,323)	(9,517)
Balances at 28 December 2014	–	1,672	168,690	2,010,819	2,181,181
Net book value at 28 December 2014	9,362	2,370	439,584	1,185,879	1,637,195

	Freehold Land $'000	Leasehold Land and Land Use Rights $'000	Buildings, Construction In Progress, Mechanical and Electrical Installation $'000	Equipment $'000	Total $'000
Cost					
Balances at 31 December 2012	9,946	19,864	362,227	2,915,156	3,307,193
Additions	–	–	72,685	434,781	507,466
Capitalised interest on construction in progress	–	–	173	–	173
Disposal/write-off	–	–	(597)	(204,304)	(204,901)
Currency translation differences	(208)	–	(899)	(5,830)	(6,937)
Balances at 29 December 2013	9,738	19,864	433,589	3,139,803	3,602,994
Accumulated depreciation and impairment losses					
Balances at 31 December 2012	–	4,770	152,898	1,906,575	2,064,243
Additions	–	345	19,341	276,417	296,103
Disposal/write-off	–	–	(597)	(201,587)	(202,184)
Impairment and restructuring charge	–	4,258	8,010	6,657	18,925
Currency translation differences	–	–	(595)	(4,745)	(5,340)
Balances at 29 December 2013	–	9,373	179,057	1,983,317	2,171,747
Net book value at 29 December 2013	9,738	10,491	254,532	1,156,486	1,431,247

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group routinely reviews the remaining estimated useful lives of its equipment to determine if such lives should be adjusted due to the likelihood of technological obsolescence arising from changes in production techniques or in market demand for the use of its equipment.

Property, plant and equipment of the Group with carrying amounts of $53.0 million (2013: $22.2 million) (refer to Note 16) are provided as security for certain bank borrowings in South Korea.

In 2014, impairment charge of $3.7 million was recorded in connection with the impairment of certain 200mm wafer level packaging equipment. In 2013, impairment charges of $17.7 million were recorded in connection with the intended closure of the Malaysia plant.

Leasehold land and land use rights represent payments to secure, on a fully-paid up basis, the use of properties where the Group's facilities are located in Shanghai, China for a period of 50 years. The land use rights expire in the year 2044 for Shanghai, China. The Singapore facilities are located in a building constructed on land held on a 30-year operating lease which is renewable for a further 30-year period subject to the fulfillment of certain conditions. The facilities in Hsin-Chu Hsien, Taiwan and Icheon City, South Korea are located on freehold land.

On 1 January 2015, the Group announced the plan to relocate our wholly-owned 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 by the end of 2017. Total compensation amount of RMB1,026.0 million (equivalent to approximately $164.9 million) will be paid to the Group by the relevant People's Republic of China (PRC) authorities over several agreed upon milestones. Over the next 12 months in 2015, the Group expect to receive compensation of RMB513.0 million (equivalent to approximately $82.4 million). Of the amount, RMB307.8 million (equivalent to approximately US$49.5 million) was received in February 2015 and RMB205.2 million (equivalent to approximately US$33.0 million) is expected to be received in the third quarter of 2015.

12. Intangible Assets

	Tradenames $'000	Technology and Intellectual Property $'000	Customer Relationships $'000	Patent Costs, Software, Licenses and Others $'000	Total $'000
Cost					
Balances at 30 December 2013	7,700	32,000	99,300	68,814	207,814
Additions	–	–	–	5,093	5,093
Disposal/write-off	–	–	–	(10,292)	(10,292)
Currency translation differences	–	–	–	(78)	(78)
Balances at 28 December 2014	7,700	32,000	99,300	63,537	202,537
Accumulated amortisation					
Balances at 30 December 2013	7,700	30,133	99,300	35,564	172,697
Additions	–	1,867	–	3,644	5,511
Disposal/write-off	–	–	–	(9,233)	(9,233)
Currency translation differences	–	–	–	(55)	(55)
Balances at 28 December 2014	7,700	32,000	99,300	29,920	168,920
Net book value at 28 December 2014	–	–	–	33,617	33,617

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Tradenames $'000	Technology and Intellectual Property $'000	Customer Relationships $'000	Patent Costs, Software, Licenses and Others $'000	Total $'000
Cost					
Balances at 31 December 2012	7,700	32,000	99,300	63,430	202,430
Additions	–	–	–	5,163	5,163
Disposal/write-off	–	–	–	(90)	(90)
Currency translation differences	–	–	–	311	311
Balances at 29 December 2013	7,700	32,000	99,300	68,814	207,814
Accumulated amortisation					
Balances at 31 December 2012	7,700	26,933	99,300	32,136	166,069
Additions	–	3,200	–	3,205	6,405
Disposal/write-off	–	–	–	(12)	(12)
Currency translation differences	–	–	–	235	235
Balances at 29 December 2013	7,700	30,133	99,300	35,564	172,697
Net book value at 29 December 2013	–	1,867	–	33,250	35,117

Amortisation expense included in the consolidated income statement is analysed as follows:

	28 December 2014 $'000	29 December 2013 $'000
Cost of sales	796	852
Selling, general and administrative expenses	682	512
Research and development expenses	4,033	5,041
	5,511	6,405

13. Goodwill

The carrying amounts of goodwill resulted from the acquisition of STATS ChipPAC Taiwan Semiconductor Corporation in 2001 and ChipPAC, Inc. in 2004.

In 2013, the Group realigned the composition of the cash-generating units to which the goodwill was initially allocated to reflect its packaging and test business as a single business unit delivering turnkey packaging and test solutions to customers. The composition of cash-generating units may require future adaption to organisational or structural changes effected from time to time.

The recoverable amounts of the CGU were determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial forecasts covering a three-year period and extrapolated beyond the forecast period using estimated terminal growth rate of 3% (2013: 3%) and group discount rate of 10% (2013: 10%).

As the recoverable amounts were not significantly higher than the carrying amount of the CGU, decrease in terminal growth rate by 0.13% or increase in discount rate by 0.11% would result in the recoverable amounts being equal to its carrying amount.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Accrued Operating Expenses

	28 December 2014 $'000	29 December 2013 $'000
Staff costs and accrued restructuring charges	45,385	55,004
Maintenance fees, license fees and royalties	5,284	6,434
Interest expense	10,616	10,249
Accruals for vacation liability	6,913	6,017
Forward contracts payable	3,963	359
Other accrued operating expenses	35,151	46,577
	107,312	124,640

15. Income Taxes

Income tax expense consists of the following:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Current tax		
Singapore	—	—
Foreign	11,796	18,387
	11,796	18,387
Deferred tax	(5,281)	3,942
	6,515	22,329

A reconciliation of the expected tax expense at the Singapore statutory rate of tax to actual tax expense is as follows:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Income tax (benefit) expense computed at Singapore statutory rate of 17.0% (2013: 17.0%)	(1,196)	(2,848)
Non-deductible expenses, including certain plant closure costs, debt refinancing costs and capital reduction related costs	9,602	19,882
Non-taxable income, including income exemption	(4,791)	(3,089)
Differences in tax rates, including undistributed earnings	12,266	10,101
Taxable foreign exchange adjustment and foreign net operating loss	119	(1,929)
Utilisation of previously unrecognised tax benefits	(5,195)	(6,839)
Changes in tax estimates for prior years	—	5,953
Recognition of investment tax credits	(4,706)	—
Others	416	1,098
Income tax expense	6,515	22,329

The tax (benefit) charge relating to each component of other comprehensive income is as follows:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Fair value gains (losses) and reclassification adjustments on cash flow hedges	(708)	75
Other comprehensive income	(708)	75

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In 2014, tax credits of $4.7 million were recognised in relation to the investment in South Korea. In 2013, the Group recorded $6.0 million of net tax expense related to changes in tax estimates for prior years' tax positions. Charge of up to $5.2 million may be required to account for additional taxes related to tax contingency in connection with contested tax examination ongoing in South Korea. In 2014 and 2013, we incurred approximately $33.3 million and $32.8 million, respectively, of non-tax deductible expenses related to our capital reduction transaction in 2010.

The deferred tax assets arose principally as a result of the deferred tax benefit associated with operating loss carryforwards, investment tax credit, and research and development tax credits, reinvestment allowance, capital allowance and deductible temporary differences on property, plant and equipment. The tax effect of significant items comprising the Group's deferred tax assets and liabilities are as follows:

	28 December 2014 $'000	29 December 2013 $'000
Deferred tax assets:		
Operating loss carryforwards	507	841
Investment, and research and development tax credits	5,810	1,148
Others	8,583	8,821
	14,900	10,810
Deferred tax liabilities:		
Property, plant and equipment	25,680	28,415
Allowances and reserves	5,801	7,766
Uncertain tax position and others	22,008	21,919
	53,489	58,100
Net deferred tax liabilities	(38,589)	(47,290)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown as follows:

	28 December 2014 $'000	29 December 2013 $'000
Deferred tax assets:		
To be recovered within one year	—	—
To be recovered after one year	100	186
	100	186
Deferred tax liabilities:		
To be settled within one year	—	4,437
To be settled after one year	38,689	43,039
	38,689	47,476

In 2014 and 2013, the Group had approximately $102.0 million and $95.8 million, respectively, of unrecognised tax losses available to offset against future taxable income. Singapore tax losses and capital allowances are generally allowed to be carried forward indefinitely provided there is no substantial change to the shareholders and their shareholdings. Tax losses of approximately $77.7 million are expected to expire in varying amounts from 2019 to 2032.

In 2014 and 2013, the Group had unrecognised research and development, unutilised capital allowances, investment tax credits and reinvestment allowance, in the aggregate of $441.5 million and $414.2 million, respectively, which can be used to offset income tax payable in future years. Certain credits will expire in varying amounts from 2015 through 2022.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. The ultilisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

considers the scheduled reversal of deferred tax liabilities, historical taxable income, projected future taxable income based on business plans, and tax planning strategies in making this assessment.

In 2012, the Singapore Economic Development Board ("EDB") extended the Company's five year tax incentive for its Singapore operations, whereby certain qualifying income will be subject to a concessionary tax rate of 5% instead of the Singapore statutory rate of 17%, subject to the fulfillment of certain continuing conditions. The extended tax incentive will expire in June 2017.

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred tax assets

	Operating Loss Carry Forwards $'000	Investments, Research and Development Tax Credits, and Reinvestment Allowance $'000	Others $'000	Total $'000
Balances at 30 December 2013	841	1,148	8,821	10,810
Credits (charges) to:				
Income Statement	(334)	4,662	(852)	3,476
Hedging Reserve	—	—	622	622
Currency translation differences	—	—	(8)	(8)
Balances at 28 December 2014	507	5,810	8,583	14,900
Balances at 31 December 2012	1,656	1,802	7,317	10,775
Credits (charges) to:				
Income Statement	(815)	(654)	1,505	36
Hedging Reserve	—	—	—	—
Currency translation differences	—	—	(1)	(1)
Balances at 29 December 2013	841	1,148	8,821	10,810

Deferred tax liabilities

	Property, Plant and Equipment $'000	Allowances and Reserves $'000	Uncertain Tax Position and Others $'000	Total $'000
Balances at 30 December 2013	28,415	7,766	21,919	58,100
Charges (credits) to:				
Income Statement	(2,735)	305	625	(1,805)
Hedging Reserve	—	—	(86)	(86)
Currency translation differences	—	—	—	—
Settlement with taxing authorities	—	(2,270)	(450)	(2,720)
Balances at 28 December 2014	25,680	5,801	22,008	53,489
Balances at 31 December 2012	27,017	9,942	20,957	57,916
Charges to:				
Income Statement	1,398	1,373	1,207	3,978
Hedging Reserve	—	—	75	75
Currency translation differences	—	—	(11)	(11)
Settlement with taxing authorities	—	(3,549)	(309)	(3,858)
Balances at 29 December 2013	28,415	7,766	21,919	58,100

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Borrowings

The borrowings of the Group carried at amortised cost are as follows:

	28 December 2014 $'000	29 December 2013 $'000
4.5% senior notes due 2018	589,698	583,820
5.375% senior notes due 2016	199,436	199,033
U.S. dollars floating rate secured term loan	108,551	25,148
U.S. dollars floating rate revolving credit facilities	305,600	104,227
Total borrowings	1,203,285	912,228
Less: borrowings repayable within one year	212,597	37,947
Long-term borrowings	990,688	874,281

In February 2013, the Company commenced a private offer to exchange any and all of the 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 the new 4.5% Senior Notes due 2018. On 20 March 2013, the Company issued a further $255.0 million of 4.5% Senior Notes due 2018 to fund the redemption of the remaining outstanding $241.6 million of 7.5% Senior Notes due 2015 for cash proceeds of $247.6 million, after deducting debt issuance cost. On 19 April 2013, the Company redeemed the remaining outstanding $246.1 million of 7.5% Senior Notes due 2015 for $255.7 million pursuant to the redemption price terms of the indenture. The Company financed the redemption with the proceeds from the issuance of the 4.5% Senior Notes due 2018 and short-term borrowings. The notes were cancelled upon redemption. Redemption premium of $15.7 million and debt issuance costs of $2.4 million were expensed in the income statement in 2013.

The aggregate principal amount of 4.5% Senior Notes due 2018 issued pursuant to the exchange offer and private placement of these notes for cash amounted to $611.2 million. These notes are senior unsecured obligations and are listed on the SGX-ST. These notes are guaranteed, on an unsecured senior basis, by all of existing subsidiaries (except STATS ChipPAC Shanghai Co., Ltd. and STATS ChipPAC Taiwan Semiconductor Corporation) (collectively "Non-Guarantor Subsidiaries") and 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, the Company may redeem all or part of these notes at any time by paying a "make-whole" premium plus accrued and unpaid interest. The Company 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, the Company 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, the Company 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 related to these notes, the Company may be required to offer to purchase its senior notes at 101% of their principal amount plus accrued and unpaid interest. The Group, with the exception of STATS ChipPAC Taiwan Semiconductor Corporation, are subject to the covenant restrictions. Therefore the Non-Guarantor Subsidiaries and STATS ChipPAC Shanghai Co. Ltd. (the "China Non-Guarantor Subsidiary") are also Restricted Subsidiaries as defined under these notes. The covenant restrictions, among other things, limit their 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, incur liens and encumbrances and enter into merger and consolidations.

On 29 August 2012, the Company obtained a $50.0 million of revolving credit facility from DBS Bank Ltd. On 26 September 2013, 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 general corporate funding. As of 28 December 2014, $75.0 million principal

was outstanding on this facility. The principal and interest of the $75.0 million loan are payable on maturity in March 2015. The loan bears interest at the rate of 1% per annum.

On 31 July 2012, the Company obtained a $50.0 million revolving credit facility from Oversea-Chinese Banking Corporation Limited. On 27 September 2013, 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 general corporate funding. As of 28 December 2014, $47.9 million was outstanding under this facility. The principal and interest of the loan are payable on maturity in March 2015. The loan bears interest at the rate of 1% per annum.

On 26 September 2013, 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 Korean subsidiary and upon substantial facilitisation completion in March 2015, the Korean subsidiary's new facility in the Incheon Free Economic Zone. As of 28 December 2014, $108.6 million was outstanding under this facility. The principal of the loan is payable on maturity in September 2018. The interest of the loan is payable on a monthly basis. The loan bears interest at the rate of 4% per annum.

On 2 October 2013, the Company obtained a $25.0 million revolving credit facility from Mizuho Bank Ltd. In August 2014, the revolving credit facility as extended until October 2015 and the facility amount was increased to $40.0 million. The purpose of the facility is for general corporate funding. As of 28 December 2014, $35.0 million was outstanding under this facility. The principal and interest of the loan are payable on maturity in February and March 2015. The loan bears interest at the rate of 1% per annum.

On 26 September 2014, STATS ChipPAC Korea Ltd. entered into a $40.0 million committed revolving facility with Shinhan Bank and a $30.0 million committed revolving credit facility with Hana Bank. The purpose of these facilities is to finance purchase of materials and capital expenditures. As of 28 December 2014, $18.5 million was outstanding under the Shinhan Bank revolving facility. The principal of the loan is payable on maturity in September 2017. The interest of the loan is payable on a monthly basis. The loan bears interest at the rate of 2% per annum. As of 28 December 2014, there was no drawdown on the Hana Bank revolving facility.

