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# STATS ChipPAC LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199407932D)

## ANNOUNCEMENT

## CAPITAL REDUCTION AND DISTRIBUTION – COMPLETION OF INTERNAL RESTRUCTURING EXERCISE

### 1. INTRODUCTION

The board of directors (the "**Board**") of STATS ChipPAC Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to its announcements dated 30 December 2014, 30 March 2015, 5 May 2015, 3 July 2015, 8 July 2015 and 16 July 2015 and its circular to Shareholders dated 30 March 2015 (the "**Circular**") in which the Company set out details of its proposed Distribution by way of Capital Reduction involving:

(i) the Cash Distribution of US$15,000,000; and

(ii) the Distribution *in specie* of Taiwan HoldCo Shares,

each subject to certain conditions as described in the Circular.

*Unless otherwise defined herein, all capitalised terms used in this Announcement shall have the same meanings ascribed to them in the Circular and the announcements issued by the Company on 3 July 2015 and 16 July 2015.*

### 2. INTERNAL RESTRUCTURING EXERCISE

As stated in the Circular, to facilitate the Capital Reduction and Distribution, the Company intends to undertake an internal reorganisation of its Taiwan subsidiaries, being STATS ChipPAC Taiwan Semiconductor Corporation ("**SCT1**") and STATS ChipPAC Taiwan Co., Ltd. ("**SCT3**", together with SCT1, the "**Taiwan Subsidiaries**") pursuant to which the Taiwan Subsidiaries will be held by the Company through its wholly-owned subsidiary, Bloomeria Limited ("**Taiwan HoldCo**") (the "**Internal Restructuring Exercise**").

The Board wishes to announce that the Internal Restructuring Exercise was completed today. Pursuant to the Internal Restructuring Exercise:

(i) SCT3 has today repaid in full the intercompany loan extended by the Company to SCT3 of approximately US$127 million;

(ii) the Company has today entered into a share purchase agreement (the "**SCT3 SPA**") with SCT1 pursuant to which the Company transfers 70,000,000 shares in

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SCT3, being all of the shares in SCT3 in issue, to SCT1 for an aggregate cash consideration of US$15,000,000 (the "**SCT3 Transfer**"). The SCT3 Transfer was completed today; and

(iii) the Company has today entered into a share purchase agreement (the "**SCT1 SPA**") with Taiwan HoldCo pursuant to which the Company transfers 70,694,438 shares in SCT1, representing an approximate 51.9 per cent. equity interest in SCT1, to Taiwan HoldCo for an aggregate consideration of US$74,119,520 (the "**SCT1 Purchase Consideration**"), to be satisfied in full by the issue of a promissory note of US$74,119,520 (the "**Promissory Note**") by Taiwan HoldCo in favour of the Company (the "**SCT1 Transfer**"). The SCT1 Transfer was completed today.

Following the completion of the SCT1 Transfer and the SCT3 Transfer, the Company, through Taiwan HoldCo, holds an indirect interest of approximately 51.9 per cent. in SCT1, and SCT1 in turn owns all of the shares in SCT3.

## 3. PROPOSED CAPITALISATION OF TAIWAN HOLDCO

As at the date of this Announcement, Taiwan HoldCo has an issued and paid-up share capital of US$1.45 comprising two Taiwan HoldCo Shares held by the Company. As stated in the Circular, upon completion of the Internal Restructuring Exercise, the Company intends to further capitalise Taiwan HoldCo utilising the Promissory Note such that Taiwan HoldCo will have the issued and paid-up share capital equivalent to the SCT1 Purchase Consideration comprising such number of Taiwan HoldCo Shares equivalent to the number of ordinary shares in the capital of the Company (the "**Shares**") in issue as at the Books Closure Date.

The Company proposes to capitalise Taiwan HoldCo with the Promissory Note in the amount of US$74,119,518.55 in return for an aggregate of 2,202,218,291 new Taiwan HoldCo Shares (the "**Proposed Capitalisation**") on or around 31 July 2015. Subsequent to the completion of the Proposed Capitalisation, Taiwan HoldCo will have the issued and paid-up share capital of US$74,119,520 (equivalent to the SCT1 Purchase Consideration) comprising 2,202,218,293 Taiwan HoldCo Shares (equivalent to the number of Shares as at the Books Closure Date). All of the Taiwan HoldCo Shares will thereafter be distributed by the Company out of the Group pursuant to the Distribution *in specie*.

## 4. DOCUMENTS FOR INSPECTION

Copies of the SCT1 SPA and the SCT3 SPA are available for inspection during normal business hours at the Company's registered office at 10 Ang Mo Kio Street 65, #04-08/09 Techpoint, Singapore 569059 for a period of three months from the date of this Announcement.

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BY ORDER OF THE BOARD

Elaine Sin
Senior Director, Corporate Legal and Company Secretary
30 July 2015

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

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