

16 July 2015

To : Entitled Shareholders of STATS ChipPAC Ltd. (the “**Company**”) whose Securities Accounts maintained with The Central Depository (Pte) Limited (“**CDP**”) are credited with ordinary shares in the capital of the Company (“**Shares**”) as at 5.00 p.m. (Singapore time) on 13 July 2015, being the Books Closure Date

Dear Sir / Madam

CAPITAL REDUCTION AND DISTRIBUTION OF TAIWAN SUBSIDIARIES – CASH ELECTION

1. We refer to the Company’s circular to Shareholders dated 30 March 2015 (the “**Circular**”) in relation to the Capital Reduction and Distribution, and the announcement dated 3 July 2015 made by the Company (the “**BCD Announcement**”) in relation to the Books Closure Date and the entitlements of Entitled Shareholders to the Capital Reduction and Distribution. Copies of the Circular and the BCD Announcement are available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at www.sgx.com.

Unless otherwise defined, capitalised terms used in this Letter bear the same meanings ascribed to them in the Circular and the BCD Announcement.

2. Pursuant to the Capital Reduction and Distribution, as an Entitled Shareholder, you will be entitled to receive the following Basic Entitlement, for each Share held as at the Books Closure Date:

BASIC ENTITLEMENT :

**US\$0.0068113 IN CASH
AND
ONE (1) UNLISTED TAIWAN HOLDCO SHARE**

IMPORTANT NOTE: IF YOU DO NOT TAKE ANY ACTION, YOU WILL RECEIVE YOUR BASIC ENTITLEMENT – A COMBINATION OF CASH AND UNLISTED TAIWAN HOLDCO SHARES. TAIWAN HOLDCO IS NOT, AND THERE IS NO INDICATION THAT IT WILL BE, LISTED ON THE SGX-ST OR ANY OTHER STOCK EXCHANGE. AS SUCH, UNLISTED TAIWAN HOLDCO SHARES WILL NOT BE PUBLICLY TRADED.

IF YOU WISH TO RECEIVE THE FULL CASH ENTITLEMENT, PLEASE REFER TO PARAGRAPH 4 BELOW ON HOW TO EXERCISE THE CASH ELECTION (AS DEFINED BELOW).

3. To provide flexibility for Entitled Shareholders who do not wish to receive shares in an unlisted company, Entitled Shareholders will have the right to elect to receive all (and not part) of their entitlements to unlisted Taiwan HoldCo Shares in cash (the “**Cash Election**”).
4. Please find enclosed with this Letter, the Cash Election Form for the Cash Election.

Entitled Shareholders who wish to exercise the Cash Election may do so in respect of ALL (AND NOT PART) of their entitlements to unlisted Taiwan HoldCo Shares. Entitled Shareholders who exercise the Cash Election will be entitled to receive the following Full Cash Entitlement, for each Share held as at the Books Closure Date:

FULL CASH ENTITLEMENT :

US\$0.0404681* IN CASH
(*comprising (i) US\$0.0068113 in cash AND
(ii) US\$0.0336568 in cash in lieu of one (1) unlisted Taiwan HoldCo Share)

IF YOU DO NOT WISH TO HOLD UNLISTED TAIWAN HOLDCO SHARES AND WISH TO RECEIVE YOUR FULL CASH ENTITLEMENT, YOU MUST EXERCISE THE CASH ELECTION BY:

- **COMPLETING AND SIGNING THE CASH ELECTION FORM; AND**
- **RETURNING YOUR COMPLETED AND SIGNED CASH ELECTION FORM SO AS TO REACH CDP NO LATER THAN 5.00 P.M. (SINGAPORE TIME) ON 31 JULY 2015 (OR SUCH OTHER TIME AND DATE AS MAY BE ANNOUNCED BY OR ON BEHALF OF THE COMPANY) (THE “ELECTION CLOSING DATE”).**

PLEASE NOTE THAT IF YOU DO NOT EXERCISE THE CASH ELECTION AND DO NOT RETURN A VALID CASH ELECTION FORM ON OR BEFORE THE ELECTION CLOSING DATE, YOU WILL RECEIVE THE BASIC ENTITLEMENT OF CASH AND UNLISTED TAIWAN HOLDCO SHARES IN RESPECT OF THE SHARES YOU HOLD AS AT THE BOOKS CLOSURE DATE.

5. The share certificate(s) representing the relevant number of unlisted Taiwan HoldCo Shares (if applicable) and/or the cheque(s) in US dollars will be despatched to Entitled Shareholders within 15 Market Days from the Effective Date of the Capital Reduction and Distribution. The expected Effective Date of the Capital Reduction and Distribution is 5 August 2015. The aggregate cash amount represented by each cheque to be despatched to Entitled Shareholders will be adjusted by rounding down any fraction of a cent to the nearest cent, where applicable.
6. **In considering how they should exercise their rights of election pursuant to the Capital Reduction and Distribution, Entitled Shareholders should read and carefully consider (i) the Circular, in particular, the Section entitled “Risk Factors in relation to Taiwan HoldCo and the Taiwan Subsidiaries” set out in Appendix 3 to the Circular and (ii) the announcement dated 8 July 2015 made by the Company in relation to the performance update for the Taiwan Subsidiaries for the second quarter of 2015, a copy of which is available on the website of SGX-ST at www.sgx.com.**
7. **If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

Yours sincerely
STATS ChipPAC Ltd.

Any enquiries relating to this Letter and the Capital Reduction and Distribution should be directed to the following during office hours:

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IMPORTANT NOTICE

This Letter is not an offer of securities for sale in the United States or in any other jurisdiction in which the proposed offering of securities may be restricted by law. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.