On 12 January 2011, the Company issued $200.0 million of 5.375% Senior Notes due 2016 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 existing subsidiaries, except the Non-Guarantor Subsidiaries and our future restricted subsidiaries except where prohibited by local law. These notes are senior unsecured obligations and are listed on the SGX-ST. On 18 January 2011, the Company repaid the $234.5 million outstanding principal under the $360.0 million senior credit facility with the net proceeds from the $200.0 million of 5.375% Senior Notes due 2016 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. The Company 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, the Company 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 related to these notes, the Company may be required to offer to purchase its senior notes at 101% of their principal amount plus accrued and unpaid interest. The Group, with the exception of STATS ChipPAC Taiwan Semiconductor Corporation, is subject to the covenant restrictions. Therefore the China Non-Guarantor Subsidiary is also a Restricted Subsidiary as defined under these notes. The covenant restrictions, among other things, limit their 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, incur liens and encumbrances and enter into merger and consolidations.

Other unsecured revolving credit facilities comprised $160.0 million, $2.7 million and $10.2 million of facilities issued to the Company and its subsidiaries in Korea and Taiwan, respectively. The purpose of these facilities is for general corporate funding. As of 28 December 2014, $130.0 million of loans were outstanding and the principal and interest of the loans are payable on maturity in March 2015. The loans bear interest at the variable rates of approximately 1% per annum.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Upon certain circumstances including a change of control as defined in the indenture related to the senior notes, the Company may be required to offer to purchase its senior notes at 101% of their principal amount plus accrued and unpaid interest. The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	28 December 2014 $'000	29 December 2013 $'000
6 months or less	414,151	129,375
6 - 12 months	—	—
1 - 5 years	789,134	782,853
	1,203,285	912,228

The fair value of the borrowings of the Group at the balance sheet dates are as follows:

	28 December 2014 $'000	29 December 2013 $'000
4.5% senior notes due 2018	606,568	608,096
5.375% senior notes due 2016	200,000	205,536
U.S. dollars floating rate secured term loan	108,551	25,148
U.S. dollars floating rate revolving credit facilities	306,387	104,227
	1,221,506	943,007

The fair values of the senior notes are determined from the trading market prices of the senior notes as of each balance sheet date. The borrowings under the U.S. dollars term loan and revolving credit facilities at floating rates are assumed to approximate their fair values, and the fair values are within Level 2 of the fair values hierarchy.

The Group has lines of credit and banking facilities consisting of loans, overdrafts, letters of credit and bank guarantees, which amounted to an aggregate of $589.5 million, of which $137.8 million of credit facilities and $29.8 million of other banking facilities were available on 28 December 2014.

17. Derivative Financial Instruments

	28 December 2014			29 December 2013		
	Contract Notional Amount $'000	Asset $'000	Liability $'000	Contract Notional Amount $'000	Asset $'000	Liability $'000
Cash-flow hedges						
- Currency forwards	153,429	209	(3,963)	97,381	562	(359)
Total		209	(3,963)		562	(359)

The Group enters into forward contracts for hedging highly probable forecast transactions and accounts for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the income statement.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Other Non-Current Liabilities

	28 December 2014 $'000	29 December 2013 $'000
Accrued retirement and severance benefits	991	4,530
Other non-current liabilities	15,088	19,698
	16,079	24,228

Changes in accrued retirement and severance benefits in 2014 and 2013 are as follows:

	28 December 2014 $'000	29 December 2013 $'000
Beginning of financial year	8,724	6,403
Provision for retirement and severance benefits	1,615	18,480
Severance payments	(746)	(1,839)
Foreign currency (gain) loss	(254)	20
Current portion of accrued retirement and severance benefit, included within other accrued operating expenses (Note 14)	(3,510)	(14,340)
End of financial year	5,829	8,724
Payments on deposits with Korean National Pension Fund	(124)	(135)
Plan assets	(4,714)	(4,059)
Ending, net of payments on deposits	991	4,530

19. Expenses by Nature

Expenses such as inventories recognised in cost of revenues, depreciation and amortisation, employee compensation and rental expense on operating leases are disclosed elsewhere in the financial statements.

20. Exceptional Items

(a) Plant closure costs

The Malaysia plant closure costs were as follows:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Employee severance and benefits	—	18,203
Property, plant and equipment impairment charges (Note 11)	—	17,730
Other associated costs	—	976
	—	36,909

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Flood related plan income (expenses)

The flood related plan charges incurred were as follows:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Held for sale asset impairment	—	3,000

The flood related insurance settlement received was as follows:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Flood related insurance settlement	—	19,582

In 2013, the Group reached further insurance settlement of $19.6 million with its insurers as final compensation for business interruption insurance claims related to the flood in Thailand. This insurance recovery was in addition to the $26.7 million obtained in 2012 as compensation for plant and equipment damages. The total insurance settlement was $46.3 million.

21. Employee Compensation

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Wages and salaries	332,402	313,036
Employer's contribution to defined contribution plans including Central Provident Fund	25,944	26,351
Other benefits	35,282	30,844
	393,628	370,231

22. Other Non-operating Income (Expenses), net

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Lease termination cost	—	(2,000)
Other income (expenses), net	(547)	31
	(547)	(1,969)

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of STATS ChipPAC Ltd by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of STATS ChipPAC Ltd. by the weighted average number of ordinary shares outstanding as adjusted for the effects of all dilutive potential ordinary shares from the assumed exercise of share options outstanding during the financial year plus other potentially dilutive securities outstanding.

	Year Ended	
	28 December 2014	29 December 2013
Net loss attributable to equity holders of STATS ChipPAC Ltd. ($'000)	(21,795)	(47,493)
Weighted average number of ordinary shares outstanding (basic) ('000)	2,202,218	2,202,218
Weighted average dilutive shares from share plans ('000)	—	—
Weighted average number of ordinary shares and equivalent ordinary shares outstanding (diluted) ('000)	2,202,218	2,202,218
Net income (loss) per ordinary share attributable to equity holders of STATS ChipPAC Ltd.		
- Basic	$ (0.01)	$ (0.02)
- Diluted	$ (0.01)	$ (0.02)

The Group excluded certain potentially dilutive securities for each period presented from its diluted net income per ordinary share computation because these securities were anti-dilutive.

The excluded potentially dilutive securities outstanding are as follows:

	28 December 2014 ('000)	29 December 2013 ('000)
Performance Share Plan Award	11,942	7,151
Share Option Plan	51	1,409

24. Share Capital, Share Options and Incentive Plans

On 29 October 2010, the Company effected a capital reduction pursuant to the shareholders' approval in an extraordinary general meeting held on 27 September 2010. A cash distribution of $600.0 million at $0.27 for each ordinary share issued was made to the shareholders of the Company and the share capital of the Company was accordingly reduced by the same amount.

The Company's statutory issued share capital represented by 2,202,218,293 (2013: 2,202,218,293) ordinary shares pursuant to the Singapore Companies Act (Cap 50) is S$2,343.9 million as of 28 December 2014. The amount was reduced by S$784.8 million ($600.0 million) in 2010 as a result of the capital reduction.

At the Company's annual shareholders' meeting in April 2013, the Company obtained shareholders approval for the adoption of the STATS ChipPAC Ltd. Performance Share Plan 2013 ("PSP 2013").

Awards granted under the PSP 2013 (each, an "Award") represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance targets and other conditions are met in accordance with the terms of the PSP 2013. Participants are not required to pay for the grant of Awards. Upon the Company achieving certain performance targets set by the Executive Resource and Compensation Committee, the Awards will vest and ordinary shares of the Company will then be delivered to the eligible employees with no exercise or purchase

price and in accordance with the terms of the PSP 2013. Awards granted under the PSP 2013 are generally not transferrable.

Vesting of Awards and determination of the number of shares deliverable at the end of the performance period will depend on the extent of achievement of the strategic corporate performance condition(s) pre-set at the beginning of the performance period. Depending on the level of performance achieved, the number of shares to vest can vary from between 0% to 150% of the grant.

The total number of shares which may be delivered pursuant to Awards granted under the PSP 2013 on any date, when added to:

(a) the total number of new shares allotted and issued and/or to be allotted and issued, issued shares (including treasury shares) delivered and/or to be delivered, and shares delivered and/or to be delivered in the form of cash in lieu of shares, pursuant to Awards granted under the PSP 2013; and

(b) the total number of shares which may be delivered pursuant to options and/or awards granted under any other share scheme adopted by the Company after the adoption date of the PSP 2013 and for the time being in force;

shall not exceed 10% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the date preceding the date of the relevant Award.

Since the commencement of the PSP 2013 to the financial year ended 28 December 2014, 14,315,331 Awards have been granted under the PSP 2013 and as at 28 December 2014, 11,941,980 Awards are outstanding. No ordinary shares have been delivered under the PSP 2013. In 2014 and 2013, no share-based compensation expense was recognised.

The following table summarises the fully vested share option activity in 2013 and 2014:

	Options ($'000)	Weighted Average Exercise Price
Options outstanding at 30 December 2012	3,789	1.13
Lapsed and forfeited	(2,380)	1.54
Options outstanding at 29 December 2013	1,409	1.13
Lapsed and forfeited	(1,358)	1.49
Options outstanding at 28 December 2014	51	0.69
Exercisable at 29 December 2013	1,409	1.13
Exercisable at 28 December 2014	51	0.69

The following table summarises information about share options outstanding at 28 December 2014 and 29 December 2013:

	Options Outstanding and Exercisable					
Range of Exercise Prices	Number Exercisable ('000)		Weighted Average Remaining Contractual Life		Weighted Average Exercise Price	
	28 December 2014	29 December 2013	28 December 2014	29 December 2013	28 December 2014	29 December 2013
$0.55 to $0.79	51	91	0.6 years	1.0 years	$0.69	$0.65
$1.16 to $1.64	—	1,318	—	0.1 years	—	$1.16
	51	1,409	0.6 years	0.2 years		

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Other Reserves

(a) Composition

	28 December 2014 $'000	29 December 2013 $'000
Hedging reserve	(2,190)	132
Foreign currency translation reserve	(11,610)	(7,844)
	(13,800)	(7,712)

(b) Movement

(i) Hedging reserve

	Year ended	
	28 December 2014 $'000	29 December 2013 $'000
Beginning of financial year	132	521
Fair value gains (losses)	(5,437)	1,232
Tax on fair value changes	1,192	(224)
Reclassification of fair value (gains) losses to Income Statement	2,407	(1,687)
Tax on reclassification adjustments	(484)	290
End of financial year	(2,190)	132

(ii) Foreign currency translation reserve

	Year ended	
	28 December 2014 $'000	29 December 2013 $'000
Beginning of financial year	(7,844)	(2,349)
Currency translation differences arising from equity transaction	(454)	(3,796)
Net currency translation differences of financial statements of a foreign subsidiary	(6,495)	(3,414)
Less: Non-controlling interests	3,183	1,715
End of financial year	(11,610)	(7,844)

Other reserves are non-distributable.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Commitments and Contingencies

(a) Commitments

As of 28 December 2014 and 29 December 2013, unconditional purchase obligations consist of the following:

	28 December 2014 $'000	29 December 2013 $'000
Capital commitments		
Building, mechanical and electrical installation	8,488	175,062
Equipment	28,565	63,396
Other commitments		
Inventories	87,709	85,210
Other purchase commitments	1,443	—

These unconditional purchase obligations include agreements to purchase goods or services that are enforceable and legally binding on the Group and specify all significant terms, including fixed or minimum quantities to be purchased, fixed or variable price provisions and the approximate timing of transactions. The duration of these purchase obligations are generally less than 12 months.

The Group is party to certain royalty and licensing agreements which have anticipated cumulative payments of approximately $17.5 million for 2014 through 2019.

The Group leases certain of its facilities in Singapore, South Korea and the United States under operating lease arrangements and has lease agreements for the land located in Singapore, Malaysia and China related to its facilities in these locations. Operating lease rental expense in 2014 and 2013 was $9.6 million and $9.3 million, respectively.

The Group has leased certain plant and equipment under operating leases. These leases extend through 2015. Operating lease rental expenses, including amortisation of lease prepayments, in respect of these leases in 2014 and 2013 were $31.3 million and $22.1 million, respectively.

These leases have varying escalation clauses and renewal rights.

Future minimum lease payments under non-cancelable operating leases contracted for at the balance sheet date but not recognised as liabilities were:

	28 December 2014 $'000	29 December 2013 $'000
Not later than one year	39,109	34,896
Between one and five years	45,344	39,872
Later than five years	88,915	93,337
	173,368	168,105

(b) Contingencies

The Company is 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. The Company accrues liability associated with these claims and litigations when they are probable and reasonably estimable.

The Company has been 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. The Company has sought legal advice and is of the opinion that the claim is groundless and without merit and intends to take all necessary steps to vigorously defend the



claim, including but not limited to, a counterclaim for invalidation of the patents which we have been alleged to infringe. The Company does not expect this action to have a material financial impact.

The Group also, from time to time, receives 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 the Group's business, financial condition and results of operations.

In addition, the Group is subject to various taxes in the different jurisdictions in which it operates. These include taxes on income, property, goods and services, and other taxes. The Group submits tax returns and claims with the appropriate government taxing authorities, which are subject to examination and agreement by those taxing authorities. The Group regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine adequacy of provision for taxes. Refer to Note 15 for additional information on tax contingencies.

27. Restructuring Charges

In order to increase efficiency and to reduce costs, the Group have undertaken a global initiative to redesign its business structure. In 2014, the Group recorded severance and related charges of $4.3 million as it expedited measures to reduce headcount at the corporate headquarters. In 2013, the Group recorded severance and related charges of $1.9 million.

28. Financial Risk Management

The Group operates in various countries and therefore is subject to several risks and uncertainties including financial risks. The Group's risk management functions to mitigate the various financial risks to which the businesses are exposed to in the course of their daily operations. The risk management covers areas such as capital management, liquidity risk, foreign currency risk, commodity price risk, interest rate risk and credit risk. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance. The Group uses derivatives to hedge specific exposures.

Capital Management

The Group regularly reviews its financial position, capital structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns and proper strategic positioning. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of return of capital and distributable earnings to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group manages the use of capital centrally and all borrowings to fund the operations of the subsidiaries are managed by the Company. The capital employed by the Group consists of equity attributable to shareholders, bank borrowings from financial institutions and borrowings from senior notes issuance.

The Group is in compliance with all externally imposed capital requirements in 2014 and 2013, which primarily arises from its borrowing facilities. There were no changes in the Group's approach to capital management during the year.

Foreign Currency Risk

A portion of the Group's costs is denominated in various foreign currencies, like the Singapore dollar, the South Korean Won, the Chinese Renminbi, the New Taiwan dollar and the Japanese Yen. As a result, changes in the exchange rates of these currencies or any other applicable currencies to the U.S. dollar will affect cost of goods sold and operating margins and could result in exchange losses. Based on the Group's overall currency rate exposure, the Group has adopted a foreign currency hedging policy for committed or forecasted currency exposures. The Group may utilise foreign currency swaps as well as foreign exchange forward contracts and options. The goal of the hedging policy is to effectively manage risk associated with fluctuations in the value of the foreign currency, thereby making financial results more stable and predictable

in the short-term. Over the longer-term, however, permanent changes in exchange rate of foreign currencies would have an impact on earnings.

The Group has entered into foreign currency contracts with nominal contract value of $153.4 million and $97.4 million in 2014 and 2013, respectively, to mitigate currency risks associated with payroll costs, materials costs, contractual costs and other costs denominated in these foreign currencies to reduce its exposure from future exchange rate fluctuations. These programs reduce, but do not always entirely eliminate, the impact of currency exchange movements. The duration of these instruments are generally less than twelve months.

The Group is also exposed to the adverse movement in the exchange rates for all the currencies relative to the U.S. dollar on the Group's foreign currencies denominated assets and liabilities. Sensitivity analyses of change in the fair values arising from a hypothetical 10% adverse movement in the exchange rates for all the foreign currencies relative to the U.S. dollar, with all other variables held constant, after taking into account offsetting positions, would result in a foreign exchange gain of $4.5 million and loss of $1.3 million as of 28 December 2014 and 29 December 2013, respectively.

