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Rock International Investment Inc.

磐石国际投资股份有限公司

(Incorporated in the British Virgin Islands with limited liability)

INSIDE INFORMATION ANNOUNCEMENT

**PROPOSED RESTRUCTURING OF
US\$300,000,000 6.625% GUARANTEED SENIOR NOTES DUE 2020
(SECURITY NAME: ROCK INTL US\$300M6.625%200327)
ISSUED BY ROCK INTERNATIONAL INVESTMENT INC.**

Pursuant to an indenture dated 27 March 2017 entered into between Rock International Investment Inc. (磐石国际投资股份有限公司) (the “**Company**”) as issuer, Shandong Yuhuang Chemical Co., Ltd. as guarantor and Citicorp International Limited as trustee, the Company issued US\$300,000,000 6.625% guaranteed senior notes (the “**Notes**”), which became due on 27 March 2020. As of the date hereof, the Company has not paid the amounts due in respect of the Notes.

Over the last few months, the Company and various of its creditors, stakeholders and respective advisors, have been in constructive dialogue and have worked expeditiously to agree on a restructuring of its indebtedness. Substantial progress has been made with a number of major holders of the Notes on the terms of a financial restructuring of the Company. These have culminated an in-principle agreement on the terms of the restructuring of the Notes (the “**Proposed Restructuring**”).

The Company is therefore pleased to announce the terms of the Proposed Restructuring, together with the restructuring support agreement (the “**RSA**”) which the Company intends to enter into with the holders of the Notes to support the implementation of the Proposed Restructuring. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the RSA.

The Proposed Restructuring

The terms of the Proposed Restructuring are set out in the section headed “Term Sheet” in Schedule 5 to the RSA (the “**Term Sheet**”). Certain number of holders of the Notes have indicated their support for the Proposed Restructuring as set out in the Term Sheet. As at the date of this announcement, the holders of approximately US\$227 million in outstanding

principal amount of the Notes, representing over 75% by value of the Notes, have signed and are bound by the terms of the RSA.

The Proposed Restructuring is expected to be implemented through a scheme of arrangement in the British Virgin Islands (the “**Scheme**”), together with any ancillary recognition proceedings in the relevant jurisdiction for the purposes of obtaining cross border relief where applicable (together, the “**Restructuring Proceedings**”). A Scheme of Arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” which has been voted upon by the relevant classes of creditors and approved by the required majorities, it is not an insolvency procedure. The Company expects to commence the process of implementing the Proposed Restructuring on terms set forth in the RSA as soon as possible.

The RSA

A copy of the RSA is attached hereto as Exhibit A and available for download at <https://bonds.morrowsodali.com/yuhuang>.

The Term Sheet is attached as Schedule 5 to the RSA. The RSA forms the basis for the implementation of the Proposed Restructuring.

Under the terms of the RSA, among other things:

- (a) the Company undertakes to the Consenting Creditors to implement the Proposed Restructuring and the Scheme in the manner envisaged by, and on the terms and conditions set out in the RSA and the Term Sheet and use its best endeavours to procure that Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date.
- (b) each Consenting Creditor undertakes in favour of the Company that it will, among others:
 - (i) vote and deliver within any applicable time periods any proxies, instructions, directions or consents in respect of all Notes in which it holds a beneficial interest as principal, including (without limitation) to vote in favour of the Scheme in respect of the aggregate outstanding principal amount of all Notes in which it holds a beneficial interest as principal at the Voting Record Time (as set out in its Account Holder Letter) at the Scheme Meeting;
 - (ii) not take, commence or continue any Enforcement Action, whether directly or indirectly, to delay the Scheme Effective Date, interfere with the implementation of the Proposed Restructuring and/or the Scheme or the consummation of the transactions contemplated thereby; and
 - (iii) not object to the Scheme or any application to the Court in respect thereof or otherwise commence any proceedings to oppose or alter any Scheme Document filed by the Company in connection with the confirmation of the Proposed Restructuring, except to the extent that

such Scheme Document is materially inconsistent with the terms as set out in the Term Sheet.

