

Global A&T Electronics Ltd. Reaches Comprehensive Restructuring Agreement with All Stakeholders

Cayman Islands, November 2, 2017 -- Global A&T Electronics Ltd. (the "Company") announced today that on November 2, 2017, it entered into a Global Settlement, Forbearance, and Restructuring Support Agreement (the "RSA") with its key stakeholders regarding the material economic terms of a consensual restructuring that will strengthen the Company's capital structure while enabling its day-to-day business operations to continue without disruption.

The material terms of the proposed restructuring, which are detailed in the RSA, are supported by: (1) approximately 87% of the holders of the Company's 10% Senior Secured Notes due in 2019 issued in February 2013 (the "Initial Notes"); (2) approximately 83% of the holders of the Company's 10% Senior Secured Notes due in 2019 issued in November 2013 (the "Additional Notes"); and (3) the Company's existing equity sponsors.

"We are very pleased to secure support for the agreement from more than 85% of all of our noteholders. This is the result of hard work and compromise from all parties. The agreement when implemented will reduce the company's debt principal by nearly 40% and halve our annual interest expenses. This is a very positive step for UTAC. The restructuring, which is expected to close by end of the year will significantly strengthen the Company's capital structure. The consolidation of GATE with its sister company, UMS, as part of the restructuring will also enable us to reap greater operational synergies to better serve our customers," said Dr. W. John Nelson, Chief Executive Officer of the Company.

Consummation of the restructuring (the implementation of which will proceed in accordance with the RSA with the Company's stakeholders) will be subject to execution of certain other definitive documentation (including a new shareholder agreement) and receipt of any necessary governmental or court approvals under applicable law, typical for this type of financial restructuring. During the implementation of the restructuring transaction, there will be no impact on the Company's operations or its ability to fulfill customer, supplier, employee, and other contractual operations

The proposed restructuring's material economic terms contemplate the following:

- On the effective date, the Company's equityowner, UTAC Holdings Ltd. ("UTAC"), will contribute UTAC Manufacturing Services Pte. Ltd. ("UMS") to the reorganized Company or otherwise cause that entity to guarantee the New Secured Notes (as defined below).
- The holders of the Initial Notes will receive approximately \$540 million of the principal amount of the first lien senior secured notes issued by the Company (the "New Secured Notes"). The notes will bear interest at 8.5% per year, have a 5-year tenor, and start accruing interest as of January 1, 2018 (unless the transaction closes earlier, in which case the notes will accrue interest as of closing).
- In addition, the holders of the Initial Notes represented by Lowenstein Sandler LLP in litigation pending before the Supreme Court of the State of New York (the "2014 N.Y. Action") as of September 10, 2017, will receive approximately \$15 million of additional New Secured Notes and approximately \$5 million in cash.

- Further, the other holders of the Initial Notes will receive approximately \$5 million of additional New Secured Notes and approximately \$5 million in cash.
- Holders of the Additional Notes will receive in the aggregate approximately \$110 million in New Secured Notes and 31% of the common equity of UTAC, which equity interests will be subject to dilution by UTAC's management equity incentive plan. Of that approximately \$110 million of New Secured Notes, a holder of Additional Notes that is an affiliate of one of the Company's equity sponsors (the "Affiliate Noteholder") has agreed that the Company will distribute \$5 million of the New Secured Notes that would otherwise be distributed on the effective date to the Affiliate Noteholder to the other holders of Initial Notes as set forth above. In addition, the unaffiliated holders of Additional Notes, in their capacity as shareholders of UTAC, will receive certain minority shareholder protections.
- The consummation of the restructuring, including the contribution of the UMS business, will be subject to dismissal with prejudice of the 2014 N.Y. Action, the 2017 action commenced by certain Initial Noteholders, and all related lawsuits by all other holders of Initial Notes and approval of releases of, and an injunction with respect to, any and all claims and causes of action asserted by all third parties against GATE and its equity sponsors and each of their respective affiliates, whether in connection with the foregoing or otherwise.

Consummation of the restructuring will permit the Company to reduce its approximately \$1.12 billion funded debt to a total of \$665 million and reduce its annual debt service by nearly half, to approximately \$56.5 million.

The RSA requires the Company to solicit votes from all holders of Initial Notes and Additional Notes in the near future, and to thereafter implement the restructuring through an expedited, prepackaged debt reorganization proceeding in the Southern District of New York.

Prior to the date hereof, the Company executed confidentiality agreements with certain holders of the Notes to facilitate discussions with those parties regarding the terms of a restructuring plan to address the Company's capital structure. Pursuant to those confidentiality agreements, the Company agreed to disclose publicly after the expiration of a period set forth in the confidentiality agreements a description of the discussions or negotiations that have taken place between the Company and the Noteholders party thereto concerning a restructuring of the Company, as well as certain confidential information concerning the Company that the Company has provided to the Noteholders. The information included as an exhibit to this press release and certain information posted on the Company's investor website referenced herein is being furnished to satisfy the Company's public disclosure obligations under the confidentiality agreements.

The Company is represented by Kirkland & Ellis as legal counsel, Moelis & Company as investment banker, and Alvarez & Marsal as financial advisor.

An ad hoc group of consenting initial noteholders is represented by Milbank, Tweed, Hadley & McCloy, LLP as legal counsel and PJT Partners as investment banker.

A second ad hoc group of consenting initial noteholders is represented by Dechert LLP as legal counsel.

An ad hoc group of additional noteholders is represented by Ropes & Gray LLP as legal counsel and Houlihan Lokey as financial adviser.