Commodity Price Risk

The Group purchases certain raw materials in the normal course of business, which are affected by commodity prices. Therefore, the Group is exposed to some price volatility related to various market conditions outside its control. However, the Group employs various purchasing and pricing contract techniques in an effort to minimise volatility. Generally these techniques include setting in advance the price for products to be delivered in the future. The Group does not generally make use of financial instruments to hedge commodity prices, partly because of the contract pricing utilised. While commodity price volatility can occur, which would impact profit margins, there are generally alternative suppliers available. The Group may undertake hedging activity in commodities to a limited degree. Hedging may be used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments.

Interest Rate Risk

The Group's exposure to market risk associated with changes in interest rates primarily relates to its investment portfolio and debt obligations. Investments are placed in time deposits and marketable securities. The Group has no material cash flow exposure due to rate changes for cash equivalents and short-term investments. Longer-term borrowings are therefore usually at fixed rates. As at 28 December 2014, 65.6% (2013: 85.8%) of the total debt was at fixed interest rates and the balance was at variable interest rates. The Group's borrowings in senior notes are subject to fixed interest rates. As of 28 December 2014, the Group's senior notes due 2016 and 2018 bear interest of 5.375% and 4.5% per annum, respectively. As of 28 December 2014, assuming that the market interest rate increase or decrease by 10% and with no change to the other variables, the annualised interest expense on borrowings at variable interest rates would be higher or lower by $0.8 million (2013: $0.2 million).

Credit Risk

The Group's customers are comprised of companies in the semiconductor industry located primarily in the United States of America, Asia and Europe. The semiconductor industry is highly cyclical and experiences significant fluctuations in customer demand, evolving industry standards, competitive pricing pressure that leads to steady declines in average selling prices, rapid technological changes, risk associated with foreign currencies and enforcement of intellectual property rights. Additionally, the market in which the Group operates is very competitive. As a result of these industry and market characteristics, key elements of competition in the independent semiconductor packaging market include breadth of packaging offerings, time-to-market, technical competence, design services quality, production yields, reliability of customer service and price. The Group's largest customer accounted for approximately 24% and 30% of revenues in 2014 and 2013, respectively. The Group's ten largest customers collectively accounted for approximately 71.0% and 68.0% of revenues in 2014 and 2013, respectively. The Group generally does not require collateral on its trade receivables. The Group mitigates the concentration of credit risk in trade receivables through the Group's credit evaluation process, credit policies, credit control and collection procedures but

these methods cannot eliminate all potential credit risk losses. The withdrawal of commitment from any major customer for products, or reduced or delayed demand or the loss of or default by any of these major customers could have an adverse effect upon the Group's financial position, results of operations and cash flows.

The age analysis of trade receivables that are past due but not impaired is as follows:

	28 December 2014 $'000	29 December 2013 $'000
Past due less than 30 days	25,514	14,200
30-60 days	592	11,140
61-90 days	3,010	4,309
More than 90 days	2,285	1,662
	31,401	31,311

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	28 December 2014 $'000	29 December 2013 $'000
Gross amount	533	148
Less: Allowance for impairment	(533)	(148)
	—	—
Beginning of financial year	148	464
Additions	2,062	482
Utilised	—	—
Write-back	(1,677)	(798)
End of financial year	533	148

Cash and cash equivalents are deposited with financial institutions primarily in Singapore, Taiwan, the United States of America, British Virgin Islands, South Korea and China. Deposits in the financial institutions may exceed the amount of insurance provided on such deposits, if any. The Group mitigates default risk by investing in marketable securities that are of at least an "A" rating, as assigned by an internationally recognised credit rating organisation, and major Singapore banks and government-linked companies. The Group utilises forward contracts to protect against the effects of foreign currency fluctuations. Such contracts involve the risk of non-performance by the counterparty, which could result in a material loss. The Group has not experienced any such losses to date from nonperformance by its counterparties. South Korean and Chinese foreign currency exchange regulators may place restrictions on the flow of foreign funds into and out of those countries. The Group is required to comply with these regulations when entering into transactions in foreign currencies in South Korea and China.

Liquidity Risk

The Group's principal source of liquidity consists of cash flows from operating activities, bank facilities, debt financing, and existing cash and cash equivalents and marketable securities. As of 28 December 2014, the Group had cash, cash equivalents and bank deposits of $185.2 million (2013: $182.8 million). The Group also has available lines of credit and banking facilities consisting of loans, overdrafts, letters of credit and bank guarantees, including those available to its consolidated subsidiaries, which amounted to an aggregate of $589.5 million (2013: $548.2 million), of which $137.8 million (2013: $372.4 million) of credit facilities and $29.8 million (2013: $38.6 million) of other banking facilities were available as of 28 December 2014. Liquidity needs arise primarily from servicing outstanding debts, working capital needs and the funding of capital expenditures and investments. Capital expenditures are largely driven by the demand for the Group's services, primarily to increase packaging and testing capacity, to replace packaging and testing equipment from time to time, and to expand the facilities and service offerings.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The maturity profile of the Group's financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group:

	As at 28 December 2014				
	< 1 year $'000	1-2 years $'000	2-5 years $'000	> 5 years $'000	Total $'000
Accounts and other payables	198,076	—	—	—	198,076
Payables related to property, plant and equipment	95,592	—	—	—	95,592
Accrued operating expenses	107,312	—	—	—	107,312
Borrowings	212,900	275,000	738,190	—	1,226,090
Amounts due to related parties	31	—	—	—	31
Total	613,911	275,000	738,190	—	1,627,101

	As at 29 December 2013				
	< 1 year $'000	1-2 years $'000	2-5 years $'000	> 5 years $'000	Total $'000
Accounts and other payables	138,004	—	—	—	138,004
Payables related to property, plant and equipment	141,998	—	—	—	141,998
Accrued operating expenses	124,640	—	—	—	124,640
Borrowings	38,000	67,100	836,300	—	941,400
Amounts due to related parties	100	—	—	—	100
Total	442,742	67,100	836,300	—	1,346,142

The interest payments on the Group's borrowings due within one year, 1-2 years and 2-5 years amount to $42.5 million (2013: $39.2 million), $37.1 million (2013: $39.2 million) and $47.8 million (2013: $76.6 million), respectively.

Upon certain circumstances including a change of control as defined in the indenture related to the senior notes, the Company may be required to offer to purchase its senior notes at 101% of their principal amount plus accrued and unpaid interest.

Estimation of Fair Value

The accounting classification of each category of financial instruments, and their carrying amounts, are as follows:

	28 December 2014 $'000	29 December 2013 $'000
Financial assets		
Cash and cash equivalents	117,456	129,136
Bank deposits	67,713	53,646
Loan and receivables		
- Accounts receivable, net	238,684	238,441
- Other receivables	29,479	15,239
Total	453,332	436,462
Financial liabilities		
Financial liabilities at nominal value and amortised cost		
- Accounts and other payables	(198,076)	(138,004)
- Payables related to property, plant and equipment purchases	(95,592)	(141,998)
- Accrued operating expenses	(107,312)	(124,640)
- Borrowings	(1,203,285)	(912,228)
- Amounts due to related parties	(31)	(100)
- Accrued retirement and severance benefits	(991)	(4,530)
- Other non-current liabilities	(15,088)	(19,698)
Total	(1,620,375)	(1,341,198)

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value for measurements are estimates of the amounts for which assets or liabilities (including financial instruments and other derivative contracts) could be exchanged at the measurement date, based on the assumption that such exchanges take place between knowledgeable, unrelated parties in unforced transactions. Where available, fair value measurements are derived from prices quoted in active markets for identical assets or liabilities. In the absence of such information, other observable inputs are used to estimate fair value. Where publicly available information is not available, fair value is determined using estimation techniques that take into account market perspectives relevant to the asset or liability, in as far as they can reasonably be ascertained, based on predominantly unobservable inputs.

The Group uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

The following tables set forth the Group's financial assets and liabilities, excluding interest components that were accounted for at fair value on a recurring basis as of 28 December 2014 and 29 December 2013, respectively:

	Fair Value Measurement as of 28 December 2014			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets:				
Foreign currency forward contracts	—	209	—	209
Total assets measured and recorded at fair value	—	209	—	209
Liabilities:				
Foreign currency forward contracts	—	(3,963)	—	(3,963)
Total liabilities measured and recorded at fair value	—	(3,963)	—	(3,963)

	Fair Value Measurement as of 29 December 2013			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets:				
Foreign currency forward contracts	—	562	—	562
Total assets measured and recorded at fair value	—	562	—	562
Liabilities:				
Foreign currency forward contracts	—	(359)	—	(359)
Total liabilities measured and recorded at fair value	—	(359)	—	(359)

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. Immediate and Ultimate Holding Corporations and Subsidiaries

The Group's immediate holding corporation is STSPL, incorporated in Singapore. The ultimate holding corporation is Temasek Holdings (Private) Limited ("Temasek"), incorporated in Singapore. Temasek, through its wholly-owned subsidiary, STSPL, beneficially owned approximately 83.8% of the Company as of 28 December 2014. Temasek, a private limited company incorporated in Singapore, is wholly-owned by the Minister for Finance of Singapore, a body corporate constituted by the Minister for Finance (Incorporation) Act (Cap. 183).

The significant subsidiaries of the Company are as follows:

			Effective Percentage Holdings	
Name of Subsidiary	Principal Activities	Country of Incorporation	2014	2013
STATS ChipPAC (Barbados) Ltd.#	Investment holding	Barbados	100%	100%
STATS ChipPAC (BVI) Limited*	Investment holding, turnkey packaging and test services, warehousing services, research and development	British Virgin Islands	100%	100%
STATS ChipPAC Korea Ltd.#	Turnkey packaging and test services, research and development, warehousing services and drop shipment services	South Korea	100%	100%
STATS ChipPAC Shanghai Co., Ltd#	Turnkey packaging and test services, flip-chip, research and development, warehousing services, and drop shipment services	China	100%	100%
STATS ChipPAC Taiwan Co., Ltd.#	Solder bump services for flip chip, and wafer level chip scale package assembly	Taiwan	100%	100%
STATS ChipPAC Taiwan Semiconductor Corporation+	Test services, research and development, warehousing services, and drop shipment services	Taiwan	52%	52%
STATS ChipPAC, Inc.*	Sales, marketing, administration and research and development	Delaware, USA	100%	100%

\# Audited by member firms of PricewaterhouseCoopers, in the respective countries
\+ Audited by KPMG, Taiwan
* Not required to be audited under the laws of its country of incorporation

30. Related Party Transactions

As of 28 December 2014, Temasek, through its wholly-owned subsidiary, STSPL, beneficially owned 1,845,715,689 ordinary shares, representing 83.8% of the Company's ordinary shares.

The Group's operations in Singapore are conducted in a building constructed on land held on a long-term operating lease from a statutory board of the Government of Singapore. The lease is for a 30-year period commencing 1 March 1996 and is renewable for a further 30 years subject to the fulfillment of certain conditions.

The Group has $0.1 million each of cash and cash equivalents placed with Temasek affiliated financial institutions as of 28 December 2014 and 29 December 2013, respectively.

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group also engages in transacting with other companies, directly or indirectly controlled by Temasek, in the ordinary course of business. These transactions, which include transactions for gas, water and electricity, facilities management, transportation and telecommunication services, are at their prevailing market rates or prices and on customary terms and conditions. These expenses amounted to $5.4 million and $5.1 million in 2014 and 2013, respectively.

The amounts owing by (to) related parties were as follows:

	28 December 2014 $'000	29 December 2013 $'000
Short-term amounts due to related parties		
Accounts payable	(31)	(100)

Directors and Key Executives Compensation

	28 December 2014 $'000	29 December 2013 $'000
Non-Executive Directors' fee	619	639
Key Executives' remuneration[(1)]	3,533	3,605
	4,152	4,244

Notes:
(1) Key executives remuneration in 2014 mainly relates to base salary and other fixed short-term benefits.

31. Business Segment, Geographic and Major Customer Data

Commencing in 2013, the Group realigned its segment reporting for packaging and test business as a single business unit delivering turnkey packaging and test solutions to customers. The Group considered developments and changes in its business to align the identification of its operating segments.

Net revenues by geographical areas (identified by location of customer headquarters) were:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
United States	1,032,573	1,106,105
Asia	414,388	303,951
Europe	138,873	188,466
Total	1,585,834	1,598,522

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Long-lived assets by geographical area were:

	Year Ended	
	28 December 2014 $'000	29 December 2013 $'000
Singapore	589,359	558,892
South Korea	521,520	336,547
China	362,847	304,653
Taiwan	163,135	192,907
United States	256	270
Rest of Asia	78	37,978
Total	1,637,195	1,431,247

The Group's largest customer accounted for approximately 24% and 30% of revenues in 2014 and 2013, respectively. The Group's ten largest customers collectively accounted for approximately 71.0% and 68.0% of revenues in 2014 and 2013, respectively.

32. Guarantor Subsidiaries and Non Guarantor Subsidiaries

In January 2011 and March 2013, the Company issued $200.0 million of 5.375% Senior Notes due 2016 and $611.2 million of 4.5% Senior Notes due 2018, 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. These notes are the Company's senior unsecured obligations and are listed on the SGX-ST.

For the financial year ended 28 December 2014, 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 $431.9 million of net revenues (representing 27.2% of the Group's consolidated net revenues) and $6.1 million of operating income (representing 15.2% of the Group's consolidated operating income of $40.1 million).

For the financial year ended 28 December 2014, STATS ChipPAC Korea Ltd. generated $546.0 million of net revenues (representing 34.4% of the Group's consolidated net revenues) and $41.1 million of operating income (representing 102.6% of the Group's consolidated operating income of $40.1 million). As of 28 December 2014, STATS ChipPAC Korea Ltd. held $900.5 million of assets (representing 34.4% of the Group's consolidated total assets).

For the financial year ended 28 December 2014, the China Non-Guarantor Subsidiary generated $378.0 million of net revenues (representing 23.8% of the Group's consolidated net revenues) and $13.5 million of operating loss (representing (33.7)% of the Group's consolidated operating income of $40.1 million). As of 28 December 2014, the China Non-Guarantor Subsidiary held $514.5 million of assets (representing 19.7% of the Group's consolidated total assets).

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

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

STATS CHIPPAC LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. Subsequent event

On 30 December 2014, JCET-SC (Singapore) Pte. Ltd., a subsidiary of Jiangsu Changjiang Electronics Technology Co., Ltd., announced that it intends to make a voluntary conditional cash offer for all the shares of the Group, subject to the fulfillment or waiver of certain conditions specified in the announcement dated 30 December 2014. The Group has further announced the intention to distribute its existing investment in the Taiwan subsidiaries, STATS ChipPAC Taiwan Semiconductor Corporation and STATS ChipPAC Taiwan Co., Ltd., to its shareholders by way of a capital reduction and to offer $200.0 million perpetual securities to the shareholders by way of a non-renounceable rights offering.

STATS CHIPPAC LTD.

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	28 December 2014 $'000	29 December 2013 $'000
ASSETS			
Current assets:			
Cash and cash equivalents	3	46,911	61,552
Accounts receivable	4	90,335	108,348
Other receivables		346	499
Inventories	5	18,439	17,642
Prepaid expenses and other current assets		5,620	5,971
Short-term amounts due from subsidiaries		444,253	438,025
Total current assets		605,904	632,037
Non-current assets			
Property, plant and equipment	6	589,359	558,892
Investment in subsidiaries	7	656,554	667,526
Intangible assets	8	29,170	27,256
Prepaid expenses and other non-current assets		13	13
Total non-current assets		1,275,096	1,253,687
Total assets		1,881,000	1,885,724
LIABILITIES			
Current liabilities:			
Accounts and other payable		42,620	26,649
Payables related to property, plant and equipment purchases		26,917	94,434
Accrued operating expenses	9	36,301	42,892
Short-term borrowings	11	212,597	37,947
Short-term amounts due to related parties		31	100
Short-term amounts due to subsidiaries		27,200	130,684
Total current liabilities		345,666	332,706
Non-current liabilities:			
Long-term borrowings	11	863,650	849,133
Other non-current liabilities		4,627	5,576
Total non-current liabilities		868,277	854,709
Total liabilities		1,213,943	1,187,415
EQUITY			
Share capital	13	872,766	872,766
Retained earnings		(195,796)	(164,425)
Other reserves	14	(9,913)	(10,032)
Total equity		667,057	698,309
Total liabilities and equity		1,881,000	1,885,724

The accompanying notes form an integral part of the unconsolidated statement of financial position.

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

These notes form an integral part of the unconsolidated statement of financial position.

