



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	30 March
	2015	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
	<u>108,551</u>	<u>1,060,354</u>	<u>108,551</u>	<u>1,094,734</u>

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	30 March
	2015	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.				Non-controlling interest US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000	
Balance at 29 December 2014	873,666	29,683	(11,610)	(2,190)	889,549	942,443
Total comprehensive income (loss), net of tax	—	(2,065)	982	1,966	883	2,988
Balance at 29 March 2015	873,666	27,618	(10,628)	(224)	890,432	945,431

Three Months Ended 30 March 2014

	Attributable to equity holders of STATS ChipPAC Ltd.				Non-controlling interest US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Total equity attributable to STATS ChipPAC Ltd. US\$'000	
Balance at 30 December 2013	873,666	51,478	(7,844)	132	917,432	970,789
Total comprehensive income (loss), net of tax	—	(15,807)	(1,055)	(930)	(17,792)	(17,710)
Balance at 30 March 2014	873,666	35,671	(8,899)	(798)	899,640	953,079

Statement of Changes in Equity – Company

Three Months Ended 29 March 2015

	Attributable to equity holders of STATS ChipPAC Ltd.				Total equity attributable to STATS ChipPAC Ltd. US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve 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.				Total equity attributable to STATS ChipPAC Ltd. US\$'000
	Share capital US\$'000	Retained earnings US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve 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.....	<u>2,202,218,293</u>	<u>2,202,218,293</u>
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