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STATS ChipPAC LTD.

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

PROPOSED DISTRIBUTION OF TAIWAN SUBSIDIARIES AND OFFERING OF USD200,000,000 PERPETUAL SECURITIES

INTRODUCTION

STATS ChipPAC Ltd. ("**Company**") announces that it intends to:

- distribute its Taiwan subsidiaries, STATS ChipPAC Taiwan Semiconductor Corporation ("**SCT1**") and STATS ChipPAC Taiwan Co., Ltd. ("**SCT3**" and, collectively with SCT1, "**Taiwan Subsidiaries**"), to the shareholders of the Company by way of a capital reduction ("**Taiwan Capital Reduction**"); and

- offer USD200,000,000 perpetual securities ("**Perpetual Securities**") to the shareholders of the Company by way of a non-renounceable rights offering ("**Perpetual Securities Offering**"),

as more particularly described below.

RATIONALE

On 30 December 2014, JCET-SC (Singapore) Pte. Ltd. ("**Offeror**"), a subsidiary of Jiangsu Changjiang Electronics Technology Co., Ltd. (江苏长电科技股份有限公司) ("**JCET**"), announced that it intends to make a voluntary conditional cash offer ("**Offer**") for all the shares in the Company ("**Shares**"), subject to the fulfilment or waiver of certain pre-conditions specified in such announcement ("**Pre-Conditional Offer Announcement**")[1].

The Taiwan Subsidiaries are not within the scope of the Offer. They are accordingly intended to be distributed out of the Company pursuant to the proposed Taiwan Capital Reduction, which, if effected, is intended to take effect before the Offer becomes or is declared to be unconditional in all respects. The Perpetual Securities Offering is being undertaken to strengthen the Company's financial position and enable it to effect the proposed Taiwan Capital Reduction.

TAIWAN CAPITAL REDUCTION

As at the date hereof, the Company owns 51.9% of SCT1 and 100% of SCT3. Prior to the Taiwan Capital Reduction, the Company intends to undertake an internal reorganisation ("**Internal Restructuring Exercise**"), pursuant to which (subject to the approval of the Investment Commission of Taiwan):

- it will transfer all its shares in SCT3 to SCT1 for an aggregate cash consideration USD15,000,000, based on an independent valuation of SCT3 as at 24 November 2014;

[1] A copy of the Pre-Conditional Offer Announcement is posted on the SGXNet.

- it will transfer all its shares in SCT1 to a new wholly-owned Singapore subsidiary of the Company ("**NewCo**") for an aggregate consideration of USD74,119,520, based on the market capitalisation of SCT1[2], to be satisfied by the issue of new shares in NewCo to the Company; and

- the intercompany loan extended by the Company to SCT3 which is currently outstanding will be repaid in full.

Following completion of the Internal Restructuring Exercise, subject to the conditions described below, the Company intends to distribute USD15,000,000 in cash and all its shares in NewCo to the shareholders of the Company by way of a capital reduction, as at a books closure date to be determined, being a date falling before the document containing the Offer and including the forms of acceptance of the Offer ("**Offer Document**") is despatched. The Company intends to reduce its shareholders' equity by the value of the Taiwan Subsidiaries to be distributed but will not cancel any Share or reduce the number of issued Shares pursuant to the Taiwan Capital Reduction, if effected.

If the Taiwan Capital Reduction proceeds as proposed, shareholders of the Company will have a right to elect whether to receive shares in NewCo or a cash consideration representing the full value of such shares, amounting to approximately 4.05 USD cents per Share in aggregate[3]. NewCo will not be listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or any other stock exchange.

Singapore Technologies Semiconductors Pte Ltd ("**STS**"), which holds 83.8% of all the issued Shares, has, subject to certain conditions, undertaken with the Company to vote all its Shares in favour of the Taiwan Capital Reduction and to elect to take shares in NewCo in respect of all its entitlement pursuant to the Taiwan Capital Reduction, if effected.

The proposed Taiwan Capital Reduction is subject to certain conditions, including the following:

- the approval of the shareholders, by way of a special resolution, for the Taiwan Capital Reduction at an extraordinary general meeting to be convened ("**EGM**");

- the approval of the Singapore court for the Taiwan Capital Reduction;

- the lodgement of a copy of the court order approving the Taiwan Capital Reduction with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**");

- the Offeror announcing a firm intention to make the Offer by 30 June 2015; and

- the Taiwan Capital Reduction, after taking into account the issue of USD200,000,000 principal amount of the Perpetual Securities, not causing or resulting in a breach of the financing documents of the Company and its subsidiaries ("**Group**").