1. Background and Summary of Significant Accounting Policies

(a) Business and Organisation

STATS ChipPAC Ltd. ("STATS ChipPAC" or the "Company") is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is incorporated and domiciled in Singapore. The registered office of the Company is at 10 Ang Mo Kio Street 65 Techpoint #05-17/20 Singapore 569059.

The Company is required to prepare the unconsolidated statement of financial position of the Company in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") for filing with the Accounting and Corporate Regulatory Authority ("ACRA").

The unconsolidated statement of financial position is presented based on the Singapore Financial Reporting Standards ("FRS").

The unconsolidated statement of financial position should be read in conjunction with the Consolidated Financial Statements of STATS ChipPAC.

The financial statements are expressed in U.S. dollars, which is the Company's functional and presentation currency.

(b) Subsidiaries and Equity Investee

The Company has significant subsidiaries in South Korea, China, Taiwan, the British Virgin Islands, Barbados, and in the United States, its principal market. Investments in subsidiaries and equity investee are accounted for at cost less accumulated impairment loss. The Company assesses annually whether there is an indication that the investment in subsidiaries and equity investee may be impaired. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

(c) Fiscal Year

STATS ChipPAC's 52-53 week fiscal year ends on the Sunday nearest and prior to 31 December. STATS ChipPAC's fiscal quarters end on a Sunday. Fiscal year 2014, a 52-week year, ended on 28 December 2014 and fiscal year 2013, a 52-week year, ended on 29 December 2013. Unless otherwise stated, all years and dates refer to STATS ChipPAC's fiscal years.

2. Related Parties

As of 28 December 2014, Temasek Holdings (Private) Limited ("Temasek"), through its wholly-owned subsidiary, Singapore Technologies Semiconductors Pte Ltd ("STSPL"), beneficially owned 1,845,715,689 ordinary shares, representing 83.8% of the Company's ordinary shares. Refer to Note 30 of the consolidated financial statements for details of related party transactions.

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

3. Cash and Cash Equivalents

	28 December 2014 $'000	29 December 2013 $'000
Cash at banks and on hand	27,743	45,970
Cash equivalents		
Money market funds	4,016	15,582
Bank fixed deposits	15,152	–
	46,911	61,552

4. Accounts Receivable

	28 December 2014 $'000	29 December 2013 $'000
Accounts receivable – third parties, net of allowance for sales returns	90,867	108,495
Less: Allowance for impairment	(532)	(147)
Accounts receivable	90,335	108,348

As of 28 December 2014, the Company entered into $25.3 million (2013: $4.3 million) non-recourse factoring of accounts receivable with a bank for cash, and the associated accounts receivable were derecognised.

5. Inventories

	28 December 2014 $'000	29 December 2013 $'000
Raw materials	11,442	10,050
Work-in-progress	6,244	6,902
Finished goods	753	690
	18,439	17,642

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

6. Property, Plant and Equipment

	Buildings, Construction In Progress, Mechanical and Electrical Installation $'000	Equipment $'000	Total $'000
Cost			
Balances at 30 December 2013	161,296	1,236,606	1,397,902
Additions	17,868	128,480	146,348
Transfers from subsidiaries	808	31,237	32,045
Transfers to subsidiaries	(5)	(30,267)	(30,272)
Disposal/write-off	(199)	(48,744)	(48,943)
Balances at 28 December 2014	179,768	1,317,312	1,497,080
Accumulated depreciation			
Balances at 30 December 2013	66,712	772,298	839,010
Additions	10,311	109,944	120,255
Transfers from subsidiaries	805	18,184	18,989
Transfers to subsidiaries	(1)	(27,397)	(27,398)
Impairment	–	3,713	3,713
Disposal/write-off	(91)	(46,757)	(46,848)
Balances at 28 December 2014	77,736	829,985	907,721
Net book value at 28 December 2014	102,032	487,327	589,359

	Buildings, Construction In Progress, Mechanical and Electrical Installation $'000	Equipment $'000	Total $'000
Cost			
Balances at 31 December 2012	129,744	1,095,412	1,225,156
Additions	31,560	190,775	222,335
Transfers from subsidiaries	–	69,656	69,656
Transfers to subsidiaries	–	(22,057)	(22,057)
Disposal/write-off	(8)	(97,180)	(97,188)
Balances at 29 December 2013	161,296	1,236,606	1,397,902
Accumulated depreciation			
Balances at 31 December 2012	59,815	742,734	802,549
Additions	6,905	96,619	103,524
Transfers from subsidiaries	–	40,808	40,808
Transfers to subsidiaries	–	(11,509)	(11,509)
Disposal/write-off	(8)	(96,354)	(96,362)
Balances at 29 December 2013	66,712	772,298	839,010
Net book value at 29 December 2013	94,584	464,308	558,892

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Company routinely reviews the remaining estimated useful lives of its equipment to determine if such lives should be adjusted due to the likelihood of technological obsolescence arising from changes in production techniques or in market demand for the use of its equipment.

7. Investment in Subsidiaries

	28 December 2014 $'000	29 December 2013 $'000
Unquoted equity shares at cost	637,093	648,065
Quoted equity shares at cost	19,461	19,461
	656,554	667,526

Refer to Note 17 for details of subsequent event pertaining to the announcement of intention to distribute the Company's existing investment in its Taiwan subsidiaries, STATS ChipPAC Taiwan Semiconductor Corporation and STATS ChipPAC Taiwan Co., Ltd., to its shareholders by way of a capital reduction.

8. Intangible Assets

The Company's intangible assets consist of patent costs, software, licenses and others.

	28 December 2014 $'000	29 December 2013 $'000
Cost		
Beginning of financial year	35,217	30,997
Additions	4,290	4,310
Write-off	(363)	(90)
End of financial year	39,144	35,217
Accumulated amortisation		
Beginning of financial year	7,961	6,181
Additions	2,087	1,792
Write-off	(74)	(12)
End of financial year	9,974	7,961
Net book value	29,170	27,256

9. Accrued Operating Expenses

	28 December 2014 $'000	29 December 2013 $'000
Staff costs	13,774	11,319
Maintenance fees, license fees and royalties	3,050	3,866
Interest expense	10,516	10,236
Accruals for vacation liability	2,646	1,884
Forward contracts payable	181	299
Other accrued operating expenses	6,134	15,288
	36,301	42,892

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

10. Income Taxes

In 2012, the Singapore Economic Development Board ("EDB") extended the Company's five year tax incentive for its Singapore operations, whereby certain qualifying income will be subject to a concessionary tax rate of 5% instead of the Singapore statutory rate of 17%, subject to the fulfillment of certain continuing conditions. The extended tax incentive will expire in June 2017.

As of 28 December 2014, the Company has approximately $23.9 million (2013: $23.9 million) and $290.0 million (2013: $245.9 million) of tax loss carryforwards and unutilised capital allowances, respectively, which can, subject to the relevant provision of the Singapore Income Tax Act, be carried forward and utilised against future taxable profits. Singapore tax losses and capital allowances are generally allowed to be carried forward indefinitely provided there is no substantial change to the shareholders and their shareholdings.

11. Borrowings

	28 December 2014 $'000	29 December 2013 $'000
4.5% senior notes due 2018	589,698	583,820
5.375% senior notes due 2016	199,436	199,033
U.S. dollars floating rate revolving credit facilities	287,113	104,227
Total borrowings	1,076,247	887,080
Less: borrowings repayable within one year	212,597	37,947
Long-term borrowings	863,650	849,133

The exposure of the borrowings of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	28 December 2014 $'000	29 December 2013 $'000
6 months or less	287,113	104,227
6 - 12 months	–	–
1 - 5 years	789,134	782,853
	1,076,247	887,080

Refer to Note 16 of the consolidated financial statements for details of the borrowings and further information on exposure of the borrowings of the Company to interest rate changes and the contractual repricing dates.

The fair values of the borrowings of the Company at balance sheet dates are as follows:

	28 December 2014 $'000	29 December 2013 $'000
4.5% senior notes due 2018	606,568	608,096
5.375% senior notes due 2016	200,000	205,536
U.S. dollars revolving credit facilities at floating rates	287,900	104,227
	1,094,468	917,859

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

The fair values of the senior notes are determined from the trading market prices of the senior notes as of each balance sheet date. The borrowings under the U.S. dollars revolving credit facilities at floating rates are assumed to approximate their fair values.

The Company has lines of credit and banking facilities consisting of loans, overdrafts, letters of credit and bank guarantees, which amounted to an aggregate of $366.0 million, of which $61.9 million of credit facilities and $9.8 million of other banking facilities were available as of 28 December 2014.

12. Derivative Financial Instruments

	28 December 2014			29 December 2013		
	Contract notional amount $'000	Asset $'000	Liability $'000	Contract notional amount $'000	Asset $'000	Liability $'000
Cash-flow hedges						
- Currency forwards	15,909	–	(181)	25,591	–	(299)
Total		–	(181)		–	(299)

The Company enters into forward contracts for hedging highly probable forecast transactions and accounts for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the income statement.

13. Share Capital, Share Options and Incentive Plans

Refer to Note 24 of the consolidated financial statements for details of the Share Capital, Share Options and Incentive Plans.

14. Other reserves

(a) Composition

	28 December 2014 $'000	29 December 2013 $'000
Hedging reserve	(180)	(299)
Foreign currency translation reserve	(9,733)	(9,733)
	(9,913)	(10,032)

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

(b) Movement

Hedging reserve

	Year ended	
	28 December 2014 $'000	29 December 2013 $'000
Beginning of financial year	(299)	56
Fair value gains (losses)	34	(504)
Reclassification of fair value losses to Income Statement	85	149
Tax on fair value changes	–	–
End of financial year	(180)	(299)

The hedging reserve is non-distributable.

15. Commitments and Contingencies

(a) Commitments

As of 28 December 2014 and 29 December 2013 unconditional purchase obligations consist of the following:

	28 December 2014 $'000	29 December 2013 $'000
Capital commitments		
Building, mechanical and electrical installation	452	1,467
Equipment	23,440	27,670
	23,892	29,137
Other commitments		
Inventories	19,817	36,949

These unconditional purchase obligations include agreements to purchase goods or services that are enforceable and legally binding on the Company and specify all significant terms, including fixed or minimum quantities to be purchased, fixed or variable price provisions and the approximate timing of transactions. The duration of these purchase obligations are generally less than 12 months.

The Company is party to certain royalty and licensing agreements which have anticipated cumulative payments of approximately $0.4 million per annum for 2015 through 2019.

The Company leases two facilities in Singapore under operating lease arrangement and has a lease agreement for the land located in Singapore related to its production facility. The Company has also leased certain production equipment under operating leases.

These leases have varying escalation clauses and renewal rights.

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

Future minimum lease payments under non-cancelable operating leases contracted for at the balance sheet date but not recognised as liabilities were:

	28 December 2014 $'000	29 December 2013 $'000
Not later than one year	8,994	12,322
Between one and five years	4,516	8,451
Later than five years	4,177	4,138
	17,687	24,911

(b) Contingencies

The Company is 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. The Company accrues liability associated with these claims and litigations when they are probable and reasonably estimable.

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

Refer to Note 26(b) of the consolidated financial statements for details of contingencies.

16. Financial Risk Management

Refer to Note 28 of the consolidated financial statements for details on the Group's financial risk management.

Credit Risk

The age analysis of trade receivables past due but not impaired is as follows:

	28 December 2014 $'000	29 December 2013 $'000
Past due less than 30 days	6,050	5,163
30-60 days	430	1,098
61-90 days	131	3,188
More than 90 days	674	1,371
	7,285	10,820

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	28 December 2014 $'000	29 December 2013 $'000
Gross amount	532	147
Less: Allowance for impairment	(532)	(147)
	–	–
Beginning of financial year	147	464
Additions	2,062	437
Utilised	–	–
Write-back	(1,677)	(754)
End of financial year	532	147

Liquidity Risk

The maturity profile of the Company's financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company:

	As at 28 December 2014				
	< 1 year $'000	1-2 years $'000	2-5 years $'000	> 5 years $'000	Total $'000
Accounts and other payables	42,620	–	–	–	42,620
Payables related to property, plant and equipment purchases	26,917	–	–	–	26,917
Accrued operating expenses	36,301	–	–	–	36,301
Borrowings	212,900	275,000	611,152	–	1,099,052
Amounts due to related parties	31	–	–	–	31
Amounts due to subsidiaries	27,200	–	–	–	27,200
Total	345,969	275,000	611,152	–	1,232,121

	As at 29 December 2013				
	< 1 year $'000	1-2 years $'000	2-5 years $'000	> 5 years $'000	Total $'000
Accounts and other payables	26,649	–	–	–	26,649
Payables related to property, plant and equipment purchases	94,434	–	–	–	94,434
Accrued operating expenses	42,892	–	–	–	42,892
Borrowings	38,000	67,100	811,152	–	916,252
Amounts due to related parties	100	–	–	–	100
Amounts due to subsidiaries	130,684	–	–	–	130,684
Total	332,759	67,100	811,152	–	1,211,011

The interest payments on the Company's borrowings due within one year, 1-2 years and 2-5 years amount to $38.3 million (2013: $38.3 million), $32.9 million (2013: $38.3 million) and $41.3 million (2013: $74.1 million), respectively.

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

Upon certain circumstances including a change of control as defined in the indenture related to the senior notes, the Company may be required to offer to purchase its senior notes at 101% of their principal amount plus accrued and unpaid interest.

Estimation of Fair Value

The accounting classification of each category of financial instruments, and their carrying amounts, are as follows:

	28 December 2014 $'000	29 December 2013 $'000
Financial assets		
Cash and cash equivalents	46,911	61,552
Loan and receivables		
- Accounts receivable, net	90,335	108,348
- Amounts due from subsidiaries	444,253	438,025
- Other receivables	346	499
Total	581,845	608,424
Financial liabilities		
Financial liabilities at nominal value and amortised cost		
- Accounts and other payables	(42,620)	(26,649)
- Payables related to property, plant and equipment purchases	(26,917)	(94,434)
- Accrued operating expenses	(36,301)	(42,892)
- Borrowings	(1,076,247)	(887,080)
- Amounts due to related parties	(31)	(100)
- Amounts due to subsidiaries	(27,200)	(130,684)
Total	(1,209,316)	(1,181,839)

The following tables set forth the Company's financial assets and liabilities, excluding interest components that were accounted for at fair value on a recurring basis as of 28 December 2014 and 29 December 2013, respectively:

	Fair Value Measurement As of 28 December 2014			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets:				
Foreign currency forward contracts	–	–	–	–
Total assets measured and recorded at fair value	–	–	–	–
Liabilities:				
Foreign currency forward contracts	–	(181)	–	(181)
Total liabilities measured and recorded at fair value	–	(181)	–	(181)

STATS CHIPPAC LTD.

NOTES TO THE UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Fair Value Measurement As of 29 December 2013			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets:				
Foreign currency forward contracts	–	–	–	–
Total assets measured and recorded at fair value	–	–	–	–
Liabilities:				
Foreign currency forward contracts	–	(299)	–	(299)
Total liabilities measured and recorded at fair value	–	(299)	–	(299)

17. Subsequent Event

On 30 December 2014, JCET-SC (Singapore) Pte. Ltd., a subsidiary of Jiangsu Changjiang Electronics Technology Co., Ltd., announced that it intends to make a voluntary conditional cash offer for all the shares of the Company, subject to the fulfillment or waiver of certain conditions specified in the announcement dated 30 December 2014. The Company has further announced the intention to distribute its existing investment in the Taiwan subsidiaries, STATS ChipPAC Taiwan Semiconductor Corporation and STATS ChipPAC Taiwan Co., Ltd., to its shareholders by way of a capital reduction and to offer $200.0 million perpetual securities to the shareholders by way of a non-renounceable rights offering.

STATS CHIPPAC LTD. AND SUBSIDIARIES

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL

Interested Person Transactions

There were no interested person transactions entered into by the Company and its subsidiaries for the financial year ended 28 December 2015.

Auditors' Remuneration

The following information relates to remuneration of the auditor of the Company during the financial year:

	2014 $'000	2013 $'000
Audit fees paid/payable to:		
- Auditors of the Company	577	612
- Other auditors*	196	243
Non-Audit fees paid/payable to:		
- Auditors of the Company	38	170
- Other auditors*	11	28

* Include PricewaterhouseCoopers firms outside Singapore

Appointment of auditors

The Company has complied with Rules 712 and 715 or 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors and the auditors of its subsidiaries and significant associates.