Each Consenting Creditor who has signed or accedes to the RSA by the Consent Fee Deadline (being 5:00 p.m. Hong Kong time on 11 November 2020) will, subject to the terms of the RSA, receive a cash Consent Fee in an amount equal to:

- (a) the aggregate principal amount of its Eligible Notes; *divided by*
- (b) the aggregate principal amount of the Eligible Notes held by all Eligible Creditors collectively; *multiplied by*
- (c) US\$1.5 million.

The Consent Fee shall be payable on the Restructuring Effective Date, provided that the Consenting Creditor has, amongst other things, voted in favour of the Scheme at the Scheme Meeting.

In order to receive the Consent Fee, each Scheme Creditor, must, among other things:

- (a) enter into the RSA or accede to the RSA by executing the Accession Deed (in the form set out in Schedule 3 to the RSA) and the Restricted Notes Notice (in the form set out in Schedule 4 to the RSA); and
- (b) deliver both the Restricted Notes Notice and Accession Deed to the Company's information agent, Morrow Sodali Limited (the "**Information Agent**").

The Information Agent will compile the executed Restricted Notes Notice and Accession Deed and is available to answer any questions on the process.

The Practice Statement Letter

A copy of the practice statement letter is attached hereto as Exhibit B and available for download at <https://bonds.morrow sodali.com/yuhuang>.

The Company has issued a practice statement letter relating to the Scheme, the purpose of which is to inform creditors of:

- (a) the Company's intention to propose the Scheme to certain creditors of the Company;
- (b) the Company's intention to apply to The Eastern Caribbean Supreme Court, High Court of Justice in the British Virgin Islands (the "**BVI Court**") to seek orders permitting it to convene a single meeting of Scheme Creditors (the "**Scheme Meeting**") for the purpose of considering and, if thought fit, approving with or without modification, the Scheme;
- (c) The objectives which the Scheme is designed to achieve; and
- (d) The composition of the class of Scheme Creditors who will be eligible to attend and vote, either in person or by proxy, at the Scheme Meeting.

The objective of the Scheme Meeting is to enable the Scheme Creditors to consider and, if thought fit, approve the Scheme with or without modification. The Company anticipates that the Scheme Meeting will be held on 11 December 2020.

The convening hearing in respect of the Scheme (the “**Convening Hearing**”), at which orders will be sought to: (i) approve the Explanatory Statement (as defined below) and other documentation supporting the Scheme; and (ii) convene the Scheme Meeting, is expected to be listed in the BVI Court on 12 November 2020 (BVI time). A further notice will be sent to the Scheme Creditors once the date and time of the Convening Hearing has been confirmed by the BVI Court.

After the Convening Hearing, Scheme Creditors will be provided with certain documents in connection with the Scheme (the “**Scheme Documentation**”). The Scheme Documentation will comprise, inter alia, (a) a copy of the Scheme and (b) the explanatory statement required to be provided pursuant to section 179A of the BVI Business Companies Act 2004 (which will include a notice setting out the relevant details for the Scheme Meeting) (the “**Explanatory Statement**”).

Any requests for information can be directed to the Information Agent, Company’s financial and legal advisors:

Morrow Sodali Limited, as Information Agent

Email: yuhuang@investor.morrowsodali.com

Telephone: in Hong Kong +852 2158 8405

in London: +44 204 513 6917

in Stamford: +1 203 609 4910

Attention: Debt Services Team

Admiralty Harbour Capital Limited, as Company’s Financial Advisor

Address: Suite 1702, Prosperity Tower

39 Queen’s Road Central

Central, Hong Kong

Email: yuhuang@ahfghk.com

Harney Westwood & Riegels, as Company’s Legal Advisors

Address: Craigmuir Chambers

PO Box 71, Road Town

Tortola VG1110, British Virgin Islands

Email: chai.ridgers@harneys.com / stuart.cullen@harneys.com

Investors are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board

Rock International Investment Inc.