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[2] Based on the one-month volume weighted average price per SCT1 share of NTD33.288 and an exchange rate of USD1:TWD31.749 as of 26 December 2014.

[3] This figure is provided for illustration purposes only and is arrived at assuming that there are 2,202,218,293 Shares as at the books closure date for the Taiwan Capital Reduction and without taking into account any transaction cost relating to or in connection with the Internal Restructuring Exercise.

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In connection with the proposed Taiwan Capital Reduction, it is also proposed that the Company and the Taiwan Subsidiaries enter into a technical services agreement, pursuant to which the Taiwan Subsidiaries will provide the Company with wafer assembly and testing services for an initial period of five years.

PERPETUAL SECURITIES OFFERING

The Company proposes to undertake the Perpetual Securities Offering to strengthen its financial position and enable it to effect the Taiwan Capital Reduction. The net proceeds of the Perpetual Securities Offering will be used for the general corporate purposes of the Group, including for purposes of repaying financial indebtedness of the Group.

The Perpetual Securities will constitute direct, unconditional, senior, and unsecured obligations of the Company and rank *pari passu* with all other outstanding senior and unsecured and unsubordinated obligations of the Company, other than certain contractually senior obligations. **Schedule 1** hereto sets out the indicative terms of the Perpetual Securities.

The Company will offer the Perpetual Securities to the shareholders of the Company *pro rata* their shareholdings as at a books closure date to be determined, being a date falling before the Offer Document is despatched, by way of a non-renounceable rights offering.

The Perpetual Securities Offering is subject to certain conditions, including the following:

- the approval of the shareholders, by way of a special resolution, for certain amendments to the articles of association of the Company ("**Articles**") to reflect certain terms of the Perpetual Securities at the EGM;
- the Offeror announcing a firm intention to make the Offer by 30 June 2015 ; and
- all the conditions to the Taiwan Capital Reduction, other than the lodgement of the court order approving it with ACRA, having been fulfilled.

In connection with the proposed Perpetual Securities Offering, JCET and Jiangsu Xinchao Technology Group Co., Ltd. (江苏新潮科技集团有限公司) ("**Xinchao**") have today entered into a deed poll pursuant to which (i) JCET will guarantee the obligations of the Company in relation to the redemption of the Perpetual Securities and grant the holders of the Perpetual Securities a right to put the Perpetual Securities to JCET if the Company does not do so in connection with a trigger event (in accordance with the terms of the Perpetual Securities) and (ii) Xinchao will guarantee the obligations of JCET under the deed poll. The deed poll is subject to the completion of the issuance of the Perpetual Securities and will only be effective on the issue date of the Perpetual Securities.

STS has, subject to certain conditions, undertaken with the Company to vote all its Shares in favour of the amendment to the Articles and to subscribe for both its 83.8% *pro rata* share of the Perpetual Securities and all other Perpetual Securities not subscribed by the other shareholders of the Company, up to an aggregate maximum amount of USD200,000,000.

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THE OFFER, IF AND WHEN MADE, WILL NOT INCLUDE ANY PROPOSAL TO ACQUIRE THE PERPETUAL SECURITIES. THE OFFEROR WILL NOT BE MAKING ANY COMPARABLE OFFER FOR THE PERPETUAL SECURITIES UNDER RULE 18 OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS.

SGX-ST Waiver

Under Rule 704(25) of the Listing Manual of the SGX-ST, a listed issuer may not, after the end of its financial year, announce any rights issue or capital return unless it has announced its results for the financial year. The Company's financial year ended on 28 December 2014 ("**FY14**").

The SGX-ST has ruled that the Company may announce, in response to the Pre-Conditional Offer Announcement, the proposed Taiwan Capital Reduction and the proposed Perpetual Securities Offering after the end of FY14 and before the Company announced its results for FY14. The Taiwan Subsidiaries are not within the scope of the Offer and the Company intends to, subject to certain conditions, undertake the Taiwan Capital Reduction to distribute the Taiwan Subsidiaries out of the Group. The Perpetual Securities Offering is being undertaken to strengthen the Company's financial position and enable it to effect the proposed Taiwan Capital Reduction.

GENERAL

The Company will provide further details on the Taiwan Capital Reduction and the Perpetual Securities Offering in due course, including in the circular to shareholders seeking their approval for the Taiwan Capital Reduction and the amendment to the Articles and convening the EGM.