Review of the provision of non-audit services by the auditors

The Audit Committee has undertaken a review of non-audit services provided by the auditor and they would not, in the opinion of the Audit Committee, affect their independence.

Internal controls

Please refer to information disclosed in Section 3 of the Corporate Governance Report.

Material Contracts

Since the end of the previous financial year, no material contract has been entered into between STATS ChipPAC and its subsidiaries involving the interests of the chief executive officer, directors or controlling shareholder, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

STATS CHIPPAC LTD. AND SUBSIDIARIES

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL

Shareholdings Statistics

As of 9 March 2015

Total no. of issued shares : 2,202,218,293
Class of shares : Ordinary shares with equal voting rights

Size of Shareholdings	No. of Shareholders	%	No. of shares	%
1 - 99	71	0.56	2,392	0.00
100 - 1,000	3,561	27.94	3,407,558	0.16
1,001 - 10,000	6,738	52.86	30,200,111	1.37
10,001 - 1,000,000	2,343	18.38	117,605,640	5.34
1,000,001 and above	33	0.26	2,051,002,592	93.13
Total	12,746	100.0	2,202,218,293	100.0

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Singapore Technologies Semiconductors Pte Ltd	1,845,715,689	83.81
2	Phillip Securities Pte Ltd	27,040,000	1.23
3	DBS Nominees Pte Ltd	23,441,208	1.06
4	DB Nominees (Singapore) Pte Ltd	17,221,840	0.78
5	United Overseas Bank Nominees Pte Ltd	16,237,650	0.74
6	Raffles Nominees (Pte) Ltd	14,460,117	0.66
7	Morph Investments Ltd	11,650,000	0.53
8	Citibank Consumer Nominees Pte Ltd	8,728,000	0.40
9	Citibank Nominees Singapore Pte Ltd	7,538,580	0.34
10	DBS Vickers Securities (Singapore) Pte Ltd	7,121,000	0.32
11	CIMB Securities (Singapore) Pte Ltd	6,833,168	0.31
12	UOB Kay Hian Pte Ltd	6,405,300	0.29
13	Lu Zu Liang	6,028,000	0.27
14	Jusuf or Mariana	5,401,000	0.25
15	OCBC Nominees Singapore Pte Ltd	4,363,000	0.20
16	Choo Ah Seng	4,063,000	0.18
17	Ng Hian Chow	3,900,000	0.18
18	Chin Kiam Hsung	3,752,000	0.17
19	Maybank Kim Eng Securities Pte Ltd	3,561,000	0.16
20	Fong Soon Yong	3,350,000	0.15
	Total	2,026,810,552	92.03

STATS CHIPPAC LTD. AND SUBSIDIARIES

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL

Substantial Shareholders

	Direct Interest		Deemed Interest		Total Interest	
	No. of shares	%	No. of shares	%	No. of shares	%
Temasek Holdings (Private) Limited [1]	--	--	1,845,715,689	83.81	1,845,715,689	83.81

Public Shareholders

Based on the information available to the Company as of 9 March 2015, approximately 16% of the issued shares of the Company is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of the Company is at all times held by the public.

Treasury Shares

As at 9 March 2015, there are no treasury shares held.

[1] As notified to our Company by Temasek, a private limited company incorporated in Singapore, wholly-owned by the Minister for Finance of Singapore, a body corporate constituted by the Minister for Finance (Incorporation) Act (Cap. 183), which owns 100% of the ordinary shares of STSPL. Temasek is therefore deemed to beneficially own 1,845,715,689 of our ordinary shares, which are owned directly by STSPL. The percentage beneficially owned is based on an aggregate 2,202,218,293 ordinary shares outstanding as of 9 March 2015.

FOR IMMEDIATE RELEASE

STATS ChipPAC Reports First Quarter 2015 Results

Singapore – 21 April 2015 – STATS ChipPAC Ltd. ("STATS ChipPAC" or the "Company" – SGX-ST: STATSChP), a leading provider of advanced semiconductor packaging and test services, today announced results for the first quarter 2015.

Tan Lay Koon, President and Chief Executive Officer of STATS ChipPAC, said, "Revenue for the first quarter of 2015 increased 1.5% to $371.1 million compared to a year ago and was 8.8% lower from the prior quarter, as we saw seasonal weakness in our personal computer and consumer end markets. In the wireless communication market, we continued to see strength in demand for emerging market handsets as well as product ramps for new high performance smartphones and wearable devices."

Gross margin for the first quarter of 2015 was 10.5% compared to 10.0% in the first quarter of 2014 and 12.1% in the prior quarter. Operating margin for the first quarter of 2015 was 2.1% of revenue, compared to 0.7% in the first quarter of 2014 and 3.1% in the prior quarter. Net loss for the first quarter of 2015 was $2.1 million compared to net loss of $15.8 million in the first quarter of 2014 and net income of $3.5 million in the prior quarter.

Dennis Chia, Chief Financial Officer of STATS ChipPAC, said, "Our adjusted EBITDA[1] in the first quarter was $83.2 million or 22.4% of revenue, compared to $78.4 million and $96.7 million or 21.4% and 23.8% of revenue in the first quarter of 2014 and prior quarter, respectively. Capital expenditure[2] for the first quarter 2015 was $37.0 million or 10.0% of revenue, compared to $113.6 million and $64.8 million or 31.1% and 15.9% of revenue in the first quarter of 2014 and prior quarter, respectively. Cash, cash equivalents and bank deposits increased to $197.1 million as of the end of the first quarter of 2015 compared to $185.2 million as of the end of the fourth quarter of 2014. During the quarter, we reduced debt to $1,168.9 million as of the end of the first quarter of 2015 compared to $1,203.3 million as of the end of the fourth quarter of 2014."

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

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

STATS ChipPAC Ltd.
Company Registration No.: 199407932D
Headquarters: 10 Ang Mo Kio Street 65, #05-17/20 Techpoint, Singapore 569059
www.statschippac.com

Investor Conference Call / Live Audio Webcast Details

A conference call has been scheduled for 8:00 a.m. in Singapore on Wednesday, 22 April 2015. During the call, time will be set-aside for analysts and investors to ask questions of executive officers.

The call may be accessed by dialing +65-6823-2299. A live audio webcast of the conference call will be available on STATS ChipPAC's website at www.statschippac.com. A replay of the call will be available 2 hours after the live call through 7 May 2015 at www.statschippac.com and by telephone at 800-616-2127. The conference ID number to access the conference call and replay is 8006233.

Forward-looking Statements

Certain statements in this release are forward-looking statements that involve a number of risks and uncertainties that could cause actual results to differ materially from those described in this release. Factors that could cause actual results to differ include, but are not limited to, general business and economic conditions and the state of the semiconductor industry; prevailing market conditions; demand for end-use applications products such as communications equipment, consumer and multi-applications and personal computers; decisions by customers to discontinue outsourcing of test and packaging services; level of competition; our reliance on a small group of principal customers; our continued success in technological innovations; pricing pressures, including declines in average selling prices; intellectual property rights disputes and litigation; our ability to control operating expenses; our substantial level of indebtedness and access to credit markets; potential impairment charges; availability of financing; changes in our product mix; our capacity utilisation; delays in acquiring or installing new equipment; limitations imposed by our financing arrangements which may limit our ability to maintain and grow our business; returns from research and development investments; changes in customer order patterns; customer credit risks; disruption of our operations; shortages in supply of key components and disruption in supply chain; disruption of our operations and other difficulties related to the relocation of our China operations; loss of directors, 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; majority beneficial ownership by Jiangsu Changjiang Electronics Technology Co., Ltd. ("JCET") upon the voluntary conditional cash offer by JCET for all the ordinary shares of our Company ("the JCET Offer") and the consummation of the JCET Offer that may result in conflicting interests with other holders of our securities; our inability to capture all or any of the benefits from acquisitions and investments in other companies and businesses; loss of customers or failure to compete effectively with the divestment or spin-off of our subsidiaries or businesses; labour union problems in South Korea; uncertainties of conducting business in China and changes in laws, currency policy and political instability in other countries in Asia; natural calamities and disasters, including outbreaks of epidemics and communicable diseases; the continued trading and listing of our ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and the potential delisting of our ordinary shares on the SGX-ST following the consummation of the JCET Offer. 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.



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Company Registration No.: 199407932D
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www.statschippac.com

Basis of Preparation of Results

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

Our 52-53 week fiscal year ends on the Sunday nearest and prior to 31 December. Our fiscal quarters end on a Sunday and our first quarter of 2015 ended on 29 March 2015, while our first quarter of 2014, and fourth quarter of 2014 ended on 30 March 2014 and 28 December 2014, respectively. References to "$" are to the lawful currency of the United States of America.

About STATS ChipPAC Ltd.

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

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STATS ChipPAC Ltd.
Consolidated Income Statement
(Unaudited)

	Three Months Ended	
	29 March 2015 $'000	30 March 2014 $'000
Net revenues	371,080	365,476
Cost of revenues	(332,144)	(328,956)
Gross profit	38,936	36,520
Operating expenses:		
Selling, general and administrative	22,711	24,122
Research and development	8,514	9,932
Operating expenses	31,225	34,054
Equipment impairment	—	2,261
Total operating expenses	31,225	36,315
Operating income	7,711	205
Other income (expenses), net:		
Interest income	437	562
Interest expense	(14,325)	(12,375)
Foreign currency exchange loss	(459)	(210)
Other non-operating income (expenses), net	(1,389)	9
Total other expenses, net	(15,736)	(12,014)
Loss before income taxes	(8,025)	(11,809)
Income tax benefit (expense)	7,154	(2,938)
Net loss	(871)	(14,747)
Less: Net income attributable to the non-controlling interest	(1,194)	(1,060)
Net loss attributable to STATS ChipPAC Ltd.	(2,065)	(15,807)
Net loss per ordinary share attributable to STATS ChipPAC Ltd.:		
Basic	$ (0.00)	$ (0.01)
Diluted	$ (0.00)	$ (0.01)
Ordinary shares (in thousands) used in per ordinary share calculation:		
Basic	2,202,218	2,202,218
Diluted	2,202,218	2,202,218
Key Ratios and Information:		
Gross Margin	10.5%	10.0%
Operating Expenses as a % of Revenue	8.4%	9.3%
Operating Margin before equipment impairment	2.1%	0.7%
Depreciation & Amortisation, including Amortisation of Debt Issuance Costs	80,421	78,952
Capital Expenditures	36,956	113,620

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

	29 March 2015 $'000	28 December 2014 $'000
ASSETS		
Current assets:		
Cash and cash equivalents	150,665	117,456
Short-term bank deposits	44,757	66,054
Accounts receivable	221,031	238,684
Other receivables	13,479	29,479
Inventories	74,552	73,232
Assets held for sale	11,373	11,373
Prepaid expenses and other current assets	18,670	20,192
Total current assets	534,527	556,470
Non-current assets:		
Long-term bank deposits	1,669	1,659
Property, plant and equipment	1,595,659	1,637,195
Intangible assets	33,781	33,617
Goodwill	381,487	381,487
Deferred tax assets	211	100
Prepaid expenses and other non-current assets	8,504	3,306
Total non-current assets	2,021,311	2,057,364
Total assets	2,555,838	2,613,834
LIABILITIES		
Current liabilities:		
Accounts and other payables	187,968	198,076
Payables related to property, plant and equipment purchases	48,242	95,592
Accrued operating expenses	93,729	107,312
Income taxes payable	12,274	12,327
Short-term bank borrowings	224,404	212,597
Short-term amounts due to related parties	224	31
Total current liabilities	566,841	625,935
Non-current liabilities:		
Long-term borrowings	944,501	990,688
Deferred tax liabilities	32,154	38,689
Deferred government compensation for plant relocation	49,347	–
Other non-current liabilities	17,564	16,079
Total non-current liabilities	1,043,566	1,045,456
Total liabilities	1,610,407	1,671,391
EQUITY		
Share capital	873,666	873,666
Retained earnings	27,618	29,683
Other reserves	(10,852)	(13,800)
Equity attributable to equity holders of STATS ChipPAC Ltd.	890,432	889,549
Non-controlling interest	54,999	52,894
Total equity	945,431	942,443
Total liabilities and equity	2,555,838	2,613,834

STATS ChipPAC Ltd.

Other Supplemental Information

(Unaudited)

	1Q 2015	4Q 2014	1Q 2014
Net Revenues by Product Line			
Advanced Packaging [##]	49.1%	47.9%	49.1%
Wirebond Packaging	27.3%	27.6%	29.7%
Test	23.6%	24.5%	21.2%
	100.0%	100.0%	100.0%
Net Revenues by End User Market			
Communications	66.2%	67.7%	67.2%
Personal Computers	8.0%	8.4%	8.6%
Consumer, Multi-applications and Others	25.8%	23.9%	24.2%
	100.0%	100.0%	100.0%
Net Revenues by Region			
United States of America	62.6%	68.0%	65.1%
Asia	30.0%	24.3%	24.6%
Europe	7.4%	7.7%	10.3%
	100.0%	100.0%	100.0%
Number of Testers	873	880	948
Number of Wirebonders	3,402	3,512	4,118

[##] Advanced Packaging includes flip-chip and wafer level packaging.

STATS ChipPAC Ltd.
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www.statschippac.com



STATS ChipPAC Ltd.
Reg No.: 199407932D

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT

Financial Statements for the Three Months Ended 29 March 2015.
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, China, Singapore, 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 first quarter of 2015 ended on 29 March 2015, while our first quarter of 2014 and fourth quarter of 2014 ended on 30 March 2014 and 28 December 2014, respectively.

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

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	
	29 March 2015	30 March 2014
	US$'000	US$'000
Net revenues	371,080	365,476
Cost of revenues	(332,144)	(328,956)
Gross profit	38,936	36,520
Operating expenses:		
Selling, general and administrative	22,711	24,122
Research and development	8,514	9,932
Total operating expenses	31,225	34,054
Equipment impairment	—	2,261
Total operating expenses	31,225	36,315
Operating income	7,711	205
Other income (expenses), net:		
Interest income	437	562
Interest expense	(14,325)	(12,375)
Foreign currency exchange loss	(459)	(210)
Other non-operating income (expenses), net	(1,389)	9
Total other expenses, net	(15,736)	(12,014)
Loss before income taxes	(8,025)	(11,809)
Income tax benefit (expense)	7,154	(2,938)
Net loss	(871)	(14,747)
Less: Net income attributable to the non-controlling interest	(1,194)	(1,060)
Net loss attributable to STATS ChipPAC Ltd.	(2,065)	(15,807)

	Consolidated Statement of Comprehensive Income	
	Three Months Ended	
	29 March 2015	30 March 2014
	US$'000	US$'000
Net loss	(871)	(14,747)
Other comprehensive income (loss):		
Cash flow hedges	1,966	(930)
Foreign currency translation adjustment	1,893	(2,033)
Comprehensive income (loss), net of tax	3,859	(2,963)
Total comprehensive income (loss), net of tax	2,988	(17,710)
Comprehensive income (loss), net of tax attributable to:		
STATS ChipPAC Ltd.	883	(17,792)
Non-controlling interest	2,105	82
	2,988	(17,710)

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	
	29 March 2015	**30 March 2014**
	US$'000	**US$'000**
Depreciation and amortisation, including amortisation of debt issuance cost	80,421	78,952
Allowance for doubtful debts	178	1,254
Write-off for stock obsolescence	21	262
Equipment impairment	—	2,261
Gain on sale of property, plant and equipment	(255)	(78)

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	
	29 March 2015	28 December 2014	29 March 2015	28 December 2014
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Current assets:				
Cash and cash equivalents	150,665	117,456	35,987	46,911
Short-term bank deposits	44,757	66,054	—	—
Accounts receivable	221,031	238,684	89,491	90,335
Other receivables	13,479	29,479	522	346
Inventories	74,552	73,232	19,306	18,439
Assets held for sale	11,373	11,373	—	—
Prepaid expenses and other current assets	18,670	20,192	6,161	5,620
Short-term amounts due from subsidiaries	—	—	371,919	444,253
Total current assets	534,527	556,470	523,386	605,904
Non-current assets:				
Long-term bank deposits	1,669	1,659	—	—
Property, plant and equipment	1,595,659	1,637,195	586,966	589,359
Investment in subsidiaries	—	—	656,554	656,554
Intangible assets	33,781	33,617	29,648	29,170
Goodwill	381,487	381,487	—	—
Deferred tax assets	211	100	—	—
Prepaid expenses and other non-current assets	8,504	3,306	7	13
Total non-current assets	2,021,311	2,057,364	1,273,175	1,275,096
Total assets	2,555,838	2,613,834	1,796,561	1,881,000
LIABILITIES				
Current liabilities:				
Accounts and other payables	187,968	198,076	38,064	42,620
Payables related to property, plant and equipment purchases	48,242	95,592	17,546	26,917
Accrued operating expenses	93,729	107,312	32,043	36,301
Income taxes payable	12,274	12,327	—	—
Short-term bank borrowings	224,404	212,597	224,404	212,597
Short-term amounts due to related parties	224	31	224	31
Short-term amounts due to subsidiaries	—	—	30,008	27,200
Total current liabilities	566,841	625,935	342,289	345,666
Non-current liabilities:				
Long-term borrowings	944,501	990,688	790,823	863,650
Deferred tax liabilities	32,154	38,689	—	—
Deferred government compensation for plant relocation	49,347	—	—	—
Other non-current liabilities	17,564	16,079	1,100	4,627
Total non-current liabilities	1,043,566	1,045,456	791,923	868,277
Total liabilities	1,610,407	1,671,391	1,134,212	1,213,943
EQUITY				
Share capital	873,666	873,666	872,766	872,766
Retained earnings	27,618	29,683	(200,711)	(195,796)
Other reserves	(10,852)	(13,800)	(9,706)	(9,913)
Equity attributable to equity holders of STATS ChipPAC Ltd.	890,432	889,549	662,349	667,057
Non-controlling interest	54,999	52,894	—	—
Total equity	945,431	942,443	662,349	667,057
Total liabilities and equity	2,555,838	2,613,834	1,796,561	1,881,000

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.

