

FOR IMMEDIATE RELEASE

STATS ChipPAC's Encapsulated Wafer Level Chip Scale Package (eWLCSP™) Delivers Superior Quality Benefits

Dual benefits of superior quality and lower cost of eWLCSP™ leads to strong customer response and adoption

Singapore – 29 July 2014 – STATS ChipPAC Ltd. (“STATS ChipPAC” or the “Company” – SGX-ST: STATSchP), a leading provider of advanced semiconductor packaging and test services, today announced new quality benefits for fan-in wafer level packaging made possible by its encapsulated Wafer Level Chip Scale Package (eWLCSP™) solution. The combined benefits of superior quality, lower cost structure and the ease of conversion through a drop-in replacement have led to a strong demand for eWLCSP™ and an accelerated adoption across its customer base.

An intrinsic feature of eWLCSP™ is the thin polymer casing formed on the back and four sidewalls of the die, providing mechanical robustness and resistance to chipping, cracking and handling damage as well as improved long term reliability compared to traditional bare die WLCSP. Mechanical damage has been an ongoing quality concern for WLCSP technology, necessitating special processes such as back side coating and additional inspection steps to manage outgoing quality and ensure a defect free product. As the industry transitions to more advanced silicon (Si) node products, the fragile, exposed Si structure in traditional WLCSP is expected to become an even greater concern. These issues are addressed with eWLCSP technology.

“WLCSP is a compelling solution for space constrained mobile devices and new applications such as wearable technology. With the added inspection costs and quality issues that customers face with bare die packaging, there is a clear and immediate need for a more robust WLCSP solution. The molded eWLCSP offers just that,” said Dr. Han Byung Joon, Executive Vice President and Chief Technology Officer, STATS ChipPAC. “Instead of managing quality through inspection, customers now have the opportunity to build quality into their product by design.”

The encapsulation material that is a natural part of STATS ChipPAC's FlexLine™ manufacturing process is used to form the protective polymer casing for the eWLCSP package. This provides mechanical and optical protection for the bare die, both during shipping and handling as well as socket insertion for electrical test. In addition to eliminating localised damage such as chipping and cracking, eWLCSP provides a measurable increase in overall component strength. Bulk mechanical testing of eWLCSP has revealed an increase in component break strengths of more than 50% over traditional WLCSP structures.

Dr. Han continued, “While the reconstitution approach inherent to eWLCSP manufacturing has brought down the cost of eWLCSP below standard WLCSP, significantly lower costs can be realised with the use of a large panel format. The additional prospect of improved mechanical robustness with built in quality and a low risk, seamless conversion path from standard WLCSP has made the eWLCSP™ an even more compelling value proposition.”



STATS ChipPAC Ltd.

Company Registration No.: 199407932D

Headquarters: 10 Ang Mo Kio Street 65, #05-17/20 Techpoint,
Singapore 569059

www.statschippac.com

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; inability to consolidate our Malaysia operations into our China operations and uncertainty as to whether such plan will achieve the expected objectives and results; loss of key management or other personnel; defects or malfunctions in our testing equipment or packages; rescheduling or cancelling of customer orders; adverse tax and other financial consequences if the taxing authorities do not agree with our interpretation of the applicable tax laws; classification of our Company as a passive foreign investment company; our ability to develop and protect our intellectual property; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; majority ownership by Temasek Holdings (Private) Limited ("Temasek") that may result in conflicting interests with Temasek and our affiliates; unsuccessful acquisitions and investments in other companies and businesses; labour union problems in South Korea; uncertainties of conducting business in China and changes in laws, currency policy and political instability in other countries in Asia; natural calamities and disasters, including outbreaks of epidemics and communicable diseases; the continued trading and listing of our ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST"). You should not unduly rely on such statements. We do not intend, and do not assume any obligation, to update any forward-looking statements to reflect subsequent events or circumstances.

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.

Investor Relations Contact:

Tham Kah Locke
Vice President of Corporate Finance
Tel: (65) 6824 7788, Fax: (65) 6720 7826
email: kahlocke.tham@statschippac.com

Media Contact:

Lisa Lavin
Deputy Director of Marketing Communications
Tel: (208) 867-9859
email: lisa.lavin@statschippac.com



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Headquarters: 10 Ang Mo Kio Street 65, #05-17/20 Techpoint,
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