The eligibility of shareholders of the Company outside Singapore to receive shares in NewCo pursuant to the Taiwan Capital Reduction, if effected, or to subscribe for the Perpetual Securities pursuant to the Perpetual Securities Offering may be subject to restrictions under the laws of the jurisdictions applicable to such shareholders.

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.

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BY ORDER OF THE BOARD

Janet T. Taylor
General Counsel and Company Secretary
30 December 2014

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SCHEDULE 1

Indicative Terms of Perpetual Securities

Key Indicative Terms for Perpetual Securities

Issuer	STATS ChipPAC Ltd.
Securities	U.S.$200,000,000 4% Perpetual Securities
Status of the Securities	The Securities constitute direct, unconditional, senior, and unsecured obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves, with all other outstanding senior and unsecured and unsubordinated obligations of the Issuer, present and future, other than the Contractually Senior Obligations, save for such obligations as may be preferred by provisions of applicable law. The Securities will rank junior to the Contractually Senior Obligations. "**Contractually Senior Obligations**" means the Issuer's 5.375% Senior Notes due 2016 and 4.5% Senior Notes due 2018 (collectively, the "**Notes**"), the Bridge Facility as defined in the term sheet from DBS Bank Ltd. and agreed to by Jiangsu Changjiang Electronics Technology Co Ltd, a company organized under the laws of the People's Republic of China ("**JCET**") on 30 December 2014 ("**DBS Bridge Facility**") and the Take-out Facility as defined in the term sheet from DBS Bank Ltd. and agreed to by JCET on 30 December 2014.
Form and Denomination	The Securities will be issued in registered form in amounts of U.S.$1,000 and integral multiples of U.S.$1,000 in excess thereof.
Distributions	Subject to "Optional Deferral of Distributions", the Securities will confer a right to receive distributions (each a "**Distribution**"): (i) from the period commencing on (and including) the issue date to (but excluding) the date falling 3 years after the issue date (the "**Step Up Date**"), at 4% per annum; (ii) if the Issuer has not redeemed or repaid all of the Securities in accordance with "Optional Redemption", from (and including) the Step Up Date to (but excluding) the date falling 4 years after the issue date (the "**Reset Date**"), at 8% per annum; and (iii) if the Issuer has not redeemed or repaid all of the Securities in accordance with "Optional Redemption" after the Reset Date, the applicable rate of Distribution will increase by 1% per annum on each yearly anniversary after the Reset Date; provided that the applicable rate of Distribution will never exceed 12% per annum (the "**Maximum Rate of Distribution**"), payable annually in arrears on each anniversary of the issue date (each a "**Distribution Payment Date**") commencing on the first anniversary of the issue date.
Increase in Rate of Distribution	Following the earlier to occur of: (i) (a) the Issuer failing to comply with its obligations relating to the holders' right to appoint directors and voting rights, the Issuer's covenants set out in "Covenants", Distributions to holders, redemption and purchase of the Securities and payments in respect of the Securities and (b) all other

	obligations under the Securities; and in the case of (b), such breach continuing for a period of 30 consecutive calendar days following 15 calendar days after written notice to the Issuer by the Trustee or the Required Holders; (ii) the date on which an Indebtedness Default Event occurs, (any such event or occurrence being a "**Step Up Event**"), if the Issuer has not redeemed or otherwise repaid all of the Securities, the rate of Distribution will increase to the Maximum Rate of Distribution with effect from the next Distribution Payment Date immediately following the occurrence of the relevant Step Up Event. An "**Indebtedness Default Event**" occurs (i) if any indebtedness of the Issuer or any of its subsidiaries in respect of any borrowed moneys, other than the obligations under the Securities, is or is declared to be, or is capable of being rendered after the expiration of any applicable cure period or as may otherwise be consented to by the relevant financing party, due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due; or (ii) if the Issuer or any of its subsidiaries fails to pay when due or expressed to be due, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised.
Optional Deferral of Distribution	The Issuer may, in its sole and absolute discretion, on any day which is not less than five business days prior to any Distribution Payment Date, resolve to defer payment of any or all of the Distribution which would otherwise be payable on that Distribution Payment Date.
Arrears of Distribution	Any Distribution deferred pursuant to "Optional Deferral of Distributions" shall constitute "**Arrears of Distribution**". If the Issuer has not redeemed or otherwise repaid all of the Securities in accordance with "Optional Redemption" following the Step Up Date, all Arrears of Distribution (regardless of whether or not such Distribution is deferred on or prior to the Step Up Date) shall be cumulative and compounded, conferring the right to distributions as if it constituted the principal of the Securities at the rate of Distribution applicable for such period of Arrears of Distribution (as described in "Distributions" above) and the amount of such distributions (the "**Additional Distribution Amount**") shall be calculated by applying the applicable rate of Distribution to the amount of the Arrears of Distribution relating to such period. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distributions may be deferred.
Restricted Payments	While any Securities remain outstanding, the Issuer shall not, and shall procure that none of its subsidiaries will: (i) declare or pay any discretionary dividends, distributions or make any other discretionary payment on, and will procure that no discretionary dividend, distribution or other payment is made on any class of Junior Obligations or