	29 March 2015		28 December 2014	
	Secured	Unsecured	Secured	Unsecured
	US$'000	US$'000	US$'000	US$'000
(a) Repayable within 1 year	—	224,404	—	212,597
(b) Repayable after 1 year	108,551	835,950	108,551	882,137
	108,551	1,060,354	108,551	1,094,734

As of 29 March 2015, the Group's total debt outstanding consisted of $1,168.9 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 29 March 2015, long-term debts of $108.6 million were secured by certain of the Group's property, plant and equipment with net book value of $50.2 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	
	29 March 2015	30 March 2014
	US$'000	US$'000
Cash Flows From Operating Activities		
Net loss	(871)	(14,747)
Adjustments to reconcile net income to net cash provided by operating activities:		
Income tax (benefit) expense	(7,154)	2,938
Depreciation and amortisation	78,532	77,167
Gain on sale of property, plant and equipment	(255)	(78)
Equipment impairment	—	2,261
Foreign currency exchange (gain) loss	426	(395)
Interest income	(437)	(562)
Interest expense	14,325	12,375
Others	43	6
Changes in working capital:		
Accounts receivable	17,653	22,740
Inventories	(1,320)	(114)
Other receivables, prepaid expenses and other assets	25,326	(18,074)
Accounts payable, accrued operating expenses and other payables	(18,297)	(18,601)
Amounts due to related parties	193	(41)
Income tax paid	(190)	(1,702)
Net cash provided by operating activities	107,974	63,173
Cash Flows From Investing Activities		
Proceeds from maturity of bank deposits	38,986	15,212
Purchases of bank deposits	(27,575)	(22,817)
Acquisition of intangible assets	(1,127)	(1,731)
Purchases of property, plant and equipment	(84,306)	(150,783)
Interest received	664	242
Others, net	1,618	102
Net cash used in investing activities	(71,740)	(159,775)
Cash Flows From Financing Activities		
Repayment of short-term debts	(95,000)	—
Proceeds from bank borrowings	58,740	98,005
Government compensation and grants received	49,347	297
Interest paid	(16,138)	(14,195)
Net cash provided by (used in) financing activities	(3,051)	84,107
Net increase (decrease) in cash and cash equivalents	33,183	(12,495)
Effect of exchange rate changes on cash and cash equivalents	26	(17)
Cash and cash equivalents at beginning of the period	117,456	129,136
Cash and cash equivalents at end of the period	150,665	116,624

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 29 March 2015

	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$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 29 December 2014	873,666	29,683	(11,610)	(2,190)	889,549	52,894	942,443
Total comprehensive income (loss), net of tax	—	(2,065)	982	1,966	883	2,105	2,988
Balance at 29 March 2015	873,666	27,618	(10,628)	(224)	890,432	54,999	945,431

Three Months Ended 30 March 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$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 30 December 2013	873,666	51,478	(7,844)	132	917,432	53,357	970,789
Total comprehensive income (loss), net of tax	—	(15,807)	(1,055)	(930)	(17,792)	82	(17,710)
Balance at 30 March 2014	873,666	35,671	(8,899)	(798)	899,640	53,439	953,079

Statement of Changes in Equity – Company

Three Months Ended 29 March 2015

	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 29 December 2014	872,766	(195,796)	(9,733)	(180)	667,057
Total comprehensive income (loss), net of tax	—	(4,915)	—	207	(4,708)
Balance at 29 March 2015	872,766	(200,711)	(9,733)	27	662,349

Three Months Ended 30 March 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	—	(12,832)	543	766	(11,523)
Balance at 30 March 2014	872,766	(177,257)	(9,190)	467	686,786

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	
	29 March 2015	**30 March 2014**
Issued shares outstanding at 29 December 2014 and 30 December 2013	2,202,218,293	2,202,218,293
Issue of shares pursuant to share plans	—	—
Issued shares outstanding at 29 March 2015 and 30 March 2014	2,202,218,293	2,202,218,293
Performance Share Plan Award outstanding	11,193,651	7,151,199
Share Option Plan outstanding	43,145	64,692

Convertible Notes

The Group did not have any outstanding convertible notes as at 29 March 2015 and 30 March 2014.

Treasury Shares

The Group did not have any treasury shares as at 29 March 2015 and 30 March 2014.

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.

	29 March 2015	**28 December 2014**
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 by the Group's independent auditors, but have been reviewed by the Group's independent auditors in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting.

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

Please refer to the independent auditors' review report dated 21 April 2015 appended to this announcement.

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 2015:

- FRS 19: Amendment to FRS 19: Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
- Annual Improvements 2012: Amendment to FRS 2 Share Based Payment; FRS 3: Business Combinations; FRS 8: Operating Segments; FRS 16: Property, Plant and Equipment; FRS 38: Intangible Assets; FRS 24 Related Party Disclosures (effective for annual periods beginning on or after 1 July 2014)
- Annual Improvements 2013: FRS 3: Business Combinations; FRS 13: Fair Value Measurement (effective for annual periods beginning on or after 1 July 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	
	29 March 2015	**30 March 2014**
Net loss per ordinary shares attributable to STATS ChipPAC Ltd.		
- Basic	US$ (0.00)	US$ (0.01)
- Diluted	US$ (0.00)	US$ (0.01)
Ordinary shares (in thousands) used in per ordinary shares calculation:		
- Basic	2,202,218	2,202,218
- Diluted	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	
	29 March 2015	**28 December 2014**	**29 March 2015**	**28 December 2014**
Net asset value per ordinary share	US$0.43	US$ 0.43	US$0.30	US$ 0.30

The net asset value per ordinary share of the Group and the Company as at 29 March 2015 and 28 December 2014 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.

Not applicable.

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 29 March 2015 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

21 April 2015

The Singapore Code on Take-overs and Mergers

The unaudited consolidated financial statements of the Group for the three months ended 29 March 2015 have been reported on in accordance with the Singapore Code on Take-overs and Mergers.

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.

Auditors' Consent

PricewaterhouseCoopers LLP has given and has not withdrawn its consent to the reproduction in its entirety of their report on the review of the unaudited consolidated financial statements of the Group for the three months ended 29 March 2015 ("Interim Results") in this announcement of Interim Results.

APPENDIX A: Report on review of interim financial information

The extract of the review report dated 21 April 2015, on the condensed interim financial statements of the Company and its subsidiaries for the quarter ended 29 March 2015 which has been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting, is as follows:

To the Shareholders of STATS ChipPAC Ltd ("Company") and its subsidiaries ("Group")

Report on Review of Interim Financial Information
For the first quarter ended 29 March 2015

Introduction

We have reviewed the accompanying condensed statement of financial position of the Company as of 29 March 2015 and the related condensed statement of changes in equity of the Company for the three-month period then ended, the consolidated condensed statement of financial position of the Group as of 29 March 2015 and the related consolidated condensed income statement, statement of comprehensive income, changes in equity and cash flows of the Group for the three-month period then ended, and other explanatory notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Financial Reporting Standard ("FRS") 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 April 2015

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 first quarter of 2015 ended on 29 March 2015, while our first quarter of 2014 and fourth quarter of 2014 ended on 30 March 2014 and 28 December 2014, 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). 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 83.8% of the Company as of 29 March 2015. Temasek, a private limited company incorporated in Singapore, is wholly-owned by the Singapore Government through the Minister for Finance.

On 30 December 2014, JCET-SC (Singapore) Pte. Ltd. ("JCET-SC"), a subsidiary of Jiangsu Changjiang Electronics Technology Co., Ltd. ("JCET"), announced that it intends to make a voluntary conditional cash offer (the "JCET Offer") for all the shares of the Company, subject to the fulfillment or waiver of certain conditions specified in the announcement dated 30 December 2014. The Company has further announced the intention to distribute its existing investment in the Taiwan subsidiaries, STATS ChipPAC Taiwan Semiconductor Corporation and STATS ChipPAC Taiwan Co., Ltd., to the Company's shareholders by way of a capital reduction and to offer $200.0 million perpetual securities to the Company's shareholders by way of a non-renounceable rights offering.

On 1 January 2015, we announced our plan to relocate the operation of our wholly-owned 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 by the end of 2017. Total compensation amount of RMB1,026.8 million (equivalent to approximately $165.1 million) will be paid to us by the relevant People's Republic of China (PRC) authorities over several agreed upon milestones. In 2015, we expect to receive compensation of RMB513.4 million (equivalent to approximately $82.4 million). Of

the amount, RMB308.1 million (equivalent to approximately US$49.3 million) was received in February 2015 and RMB205.3 million (equivalent to approximately US$33.1 million) is expected to be received in the third quarter of 2015.

Results of Operations and Selected Data

	Three Months Ended			
	29 March 2015		30 March 2014	
	(In US$'000, except for ratio)			
		% of net revenues		% of net revenues
Net revenues	371,080	*100.0*	365,476	*100.0*
Cost of revenues	(332,144)	*(89.5)*	(328,956)	*(90.0)*
Gross profit	38,936	*10.5*	36,520	*10.0*
Operating expenses:				
Selling, general and administrative	22,711	*6.1*	24,122	*6.6*
Research and development	8,514	*2.3*	9,932	*2.7*
Operating expenses	31,225	*8.4*	34,054	*9.3*
Equipment impairment	—	*0.0*	2,261	*0.6*
Total operating expenses	31,225	*8.4*	36,315	*9.9*
Operating income	7,711	*2.1*	205	*0.1*
Other income (expenses), net:				
Interest income	437	*0.1*	562	*0.1*
Interest expense	(14,325)	*(3.9)*	(12,375)	*(3.4)*
Foreign currency exchange loss	(459)	*(0.1)*	(210)	*(0.0)*
Other non-operating income (expenses), net	(1,389)	*(0.4)*	9	*0.0*
Total other expenses, net	(15,736)	*(4.3)*	(12,014)	*(3.3)*
Loss before income taxes	(8,025)	*(2.2)*	(11,809)	*(3.2)*
Income tax benefit (expense)	7,154	*1.9*	(2,938)	*(0.8)*
Net loss	(871)	*(0.3)*	(14,747)	*(4.0)*
Less: Net income attributable to the non-controlling interest	(1,194)	*(0.3)*	(1,060)	*(0.3)*
Net loss attributable to STATS ChipPAC Ltd.	(2,065)	*(0.6)*	(15,807)	*(4.3)*

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

	Three Months Ended	
	29 March 2015	30 March 2014
	%	%
Net revenues by product line:		
Advanced packaging	49.1	49.1
Wirebond packaging	27.3	29.7
Test	23.6	21.2
	100.0	100.0
Net revenues by end user market:		
Communications	66.2	67.2
Personal computers	8.0	8.6
Consumer, multi-applications and others	25.8	24.2
	100.0	100.0

Three months ended 29 March 2015 compared to three months ended 30 March 2014

Net Revenues
We derive revenues primarily from the provision of advanced packaging, wirebond packaging and test services. Net revenues in the three months ended 29 March 2015 were $371.1 million, an increase of 1.5% compared to $365.5 million in the three months ended 30 March 2014. Revenue in the three months ended 29 March 2015 increased compared to same period in 2014 due to strength in demand for emerging market handsets as well as product ramps for new high performance smartphones and wearable devices.

In the three months ended 29 March 2015, our advanced packaging revenues increased by 1.6% to $182.1 million, compared to the same period in 2014. In the three months ended 29 March 2015, our wirebond packaging revenues decreased by 6.9% to $101.3 million, compared to the same period in 2014. The shift in demand reflected 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 29 March 2015, our test services revenue increased by 13.3% to $87.7 million, compared to the same period in 2014, due to product mix change. Our revenue from copper wirebond packaging accounted for 39.7% of our total wirebond packaging revenue in the three months ended 29 March 2015 compared to 36.5% in the same period in 2014.

Gross Profit
Gross profit in the three months ended 29 March 2015 was $38.9 million compared to $36.5 million in the three months ended 30 March 2014. Gross profit as a percentage of revenues was 10.5% in the three months ended 29 March 2015, compared to 10.0% in the three months ended 30 March 2014. Gross profit for the three months ended 29 March 2015 improved due to higher revenue and product mix change compared to the three months ended 30 March 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 $22.7 million in the three months ended 29 March 2015 compared to $24.1 million in the three months ended 30 March 2014. The decrease in selling, general and administrative expenses in the three months ended 29 March 2015 was primarily due to cost initiatives to lower headcount and lower discretionary expenses and payroll-related costs. As a percentage of revenues, selling, general and administrative expenses were 6.1% in the three months ended 29 March 2015 compared to 6.6% in the three months ended 30 March 2014.

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 $8.5 million in the three months ended 29 March 2015 compared to $9.9 million in the three months ended 30 March 2014. The decrease in research and development expenses in the three months ended 29 March 2015 was primarily due to cost initiatives to lower headcount and lower payroll-related costs. As a percentage of revenues, research and development expenses were 2.3% in the three months ended 29 March 2015 compared with 2.7% in the three months ended 30 March 2014.

Equipment Impairment
In the three months ended 30 March 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 months ended 29 March 2015.

Net Interest Income (Expense)
Net interest expense was $13.9 million in the three months ended 29 March 2015 compared to $11.8 million in the three months ended 30 March 2014. Interest income was $0.4 million in the three months ended 29 March 2015 compared to $0.6 million in the three months ended 30 March 2014.

Interest expense was $14.3 million in the three months ended 29 March 2015, compared to $12.4 million in the three months ended 30 March 2014. The increase in interest expense in the three months ended 29 March 2014 was due to higher borrowings. Total outstanding interest-bearing debt was $1,168.9 million and $1,011.9 million as of 29 March 2015 and 30 March 2014, respectively.

Foreign Currency Exchange Loss
Net foreign currency exchange loss was $0.5 million in the three months ended 29 March 2015 compared to $0.2 million in the three months ended 30 March 2014. This loss was primarily due to the fluctuations during the three months ended 29 March 2015 compared to the same period 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 $1.4 million in the three months ended 29 March 2015, compared to net other non-operating income of $0.01 million in the three months ended 30 March 2014.

Income Tax Benefit (Expense)
We recorded consolidated income tax benefit of $7.2 million in the three months ended 29 March 2015, compared to consolidated income tax expense of $2.9 million in the three months ended 30 March 2014, 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 three months ended 29 March 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 $58.0 million to $2,555.8 million as of 29 March 2015 compared to $2,613.8 million as of 28 December 2014, mainly due to a decrease in property, plant and equipment by $41.5 million, accounts receivable by $17.7 million and other receivables by $16.0 million, partially offset by an increase in cash, cash equivalents and bank deposits by $11.9 million, and prepaid expenses and other non-current assets by $5.2 million.

