

PB International B.V.
(the "Company")

US\$171,078,000 7.625% Senior Notes due December 31, 2025 (ISIN No. XS1555631925)
(the "Notes")

UPDATE ON PROPOSED KEY RESTRUCTURING TERMS

The Company refers to the Notes and the Company's earlier announcements dated 18 October 2024, 29 October 2024 and 13 November 2024.

Unless otherwise expressly defined, terms used herein shall have the meaning given to them in the Notes indenture originally dated January 26, 2017 (as amended and restated by a supplemental indenture dated June 30, 2022) and the Company's previous announcements.

1. Composition plans

As mentioned in the Company's previous announcements, Pan Brothers has been working with its advisors and the administrators to formulate a composition plan in the best interest of all stakeholders and has also been engaging with key stakeholders, including holders of the Notes and/or their representatives on the Company's proposal.

The Company has, on 19 November 2024, provided copies of the composition plans proposed in respect of both PKPU cases (as referred to in the Company's announcement dated 18 October 2024) to the administrators. Copies of the same have also been distributed to holders of the Notes together with a consent solicitation notice issued via the relevant clearing systems. Holders of the Notes are invited to consent to the composition plans and are requested to follow the instructions set out in such consent solicitation notice which set out how consents can be submitted.

The composition plans will be voted on at creditors' meeting before the Commercial Court of Central Jakarta, currently fixed for 29 November 2024, in accordance with the process outlined in Indonesian Debt Suspension and Bankruptcy Law No. 37 of 2004.

Copies of the composition plans can be obtained upon request from the Company via e-mail at corpsec@pbrx.co.id, or from the Company's financial advisors, AJ Capital Advisory via e-mail at panbrothers2024@ajcapital.co.id.

2. Pan Brothers' position on the composition plans

PT Pan Brothers Tbk and its subsidiaries ("**PBRX**" or the "**Group**") has put forward a restructuring plan that is both deep and necessary.

Without this restructuring the Group will not be able to continue operations, and while many creditors have asked for more time to discuss the terms of the composition plans, this is not possible. There are three reasons for this.

Firstly, management believes they have presented a plan that is viable, and which can put PBRX on a path to sustained recovery. It is the firm view of management that any further changes in commercial terms would be difficult to meet and would lead to the ultimate failure of PBRX with in the foreseeable future.

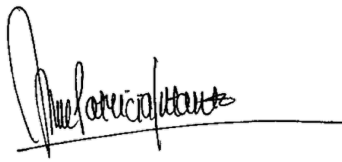
Secondly, this is the time of year for committing sales for the fall / winter 2025 season. Unless a reasonable amount of sales can be committed now the Group's performance in 2025 will be substantially worse than currently projected, increasing the risk of default.

Lastly, very recently there have been changes in labour law and regulations in Indonesia which have been heavily discussed and analyzed in the media. These probable changes will increase the labour costs for the Group's factories by a material amount and have not been included in the forecasts used to prepare the composition plans.

It is for these reasons that management believe that the composition plans as presented are final and the best that can be offered. Whilst management understands that creditors may not be wholly satisfied with the terms proposed, the same can be said of the current shareholders who are facing dilution of at least 55% by new shares to be issued under mandatory convertible bonds proposed to be issued under the composition plans.

Given this situation, management must consider all possibilities, however unpleasant some may be. Accordingly, management is working out contingency options should the creditors decide to reject the offer made to them. Key management concerns in such an outcome include the livelihood of the more than 27,000 employees and the completion of committed orders for its long standing and loyal customers. This planning includes discussions with the court appointed administrators and independent apparel manufacturers. That said management encourages creditors to carefully consider the offer that has been made, as they believe it is the best they can offer and any material changes could lead to an unsustainable plan.

Dated 21 November 2024

A handwritten signature in black ink, appearing to read 'Anne Patricia Sutanto', is written over a horizontal line.

Anne Patricia Sutanto
Managing Director