	(except on a pro rata basis) Parity Obligations of the Issuer; (ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of the Junior Obligations or (except on a pro rata basis) Parity Obligations of the Issuer; or (iii) enter into, or amend or terminate, any transactions with any related parties of the Issuer that have an analogous effect as (i) and (ii) above or entering into any agreement or commitment to do any of the foregoing, unless and until in each case the Issuer is permitted to do so with the consent of the Required Holders. For the avoidance of doubt, so long as any of the Notes are outstanding, nothing shall restrict the ability of: (x) (i) any restricted subsidiary under the Notes from (a) paying dividends or making any other distributions on its capital stock to the Issuer or any of its restricted subsidiaries or paying any indebtedness owed to the Issuer or any of its restricted subsidiaries, (b) making any loans or advances to the Issuer or any of its restricted subsidiaries or (c) transferring any of its property or assets to the Issuer or any of its restricted subsidiaries, or (ii) the Issuer from redeeming the Notes in full in accordance with their terms; or (y) the Issuer from complying with any of the terms and conditions of any of the DBS Facilities outstanding from time to time. "**Junior Obligation**" means the ordinary shares of the Issuer and (i) any instrument, security or obligation issued or entered by the Issuer which ranks, or is expressed to rank, junior to the Securities; and (ii) any security guaranteed by, or subject to the benefit of an indemnity entered into by, the Issuer where the Issuer's obligations under the relevant guarantee or indemnity rank, or are expressed to rank, junior to the Issuer's obligations under the Securities. "**Parity Obligation**" means: (i) any instrument, security (including preferred stock) or obligation issued or entered into by the Issuer which ranks, or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities; and (ii) any security guaranteed by, or subject to the benefit of an indemnity entered into by, the Issuer where the Issuer's obligations under the relevant guarantee or indemnity rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Securities; provided that, for the avoidance of doubt, the Contractually Senior Obligations are not Parity Obligations.
Optional Redemption	The Issuer may at any time (including upon the occurrence of a Step Up Event or Step Up Date (each, a "**Trigger Event**")) redeem the Securities (in whole but not in part) at the principal amount of the Securities plus any accrued but unpaid Distributions, by irrevocable written notice to each of the holders specifying the date for payment of the principal (the "**Optional Redemption Date**") and the date for payment of the Distributions, which shall be no more than six months after the Optional Redemption Date (the "**Optional Distribution Date**"); provided that with respect to a redemption in connection with the occurrence of a Trigger Event, such irrevocable written notice of redemption must be provided by the Issuer to each of the holders within 30 calendar days of the occurrence of a Trigger Event specifying the