The Group had cash, cash equivalents and bank deposits of $197.1 million as of 29 March 2015 compared to $185.2 million as of 28 December 2014. The increase in cash, cash equivalents and bank deposits was mainly due to cash generated from operations, net of investing and financing cash flows. The increase in prepaid expenses and other non-current assets was mainly due to reclassification from current assets. The decrease in property, plant and equipment was due to depreciation of $77.6 million, partially offset by our capital expenditure of $37.0 million in the three months ended 29 March 2015. The decrease in accounts receivable as of 29 March 2015 was mainly due to timing of cash collections and decrease in sales over the three months ended 28 December 2014. The decrease in other receivables was mainly due to decrease in input tax receivable.

Total Group liabilities decreased $61.0 million to $1,610.4 million as of 29 March 2015 compared to $1,671.4 million as of 28 December 2014 mainly due to a decrease in short and long-term borrowings by $34.4 million, accounts and other payables by $10.1 million, payables related to property, plant and equipment purchases by $47.4 million, accrued operating expenses by $13.6 million, and deferred tax liabilities by $6.5 million, partially offset by an increase in deferred government compensation for plant relocation by $49.3 million. The decrease in short and long-term borrowings was mainly due to repayment of borrowings towards the end of the first quarter of 2015. The decrease in accounts and other payables was mainly due to timing of payment. The decrease in payables related to property, plant and equipment purchases was mainly due to 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 deferred tax liabilities was mainly due to recognition of tax credits. The increase in deferred government compensation for plant relocation was mainly due to recognition of cash receipt related to the relocation of our China plant.

Total shareholders' equity attributable to STATS ChipPAC Ltd. increased by $0.9 million to $890.4 million mainly due to our net loss of $2.1 million in the three months ended 29 March 2015 and other comprehensive income of $3.0 million in the three months ended 29 March 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 29 March 2015, we had cash, cash equivalents and bank deposits of $197.1 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 $586.5 million, of which $174.2 million of credit facilities and $27.0 million of other banking facilities were available as of 29 March 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 months ended 29 March 2015 were $37.0 million compared to $113.6 million in the three months ended 30 March 2014.

As of 29 March 2015, our total debt outstanding consisted of $1,168.9 million of borrowings, which included $611.2 million of our 4.5% Senior Notes due 2018, $200.0 million of our 5.375% Senior Notes due 2016, and other short-term and long-term borrowings.

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 4.5% Senior Notes due 2018. On 20 March 2013, we issued a further $255.0 million of 4.5% Senior Notes due 2018 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 4.5% Senior Notes due 2018 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 the income statement in 2013.

The aggregate principal amount of 4.5% Senior Notes due 2018 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 offer to purchase these notes at 101% of their principal amount plus accrued and unpaid interest. The consummation of the JCET Offer, if made, would constitute a change of control and trigger a change of control offer. The STATS ChipPAC consolidated group, with the exception of STATS ChipPAC Taiwan Semiconductor Corporation, is subject to certain covenant restrictions. The China Non-Guarantor Subsidiary, which is a Restricted Subsidiary as defined under these notes, is also subject to these restrictions. The covenant restrictions limit among other things, our and our Restricted Subsidiaries' 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, incur liens and encumbrances and enter into merger and consolidations.

On 12 January 2011, we issued $200.0 million of 5.375% Senior Notes due 2016 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 offer to purchase these notes at 101% of their principal amount plus accrued and unpaid interest. The consummation of the JCET Offer, if made, would constitute a change of control and trigger a change of control offer. The STATS ChipPAC consolidated group, with the exception of STATS ChipPAC Taiwan Semiconductor Corporation, is subject to certain covenant restrictions. The China Non-Guarantor Subsidiary, which is a Restricted Subsidiary as defined under these notes, is also subject to these restrictions. The covenant restrictions limit, among other things, our and our Restricted Subsidiaries' 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, incur liens and encumbrances and enter into merger and consolidations.

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 29 March 2015, we have $75.0 million outstanding under this facility. The principal and interest of the loan are payable on maturity in April 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 29 March 2015, we have $50.0 million outstanding under this facility. The principal and interest of the loan are payable on maturity in April 2015. The loan bears interest at the rate of 2% 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 post completion of construction, our South Korean subsidiary's new facility in the Incheon Free Economic Zone. As of 29 March 2015, we have $108.6 million outstanding under this facility. The principal of the loan is payable on maturity in September 2018. The interest of the loan is payable on a monthly basis. The loan bears interest at the rate of 4% 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 29 March 2015, we have $40.0 million outstanding under this facility. The principal and interest of the loan are payable on maturity in April 2015. The loan bears interest at the rate of 1% per annum.

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 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 of facility to remain at $40.0 million regardless of the exchange rate fluctuation between South Korean Won and United States dollar. As of 29 March

2015, we have $35.6 million outstanding under the Shinhan Bank revolving credit facility. The principal of the loan aggregating $19.7 million and 17.4 billion South Korean Won (equivalent to $15.9 million), is payable on maturity in September 2017 and March 2018, respectively. The interest of 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 29 March 2015, we have $9.5 million outstanding under the Hana Bank revolving facility. The principal of the loan is payable on maturity in September 2017. The interest of the loan is payable on a monthly basis. The loan bears interest at the rate of 3% per annum.

In addition to the above, as of 29 March 2015, $160.0 million, $2.7 million, $10.4 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 29 March 2015, we have outstanding loans of $60.0 million under these facilities in Singapore. The principal and interest of the loans are payable on maturity in April 2015. The loans bear interest at the rate of 1% per annum.

As of 29 March 2015, we had $378.1 million of debt outstanding under our bank facilities, a significant portion of which will become due and payable upon a change of control. As of 29 March 2015, we also have $790.8 million of debt outstanding under our 5.375% Senior Notes due 2016 and 4.5% Senior Notes due 2018. We are required to make, or another third party may make, an offer to repurchase such debt at 101% of the principal amount of such debt plus accrued and unpaid interest upon a change in 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 and, depending on market conditions, the issuance of new notes and through borrowings under new bank facilities.

We believe that our cash on hand, existing credit facilities, anticipated cash flows from operations, working capital improvements and compensation from the China plant relocation 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 5.375% Senior Notes due 2016 and $611.2 million of 4.5% Senior Notes due 2018, 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 months ended 29 March 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 $100.9 million of net revenues (representing 27.2% of our consolidated net revenues) and $2.3 million of operating loss (representing (29.3)% of our consolidated operating income of $7.7 million), respectively. As of 29 March 2015 and 28 December 2014, the Non-Guarantor Subsidiaries held $646.1 million and $632.2 million of assets (representing 25.3% and 24.2% of our consolidated total assets), respectively.

For the three months ended 29 March 2015, STATS ChipPAC Korea Ltd. generated $136.2 million of net revenues (representing 36.7% of our consolidated net revenues) and $10.5 million of operating income (representing 135.6% of our consolidated operating income of $7.7 million), respectively. As of 29 March 2015 and 28 December 2014, STATS ChipPAC Korea Ltd. held $960.3 million and $900.5 million of assets (representing 37.6% and 34.4% of our consolidated total assets), respectively.

For the three months ended 29 March 2015, the China Non-Guarantor Subsidiary generated $89.5 million of net revenues (representing 24.1% of our consolidated net revenues) and $5.7 million of operating loss (representing (74.3)% of our consolidated operating income of

$7.7 million), respectively. As of 29 March 2015 and 28 December 2014, the China Non-Guarantor Subsidiary held $523.5 million and $514.5 million of assets (representing 20.5% and 19.7% of our consolidated total assets), respectively.

As of 29 March 2015 and 28 December 2014, STATS ChipPAC Korea Ltd. had indebtedness outstanding of $153.7 million and $127.0 million and approximately $120.6 million and $152.4 million of trade payables and other liabilities outstanding, respectively.

As of 29 March 2015 and 28 December 2014, the China Non-Guarantor Subsidiary had no indebtedness outstanding and $204.2 million and $189.4 million of trade payables and other liabilities outstanding, respectively, and STATS ChipPAC Taiwan Semiconductor Corporation had no indebtedness outstanding and $7.8 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 $315.2 million as of 29 March 2015.

Contractual Obligations

Our total commitments on our loans, operating leases, other obligations and agreements as of 29 March 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)	225,000	—	—	—	225,000
Long-term bank borrowings (1)	—	45,126	108,551	—	153,677
Other non-current liabilities (2)	—	—	—	—	—
Total on balance sheet commitments	225,000	856,278	108,551	—	1,189,829
Off balance sheet commitments:					
Operating leases	32,707	29,612	11,655	87,716	161,690
Royalty/ licensing agreements	4,113	8,079	7,638	—	19,830
Purchase obligations:					
- Capital commitments (3)	39,526	—	—	—	39,526
- Inventory purchase commitments	93,153	—	—	—	93,153
- Other purchase commitments	988	—	—	—	988
Total off balance sheet commitments	170,487	37,691	19,293	87,716	315,187
Total commitments	395,487	893,969	127,844	87,716	1,505,016

Notes:

(1) Our senior notes, 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 $42.8 million, $69.0 million and $1.9 million, respectively.

(2) Our other non-current liabilities as of 29 March 2015 were $17.6 million, including $1.6 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 29 March 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 $83.6 million, respectively. Included in capital commitments as of 29 March 2015 were purchase obligations within one year of $1.9 million. We expect to incur additional facilitisation costs of approximately $1.0 million related to the expansion as of 29 March 2015. These figures are based on the prevailing South Korean Won exchange rate at the end of first 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.

We have been 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. We have sought legal advice and we believe that the claim is groundless and without merit and we intend to take all necessary steps to vigorously defend the claim, including but not limited to, a counterclaim for invalidation of the patents which we have been alleged to infringe. We do not expect this action to have a material financial impact.

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	
	29 March 2015	**30 March 2014**
	(In US$'000)	
Net cash provided by operating activities	107,974	63,173
Net cash used in investing activities	(71,740)	(159,775)
Net cash provided by (used in) financing activities	(3,051)	84,107

Cash Flows from Operating Activities

In the three months ended 29 March 2015, cash provided by operations was $108.0 million compared to $63.2 million in the three months ended 30 March 2014. Cash provided by operations is calculated by adjusting our net income (loss) by non-cash related items such as income tax expense (benefit), depreciation and amortisation, gain 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 months ended 29 March 2015, non-cash related items included $7.2 million of income tax benefit, $78.5 million related to depreciation and amortisation, $0.3 million gain from the sale of equipment, $0.4 million of foreign currency exchange loss, $0.4 million of interest income and $14.3 million of interest expense.

In the three months ended 30 March 2014, non-cash related items included $2.9 million of income tax expense, $77.2 million related to depreciation and amortisation, $2.3 million related to equipment impairment, $0.1 million gain from the sale of equipment, $0.4 million of foreign currency exchange gain, $0.6 million of interest income and $12.4 million of interest expense.

Working capital sources of cash in the three months ended 29 March 2015 included decreases in accounts receivable and other receivables, prepaid expenses and other assets, and increases in amounts due to related parties. Working capital uses of cash in the three months ended 29 March 2015 included increases in inventories and decreases in accounts payable, accrued operating expenses and other payables.

Accounts receivables as of 29 March 2015 were lower compared to 28 December 2014 due to timing of cash collections and cash realisation program. Accounts payable decreased as of 29 March 2015 as compared to 28 December 2014 primarily due to timing of purchases. Payables related to property, plant and equipment purchases decreased due to lower capital expenditures in the first quarter of 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 months ended 29 March 2015, cash used in investing activities was $71.7 million compared to $159.8 million in the same period in 2014. 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 $84.3 million in the three months ended 29 March 2015, compared to $150.8 million in the same period in 2014. In the three months ended 29 March 2015, we invested $1.1 million in the acquisition of software, licenses and other intangible assets compared to $1.7 million in the same period in 2014. In the three months ended 29 March 2015, we purchased $27.6 million of bank deposits compared to $22.8 million in the same period in 2014. In the three months ended 29 March 2015, we received

proceeds from the maturity of our bank deposits of $39.0 million compared to $15.2 million in the same period in 2014. We received $0.7 million of interest income in the three months ended 29 March 2015, compared to $0.2 million in the same period in 2014.

Cash Flows from Financing Activities

In the three months ended 29 March 2015, cash provided by (used in) financing activities was $(3.1) million, compared to $84.1 million in the same period in 2014. In the three months ended 29 March 2015, $58.7 million of bank borrowings were incurred and $95.0 million were repaid. In the three months ended 29 March 2015, we paid $16.1 million of interest expense. In the three months ended 29 March 2015, we received $49.3 million compensation related to the relocation of our China plant from the PRC authorities. In the three months ended 30 March 2014, $98.0 million of bank borrowings were incurred and no borrowings were repaid. In the three months ended 30 March 2014, we paid $14.2 million of interest expense. In the three months ended 30 March 2014, we received $0.3 million of government grants.

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APPENDIX A: Report on review of interim financial information

The extract of the review report dated 21 April 2015, on the condensed interim financial statements of the Company and its subsidiaries for the quarter ended 29 March 2015 which has been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting, is as follows:

To the Shareholders of STATS ChipPAC Ltd ("Company") and its subsidiaries ("Group")

Report on Review of Interim Financial Information
For the first quarter ended 29 March 2015

Introduction

We have reviewed the accompanying condensed statement of financial position of the Company as of 29 March 2015 and the related condensed statement of changes in equity of the Company for the three-month period then ended, the consolidated condensed statement of financial position of the Group as of 29 March 2015 and the related consolidated condensed income statement, statement of comprehensive income, changes in equity and cash flows of the Group for the three-month period then ended, and other explanatory notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Financial Reporting Standard ("FRS") 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 April 2015

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Maybank Kim Eng

16 July 2015

To: The Directors of
STATS ChipPAC Ltd.
10 Ang Mo Kio Street 65
#04-08/09 Techpoint
Singapore 569059

Maybank Kim Eng Securities Pte. Ltd.
Co. Reg. No.:197202125GN
50 North Canal Road
Singapore 059304
Telephone +65 6231 5000
www.maybank-ke.com.sg

Dear Sirs,

This letter has been prepared for inclusion in the Circular to Shareholders dated 16 July 2015 ("**Offeree Circular**") and issued by STATS ChipPAC Ltd. (the "**Company**") in connection with the voluntary conditional general offer by Deutsche Bank AG, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited and DBS Bank Ltd., acting for and on behalf of JCET-SC (Singapore) Pte. Ltd., a wholly-owned subsidiary of Suzhou Changjiang Electric Xinpeng Investment Co., Ltd (**"SCXI"**), for all the issued and paid-up ordinary shares in the capital of the Company. Unless otherwise defined or in the context otherwise requires, all terms defined in the Offeree Circular shall have the same meanings herein.

On 21 April 2015, the Company announced its reviewed first quarter 2015 financial statements for the three months ended 29 March 2015, which included an Appendix A thereto and the accompanying management discussion and analysis of the financial condition and results of operations (collectively, the "**Reviewed Interim Financial Results**"). The Reviewed Interim Financial Results are solely the responsibility of the directors of the Company ("**Directors**").

We have examined the Company's review process and have held discussions with the management of the Company on the Reviewed Interim Financial Results. We have also considered the report dated 21 April 2015 prepared by the Company's auditors PricewaterhouseCoopers LLP, and the report dated 21 April 2015 addressed to the Shareholders of the Company and its subsidiaries by the Company's Independent Auditors, PricewaterhouseCoopers LLP, in relation to its review of the Reviewed Interim Financial Results for the three months ended 29 March 2015.

In rendering our opinion, we have relied on the accuracy and completeness of all financial and other information provided to, or discussed with us and we have not verified the accuracy and completeness of such information for the purpose of rendering our opinion in this letter. Save as provided in this letter, we do not express any other opinion on the Reviewed Interim Financial Results.

Based on the above, we are of the view that the Reviewed Interim Financial Results have been prepared by the Directors after due and careful enquiry.

This letter is addressed to the Directors for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any other person (other than to the Independent Directors) in respect of, arising from or in connection with this letter.

