

CHARTERED SEMICONDUCTOR MANUFACTURING LTD.

Statement Regarding Recent Announcement on the Update to Chartered 4Q02 Revenue Target

Chartered Semiconductor Manufacturing Ltd. (“Chartered” or the “Company”) issued this statement on September 24, 2002, in response to queries regarding its recent announcement on the update to Chartered’s fourth-quarter 2002 revenue target. This statement will provide a better understanding of the rationale and timing behind the announcement:

Chartered’s guidance policy is as follows:

1. Provide formal detailed guidance only for the current quarter.
2. Provide that guidance at the time of prior quarter earnings release (filed on MASNET)
3. Formal guidance is given on: Revenue, Average Selling Price, Utilization, Gross Profit (Loss), Net Income (Loss), and Earnings (Loss) per Share
4. Guidance update is given mid-way through the quarter via press release (filed on MASNET)

In April 2002, Chartered made shareholders aware of an internal target for 4Q revenues (revenues only.) This was not characterized as guidance since the company’s guidance visibility is limited to the current quarter. It was stated as an internal goal. Here is what Chartered has said publicly regarding this goal:

19 Apr 2002 – 1Q02 Earnings Release

“Assuming that market and customer strength continues as we now anticipate, we have set our sights on a target to achieve a fourth-quarter 2002 revenue run-rate of at least double that of first quarter 2002.”

19 Jul 2002 – 2Q Earnings Release

“We are reiterating the target, first set in April, to double revenues from the first quarter to fourth quarter of this year, even though the current market environment makes it somewhat more challenging.”

2 Sep 2002 – 3Q Mid-qtr Earnings Release

“In April, Chartered set a target to double revenues, including our share of SMP revenues, from first quarter to fourth quarter of this year. To achieve this target, revenues must grow approximately 20 percent sequentially in the fourth quarter. While the latest projections from our customer base continue to support this target, visibility into the strength of their end markets continues to be poor, and their demands could moderate. Chartered will provide specific fourth-quarter guidance in our earnings release in October.”

16 Sep 2002 – Rights Offering Announcement (In both Prospectus, and in a shorter 6 page) “Announcement”, both filed on MASNET on 16 Sep 2002)

“In April 2002, we set a target to double revenues, including our share of SMP revenues, from the first quarter to the fourth quarter of this year (SMP is a minority-owned joint venture company and therefore, under our U.S.GAAP reporting, SMP’s revenues are not consolidated). To achieve this target, revenues would need to grow approximately 20 percent sequentially in the fourth quarter. Based on reduced demand projections received from a number of our customers since our mid-quarter update on September 2, 2002, and based on commentary published in September regarding weakening end user markets, we now believe that the fourth quarter target set in April 2002 is no longer achievable. As is our normal practice, we will provide formal guidance for the fourth quarter at the time of our third quarter earnings release in October 2002.”

During the week of August 26, in preparation for the 3Q02 Mid-quarter release to be issued on September 2, 2002, in addition to reassessing 3Q02, Chartered also updated its assessment of 4Q02 revenue potential by looking both at customer demand and manufacturing capability. Customer demands as of that date still more than supported the 4Q02 revenue target, as did manufacturing capability. However, since customer demands for 4Q02 had fallen over the last quarter, Chartered thought it important to include a comment on the 4Q02 revenue target in its Mid-quarter release. The Company said: “While the latest projections from our customer base continue to support this target, visibility into the strength of their end markets continues to be poor, and their demands could moderate. Chartered will provide specific fourth-quarter guidance in our earnings release in October.”

Likewise, in preparation for the filing of the Rights Offering Prospectus on September 16, Chartered updated its assessment of 4Q02 revenue potential once again, by looking both at customer demand and manufacturing capability. During the week prior to September 16, the update of customer forecasts showed that a number of customers had lowered their 4Q02 demands and the consolidation of customer demands no longer supported the 4Q02 target. Therefore, in Chartered’s MASNET filings on 16 September, the Company highlighted this, under “Recent Financial Developments” in both the Prospectus and in a shorter 6-page announcement filed at the same time. Chartered stated: “Based on reduced demand projections received from a number of our customers since our mid-quarter update on September 2, 2002, and based on commentary published in September regarding weakening end user markets, we now believe that the fourth quarter target set in April 2002 is no longer achievable. As is our normal practice, we will provide formal guidance for the fourth quarter at the time of our third quarter earnings release in October 2002.” We did not provide specific numerical guidance because it appeared, based on the trend of downward adjustments we were seeing internally, and observing in published comments from semiconductor analysts and other semiconductor companies, that the industry was still in the process of reassessing end user demand potential for 4Q02.

In summary, the Company would like to point out that at every critical milestone, proper due diligence and assessment was completed, and the appropriate public disclosures were made.