	Optional Redemption Date and the Optional Distribution Date. The Optional Redemption Date specified by the Issuer shall not be less than 30 but not more than 60 calendar days after the date of notice to holders; provided that with respect to a redemption in connection with the occurrence of a Trigger Event, the Optional Redemption Date specified by the Issuer shall not be less than 30 but not more than 60 calendar days after the occurrence of a Trigger Event. Following the Optional Redemption Date, the applicable rate of Distribution shall continue to apply to Distributions up to (but excluding) the Optional Distribution Date. If the Optional Redemption Date is a date which is on or prior to a Distribution Payment Date, the amount of Distributions payable on the Optional Distribution Date will be pro-rated up to and excluding the Optional Distribution Date.
Covenants	**Information Undertaking** The Issuer will furnish to the Trustee and each holder of the Securities: (i) as soon as they are available, but in any event within 90 calendar days (or if the Issuer ceases to be listed on the Singapore Exchange Securities Trading Limited and its successor entities (the "**SGX-ST**"), within 120 calendar days) after the end of each fiscal year, copies of audited consolidated financial statements of the Issuer and its subsidiaries in respect of such financial year (including at least a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally recognized firm of independent accountants prepared in accordance with the Singapore Financial Reporting Standards and includes statements issued by the Accounting Standards Council of Singapore (ASC) as in effect from time to time ("**SFRS**"), or if the Issuer is no longer a SGX-ST listed company, in accordance with generally accepted accounting principles of the People's Republic of China and any other generally accepted accounting principles as specified in the Issuer's Financing Documents (together, the "**Alternative GAAPs**"); (ii) as soon as they are available, but in any event within 45 calendar days after the end of each of the first three fiscal quarters of each fiscal year (or if the Issuer ceases to be listed on the SGX-ST, within 30 calendar days after the end of each of the first and third fiscal quarters of each fiscal year and within 60 calendar days after the end of the second fiscal quarter of each fiscal year), copies of unaudited quarterly consolidated financial statements of the Issuer and its subsidiaries in respect of such quarterly period or (in the case of the second quarter of each financial year) the relevant semi-annual period (including at least a statement of income, balance sheet and cash flow statement) prepared in accordance with SFRS (or, if applicable, the Alternative GAAPs), including with all required footnote disclosures, and which have been reviewed by the audit committee of the board of directors of the Issuer, or if the Issuer ceases to be listed on the SGX-ST or another stock exchange, the board of directors of the Issuer, in each case accompanied by an officers' certificate confirming that such financial statements have been prepared in accordance with SFRS (or, if applicable, the Alternative GAAPs); and

	(iii) (A) with each set of financial statements in accordance with clauses (i) and (ii) above and at any other time within 30 calendar days of the written request of the Trustee an officers' certificate confirming no Step Up Event has occurred; and (B) as soon as possible and in any event within 14 calendar days after the Issuer becomes aware of the occurrence of a Step Up Event, an officers' certificate setting forth the details of the Step Up Event, as the case may be, and the action which the Issuer proposes to take with respect thereto, and the Trustee shall be entitled to accept such certificate as sufficient evidence thereof. **Related Party Transactions** The Issuer shall disclose its related party transactions to the holders of the Securities follows: (i) for so long as the Issuer is listed on the SGX-ST or another stock exchange, it will follow the rules of that exchange relating to what types of related party transactions need to be disclosed, and the nature and timing of any such disclosures; and (ii) if the Issuer is not so listed, then it will nonetheless continue to follow the rules of the SGX-ST relating to what types of related party transactions need to be disclosed, and the nature and timing of any such disclosures, unless JCET would also be required to report the relevant related party transaction in accordance with the rules of the Shanghai Stock Exchange ("**SSE**"), in which case the Issuer can elect to follow the timing (but not the other, unless required to do so by the SSE) requirements of that exchange relating to disclosure to the holders of the Securities. **Financial Covenants in Financing Documents** The Issuer shall be required to comply with all financial maintenance and incurrence covenants in its Financing Documents from time to time outstanding; it being understood and agreed, that the notice and cure periods in such Financing Documents applicable to such covenants, together with any related waivers or consents relating thereto granted by the relevant lenders under such documents, shall also be equally applicable to the Issuer in determining whether the Issuer has complied with the terms of this covenant. "**Financing Documents**" means any and all agreements, arrangements or undertakings of the Issuer or any of its subsidiaries pursuant to which any of them has incurred indebtedness for borrowed moneys (including any guarantee or indemnity for borrowed moneys).
DBS Bridge and Refinancing	The Issuer has agreed that it shall use commercially reasonable efforts to redeem the Securities at the time of the refinancing of the DBS Bridge Facility; *provided* however that its inability to do so shall not be treated as a breach of its obligations under the Securities nor constitute a Step Up Event.
Right to Appoint Directors and Voting Rights	The Issuer covenants to provide the Required Holders with the right from time to time, by written notice to the board of directors of the Issuer, to appoint such number of directors to the board of directors of the Issuer as is equal to the proportion of the principal of all Securities outstanding at such time to the total indebtedness for borrowed moneys under its Financing Documents