Sincerely yours,

Maybank Kim Eng Securities Pte Ltd

Giles Ong
Regional Head of Investment Banking and Advisory

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NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

STATS ChipPAC LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199407932D)

PERFORMANCE UPDATE FOR STATS CHIPPAC GROUP

Introduction

On 26 June 2015:

(i) JCET-SC (Singapore) Pte. Ltd. announced a voluntary conditional general cash offer ("**Offer**") for all the shares in STATS ChipPAC Ltd. ("**Company**"); and

(ii) the Company announced its proposed offering of US$200,000,000 4 per cent. Perpetual Securities by way of a non-renounceable rights issue (the "**Perpetual Securities Offering**").

The Company wishes to issue this performance update (the "**Performance Update**") of the Company and its subsidiaries (collectively, the "**Group**") in connection with the Offer and the Perpetual Securities Offering.

*Unless otherwise stated, all comparisons in this announcement are made between the second quarter of 2015 ("**2Q2015**") and the first quarter of 2015 ("**1Q2015**").*

Performance Update

The Company expects the unaudited consolidated net revenues of the Group for 2Q2015 to be approximately 6% to 8% lower compared to the 1Q2015 and approximately 15% to 17% lower compared to the second quarter of 2014. This decline in net revenues reflects the generally sluggish demand in semiconductor industry, particularly from smartphones sales in emerging market, product transition in the high-end smartphones segment, and weaker demand from the personal computer segment.

This Performance Update is subject to a number of risks and uncertainties that could cause actual events and/or results to differ materially from those disclosed in this Performance Update. Net revenues for 2Q2015 have been prepared based on the actual net revenues for the two months ended 31 May 2015, and based on the estimated net revenues for the month ended 28 June 2015. Net revenues for the two months ended 31 May 2015 are based on the unaudited condensed consolidated income statement of the Group for the same period, of which the income statement has not been reviewed or audited by the auditors of the Company.

Singapore Code on Take-overs and Mergers

This Performance Update has been reported on in accordance with the Singapore Code on Take-overs and Mergers. The independent assurance report on the Performance Update dated 8 July 2015

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

(the "**Independent Assurance Report**") issued by Pricewaterhouse Coopers LLP (the auditors of the Company) ("**PWC**") and the review letter dated 8 July 2015 on the Performance Update (the "**Review Letter**") issued by Maybank Kim Eng Securities Pte. Ltd. (the independent financial adviser appointed by the Company in relation to the Offer) (the "**IFA**"), are attached to this announcement.

PWC has given and has not withdrawn its consent to the reproduction of its Independent Assurance Report in this announcement.

The IFA has given and has not withdrawn its consent to the reproduction of its Review Letter in this announcement.

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.

BY ORDER OF THE BOARD

Elaine Sin
Senior Director, Corporate Legal and Company Secretary

Singapore, 8 July 2015



STATS ChipPAC Ltd
10 Ang Mo Kio Street 65
#04-08/09 Techpoint Building
Singapore 569059

Attention: The Board of Directors

8 July 2015

Our ref : ASR/02505464-A910/DO/YTWT(14)
(When Replying Please Quote Our Reference)

Independent assurance report on the Performance Update Statement of STATS ChipPAC Ltd (the "Company") and its Subsidiaries (the "Group") for the second quarter of 2015

Dear Sirs,

In accordance with our engagement contract dated 1 July 2015, we have performed a reasonable assurance engagement as required by Rule 25 of the Singapore Code on Take-overs and Mergers (the "Code") issued by the Monetary Authority of Singapore, on the Performance Update Statement issued by the Directors of the Company (the "Performance Update") on the Singapore Exchange Securities Trading Limited on 8 July 2015. The Performance Update is prepared in connection with the voluntary conditional general offer by JCET-SC (Singapore) Pte. Ltd. of the Company ("the "Takeover Offer") and the offering by the Company to its shareholders of USD200 million perpetual securities (the "Perpetual Securities Offering"), each announced on 26 June 2015.

Management's responsibility

The Company's management is responsible for the preparation and presentation of the Performance Update in accordance with the basis as set out in the Performance Update and in accordance with the accounting policies of the Group. This includes ensuring the appropriateness of the basis, assumptions and accounting policies utilised in the preparation and presentation of the Performance Update.

Our responsibility

Our responsibility is to express a conclusion as to whether the preparation of the Performance Update is in accordance with the basis as set out in the Performance Update and in accordance with the accounting policies of the Group. We performed our work in accordance with Singapore Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information ("Standard"). This Standard requires that we comply with ethical requirements and plan and perform our work to form the conclusion. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence whether the Performance Update has been properly prepared and presented based on the basis as set out in the Performance Update and in accordance with the accounting policies of the Group. Our work includes making inquiries, primarily of persons responsible for financial and accounting matters. Our work also includes tracing the amounts on the schedule prepared by the officers of the Company to the underlying accounting records.

PricewaterhouseCoopers LLP, 8 Cross Street #17-00, PWC Building, Singapore 048424
T: (65) 6236 3388, F: (65) 6236 3300, www.pwc.com/sg GST No.: M90362193L Reg. No.: T09LL0001D

PricewaterhouseCoopers LLP (Registration No. T09LL0001D) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A). PricewaterhouseCoopers LLP is part of the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

pwc

Our ref : ASR/02505464-A910/DO/YTWT(14)
8 July 2015

We have not performed any procedures regarding the basis and assumptions and accordingly do not report on the reasonableness of the basis and assumptions or on the possibility of achievement of the Performance Update.

Actual results are likely to be different from the Performance Update since anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from the Performance Update.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of our conclusion.

Conclusion

Based on our work described in this report, the preparation of the Performance Update is, in all material aspects, in accordance with the basis as set out in the Performance Update and in accordance with the accounting policies of the Group.

Restriction on Distribution and Use

Our work in connection with the Performance Update has been undertaken solely for the purpose of reporting to the Directors of the Company for the purpose of meeting regulatory requirements applicable under the Code, and is not intended to be used or relied on for any other purpose. We do not accept any responsibility to any other person (other than to the Board of Directors as a body corporate) in respect of, arising from or in connection with this letter.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

Partner-in-charge: Deborah Ong

Maybank Kim Eng

8 July 2015

To: The Board of Directors of
STATS ChipPAC Ltd.
10 Ang Mo Kio Street 65
#04-08/09 Techpoint
Singapore 569059

Maybank Kim Eng Securities Pte. Ltd.
Co. Reg. No.:1972021256N
50 North Canal Road
Singapore 059304
Telephone +65 6231 5000
www.maybank-ke.com.sg

Dear Sirs,

On 26 June 2015, Deutsche Bank AG, Singapore branch ("**Deutsche Bank**"), China International Capital Corporation (Singapore) Pte. Limited ("**CICC**") and DBS Bank Ltd. ("**DBS**", and together with Deutsche Bank and CICC, the "**Offeror's Financial Advisers**") announced (the "**Offer Announcement**"), for and on behalf of JCET-SC (Singapore) Pte. Ltd. (the "**Offeror**"), that all of the pre-conditions set out in Schedule 1 to the pre-conditional offer announcement dated 30 December 2014 have been satisfied and accordingly, the Offeror's Financial Advisers announced the Offeror's firm intention to make the offer for all the issued and paid-up ordinary shares (excluding issued and paid-up ordinary shares held by STATS ChipPAC Ltd. (the "**Company**") as treasury shares but including shares issued and paid-up upon the valid exercise or vesting of any outstanding options granted under the STATS ChipPAC Ltd. Share Option Plan or under the STATS ChipPAC Ltd. Performance Share Plan 2013) in the capital of the Company.

On 8 July 2015, the Company announced a performance update of the Company for the three months ended 28 June 2015. The announcement contained the following statement on the performance of the Company and its subsidiaries ("**Performance Update**"):

The Company expects the unaudited consolidated net revenues of the Group for 2Q2015 to be approximately 6% to 8% lower compared to the 1Q2015 and approximately 15% to 17% lower compared to the second quarter of 2014.

We have reviewed the Performance Update and held discussions with the management of the Company on the Performance Update. We have also considered and relied on the letter dated 8 July 2015 from PricewaterhouseCoopers LLP relating to their examination of the Performance Update and the accounting policies, bases and assumptions upon which the Performance Update was prepared.

In rendering our opinion, we have relied on the accuracy and completeness of all information provided to, or discussed with us and we have not verified the accuracy and completeness of such information for the purposes of rendering our opinion in this letter. Save as provided in the letter, we do not express any other opinion on the Performance Update.

Based on the above, we are of the opinion that the Performance Update (for which the Directors are solely responsible) has been prepared by the Directors after due and careful enquiry.

This letter is addressed to the Directors for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any other person (other than to the Directors) in respect of, arising from or in connection with this letter.

Sincerely yours,

Maybank Kim Eng Securities Pte Ltd

Giles Ong
Regional Head of Investment Banking & Advisory

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All capitalised terms used in the following extracts shall have the same meanings given to them in the Articles, a copy of which is available for inspection at the registered office of the Company at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059 during normal business hours for the period which the Offer remains open for acceptance.

The rights of Shareholders in respect of capital, dividends and voting as set out in the Articles are as follows:

(a) The rights of Shareholders in respect of capital

"ISSUE OF SHARES

Issue of Shares.

4. Subject to the Statutes and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:-

no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting.

Rights of preference shareholders.

5. (A) Preference shares may be issued subject to such limitation in respect thereof as may be prescribed by any Stock Exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

Issue of further preference capital.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

Shares of a class other than Ordinary Shares.

(C) The rights attaching to shares of a class other than Ordinary Shares shall be expressed in these presents.

TREASURY SHARES

Treasury Shares.

5A. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

VARIATION OF RIGHTS

Variation of rights.

6. (A) Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

Creation or issue of further shares with special rights.

(B) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

Offer of new shares to members.

7A. Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the SGX-ST, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 7A.

Authority to issue shares.

8. (A) Notwithstanding Article 7A, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue shares (whether by way of rights, bonus or otherwise) where, unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary

Resolution or the date by which such Annual General Meeting is required to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(B) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

New shares subject to Statutes and these presents.

9. The Company may by Ordinary Resolution:-

Power to consolidate, cancel and sub-divide shares.

(a) consolidate and divide all or any of its shares;

(b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(c) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

10. (A) The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

Power to reduce share capital.

(B) The Company may, subject to and in accordance with the Statutes, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Statutes, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Statutes.

Company may acquire its own issued ordinary shares.

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.

Exclusion of equities.

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.

Redeemable preference shares.

13. Subject to the provisions of these presents and of the Statutes relating to authority and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

Unissued shares.

14. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

Power to pay commission and brokerage.

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within thirty days of the closing date of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

Renunciation of allotment.

STOCK

48. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.

Power to convert into stock.

49. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.

Transfer of stock.

50. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Rights of stockholders.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

Power of Directors to give effect to bonus issues and capitalisations.

134. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(A)):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 8(A)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 8(A)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 134(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter, on behalf of all the members interested, into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

135. In addition and without prejudice to the powers provided for by Article 134, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of the fixed dividend on any shares entitled to fixed cumulative or non-cumulative preferential dividends (including profits or moneys carried and standing to any reserve or reserves) and to apply such profits or moneys in paying up in full unissued shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

Power to capitalise profits for paying up shares to be issued under share option scheme.

WINDING UP

145. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

Voluntary winding up.

146. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Distribution of assets in specie.

147. On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the members in General Meeting. The amount of such commission or fee shall be notified to all members not less than seven days prior to the General Meeting at which it is to be considered.

Liquidators' commission.

148. In the event of a winding up of the Company every member of the Company who is not for the time being in the Republic of Singapore shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in the Republic of Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

Service of notice after winding up.

148A. The Company agrees that in the event of its Winding-Up, after payment and satisfaction of any direct, unconditional, senior and secured obligations of the Company and the Contractually Senior Obligations, distributions to the Securityholders and holders of the Parity Obligations and the Junior Obligations shall be paid, out of the assets of the Company legally available for distribution to the Securityholders and the holders of the Parity Obligations and the Junior Obligations, in the following order of preference:

Distribution in the event of Winding-Up.

first, to the Securityholders and the holders of the Parity Obligations who will be entitled to receive on a pari passu basis, and in preference to the holders of Junior Obligations, amounts owed to it, including the Redemption Price (calculated as of the date of payment); and

next, to the Securityholders and the holders of the Junior Obligations who will be entitled to receive on a pari passu basis the distribution of any remaining assets of the Company; the entitlement of all the Securityholders as a class shall be calculated based on the proportionate amount of the shareholders' equity of the Company represented by the Securities over the total shareholders' equity of the Company."

(b) The rights of Shareholders in respect of dividends

"RESERVES

122. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.

Power to carry profits to reserve.

DIVIDENDS

123. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

Dividends.

124. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Interim dividend.

125. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

Apportionment of dividends.

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

126. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

Dividend payable only out of profits.

127. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

Dividend not to bear interest.

128. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Retention of dividend.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

129. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Waiver of dividend.

129A. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.

Unclaimed dividends.

130. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Payment of dividend in specie.

131. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled

Dividends payable by cheque or warrant.

thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 133, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

Payment of dividend to joint holders.

132. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

Resolution declaring dividends.

133. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares."

(c) The rights of Shareholders in respect of voting

"NOTICE OF GENERAL MEETINGS

Notice of Meetings.

53. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of these presents and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-

(a) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all members having a right to vote at that meeting.

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which shares in the Company may be listed.

54. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

Contents of notice.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

55. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

Routine business.

(a) declaring dividends;

(b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);

(e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

(f) fixing the remuneration of the Directors proposed to be paid under Article 81.

56. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

Notice to state effect of special business.

PROCEEDINGS AT GENERAL MEETINGS

57. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

Chairman.

58. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members holding or representing in aggregate not less than 33 1/3 per cent. of the total issued and fully paid up shares in the capital of the Company, present in person or by proxy.

Quorum.

59. If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

If quorum not present, adjournment or dissolution of meeting.

60. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

Adjournment.

61. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Notice of adjournment.

62. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

Amendment to resolution.

63. (A) If required by the listing rules of the SGX-ST, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the SGX-ST).

Method of voting.

(B) Subject to Article 63(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

(a) the chairman of the meeting; or

(b) not less than five members present in person or by proxy and entitled to vote at the meeting; or

(c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member present in person or by proxy and holding not less than 10 per cent. of the total number of paid-up shares of the Company (excluding treasury shares).

64. A demand for a poll made pursuant to Article 63(B) may be withdrawn only with the approval of the chairman of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without

Taking a poll.

proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The chairman of the meeting may (and, if required by the listing rules of the SGX-ST or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

65. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands or poll takes place shall be entitled to a casting vote.

Casting vote of Chairman.

66. A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll on any question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll made pursuant to Article 63(B) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

Timing for taking poll and continuance of business after demand for a poll.

VOTES OF MEMBERS

67. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 5A each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person or by proxy shall have one vote (provided that in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

Voting rights of members.

68. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.

Voting rights of joint holders.

69. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

Voting rights of receiver or court appointed persons.

70. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

Rights to be present and to vote.

When objection to admissibility of votes may be made.

71. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

Voting.

72. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Appointment of proxies.

73. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the member is a Depositor, the Company shall be entitled and bound:-

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

Notes and instructions.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Proportion in shareholding to be represented by proxies.

(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

Proxy need not be a member.

(D) A proxy need not be a member of the Company.

Instrument appointing proxies.

74. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:-

(a) in the case of an individual, shall be signed by the appointor or his attorney; and

(b) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

(B) The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

75. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

Deposit of instrument of proxy.

76. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

Rights of proxies.

77. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Intervening death or insanity of principal not to revoke proxy.

77A. Upon the earlier to occur of the date a Step Up Event occurs and the Step Up Date, if the Company has not redeemed or otherwise repaid all of the Securities in accordance with the Conditions and by the time specified for a redemption or repayment in connection with a Step Up Event or Step Up Date under Condition 5.2, then, notwithstanding any other provision of these Articles, any activity that would require shareholder approval (whether under applicable law or under the SGX-ST listing manual rules (regardless of whether or not the Company is a SGX-ST listed company at such time)) would require the prior written approval by the Securityholders of at least a majority in aggregate Principal Amount of the Securities then outstanding but excluding any Securities beneficially owned by JCET, any party acting in concert with it or its related parties or affiliates (such Securityholders being referred to as Required Holders).

Voting rights of Required Holders.

CORPORATIONS ACTING BY REPRESENTATIVES

78. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat."

Corporation acting by representatives.