	(excluding any such indebtedness owed to JCET, any party acting in concert with it or its related parties or affiliates) as of the date of the last financial statements delivered under "Covenants" upon the earlier to occur of the date a Step Up Event occurs and the Step Up Date, if the Issuer has not previously redeemed or otherwise repaid all of the Securities. In making this determination, the number of directors (i) will be rounded down to the nearest whole number, provided that in any such case the holders will be entitled to appoint at least one director and (ii) will always be less than the majority of directors. Upon such appointment, such holders agree not to change any of the Issuer's existing corporate governance procedures to provide any such appointees with disproportional voting rights. The Issuer acknowledges and agrees that, upon the earlier to occur of the date a Step Up Event occurs and the Step Up Date, if the Issuer has not redeemed or otherwise repaid all of the Securities, then any activity that would require shareholder approval (whether under applicable law or under the SGX-ST listing manual rules (regardless of whether or not the Issuer is a SGX-ST listed company at such time)) would require the prior written approval by the holders of at least a majority in aggregate principal amount of the Securities then outstanding but excluding any Securities beneficially owned by JCET, any party acting in concert with it or its related parties or affiliates (such holders being referred to as "**Required Holders**").
Holder Put and Guarantee	In the event the Issuer does not redeem all of the Securities in accordance with the conditions and by the time specified for a redemption or repayment in connection with a Trigger Event, each holder of the Securities shall have the right to require (i) JCET to purchase all of the Securities held by the holder at a price equal to the Redemption Price of such Securities or (ii) JCET, pursuant to a guarantee, to pay to the holder the Redemption Price, in each case, by (a) the time specified for a redemption or repayment by the Issuer in connection with a Trigger Event (that is, in the case of the principal amount, within 60 calendar days after the occurrence of a Trigger Event or in the case of the Distributions (including any Arrears of Distributions and Additional Distribution Amount), within six months after the due date for the payment of the principal amount) or (b) if later, a date that is 15 calendar days after JCET's receipt of a demand notice by the holder. "**Redemption Price**" means the principal amount of the Securities plus any accrued but unpaid Distributions (including any Arrears of Distributions and Additional Distribution Amount) in respect of the Securities held by such holder. Jiangsu Xinchao Technology Group Co., Ltd. ("**Xinchao Group**") has also agreed to guarantee in favour of the holders the performance of JCET's foregoing obligations and to pay the Redemption Price in the event JCET fails to do so. The foregoing undertaking and guarantee will be provided for the benefit of holders in a deed poll undertaking and guarantee executed by JCET and Xinchao Group in favour of the holders for the time being, to be effective on the issue date of the Securities.
Proceedings for Winding-Up and	If (a) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or (b) the Issuer elects to redeem or otherwise repay all of the

Liquidation Preference	Securities, but fails to do so in accordance with "Optional Redemption", the Issuer shall be deemed to be in default and the Trustee or the Required Holders may institute proceedings for the Winding-Up of the Issuer, and/or prove in the Winding-Up of the Issuer, and/or claim in the liquidation of the Issuer, for such payment. The Issuer agrees that in the event of its Winding-Up, after payment and satisfaction of any direct, unconditional, senior and secured obligations of the Issuer and the Contractually Senior Obligations, distributions to the holders of the Securities and holders of the Parity Obligations and the Junior Obligations shall be paid, out of the assets of the Issuer legally available for distribution to the holders of the Securities and the holders of the Parity Obligations and the Junior Obligations, in the following order of preference: *first*, to the holders of the Securities and the holders of the Parity Obligations who will be entitled to receive on a *pari passu* basis, and in preference to the holders of Junior Obligations amounts owed to it, including the Redemption Price (calculated as of the date of payment); and *next*, to the holders of the Securities and the holders of the Junior Obligations who will be entitled to receive on a *pari passu* basis the distribution of any remaining assets of the Issuer; the entitlement of all the holders of the Securities as a class shall be calculated based on the proportionate amount of the shareholders' equity of the Issuer represented by the Securities over the total shareholders' equity of the Issuer. "**Winding-up**" means with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership, insolvency or similar proceedings in respect of the Issuer.
Taxation	All payments in respect of the Securities by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction is required by law. In the event where such withholding or deduction is made by the Issuer, the Issuer shall pay such additional amount as will result in receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required. The Securities may be issued as a Qualifying Debt Securities ("**QDS**") for the purposes of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"). Where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS (subject to certain conditions) under the ITA, shall not apply if such person acquires the Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income

	made under the ITA.
No Further Issues	The Issuer shall not create and issue any further Securities following the issue date.
Modification, Amendment and Supplement	Any modification, amendment or supplement to the conditions of the Securities shall require the consent of the holders of at least 75% in aggregate principal amount of the Securities then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities).
Governing Law	The Securities will be governed by, and construed in accordance with, the laws of Singapore.
Trustee, Principal Paying Agent, Transfer Agent and Registrar	A trustee, principal paying agent, transfer agent or registrar will be appointed at the time of the issuance of the Securities.