磐石国际投资股份有限公司

WANG Jinshu

Director

29 October 2020

EXHIBIT A
RESTRUCTURING SUPPORT AGREEMENT

DATED 29 OCTOBER 2020

ROCK INTERNATIONAL INVESTMENT INC.
(磐石国际投资股份有限公司)

as Issuer

SHANDONG YUHUANG CHEMICAL CO., LTD.
(山东玉皇化工有限公司)

as Parent Guarantor

and

THE INITIAL CONSENTING CREDITORS

RESTRUCTURING SUPPORT AGREEMENT

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THIS RESTRUCTURING SUPPORT AGREEMENT (the “**Agreement**”) is dated 29 October 2020.

THE PARTIES:

- (1) **ROCK INTERNATIONAL INVESTMENT INC.** (磐石国际投资股份有限公司), a company incorporated with limited liability under the laws of the British Virgin Islands (the “**Issuer**”).
- (2) **SHANDONG YUHUANG CHEMICAL CO., LTD.** (山东玉皇化工有限公司), a company incorporated with limited liability under the laws of the People’s Republic of China (the “**Parent Guarantor**”).
- (3) **THE INITIAL CONSENTING CREDITORS** listed in Schedule 1 (the “**Initial Consenting Creditors**” and, together with any Additional Consenting Creditors (following their accession hereto), the “**Consenting Creditors**”).

THE BACKGROUND:

- (A) The Issuer wishes to implement the Restructuring via the BVI Scheme.
- (B) Each Consenting Creditor is a contingent creditor of the Issuer by virtue of holding a beneficial interest as principal in the Notes.
- (C) The BVI Scheme will be structured as a compromise between the Issuer and those persons who hold a beneficial interest as principal in the Notes at the Distribution Record Time. In order to be presented for sanction by the BVI Court, the BVI Scheme must first be approved by a majority in number of creditors representing at least seventy-five percent (75%) by value of the same that are present and voting (in person or by proxy) at the Scheme Meeting.
- (D) Each Consenting Creditor is entering into this Agreement to enable the BVI Scheme to proceed with an enhanced prospect of success on the terms and conditions set out in this Agreement.

THE OPERATIVE PROVISIONS:

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, each word, phrase or expression shall (unless the context otherwise requires) bear the meaning attributed to it in Part A of Schedule 2.
- 1.2 Save as otherwise expressly provided, the principles of interpretation set out in Part B of Schedule 2 shall be applied in construing the provisions of this Agreement.

2. RESTRUCTURING SUPPORT

- 2.1 Each Consenting Creditor hereby confirms that it shall utilise its beneficial interest in the Notes to approve and fully support the Restructuring and the BVI Scheme on the terms and subject to the conditions set out in this Agreement.
- 2.2 This Agreement sets out the Parties’ entire understanding of the Restructuring and supersedes any previous agreement between any of the Parties with respect to the Restructuring, but save as expressly set out herein, shall be without prejudice to any of the Existing Finance Documents or the rights and remedies of the Consenting Creditors as set out therein.

- 2.3 Subject to the terms of this Agreement, the Existing Finance Documents shall continue in full force and effect in accordance with their respective terms.

3. UNDERTAKINGS

- 3.1 Subject to Clause 3.2, and in consideration for the compliance by the Issuer and the Parent Guarantor with their respective obligations under Clause 3.3, each Consenting Creditor irrevocably undertakes in favour of the Issuer that it will:

- (a) prepare, review, negotiate and finalize (as applicable), in each case in good faith, the Scheme Document and any and all other documents required to implement the Restructuring, such that they are consistent in all material respects with the terms set out in the Term Sheet;
- (b) take all such actions as are necessary or appropriate to:
 - (i) cause its Account Holder to submit to the Information Agent a duly completed Account Holder Letter, including a valid Accession Code, in respect of the outstanding principal amount of the Notes in which it holds a beneficial interest as principal by no later than the Voting Record Time for the BVI Scheme;
 - (ii) attend the Scheme Meeting either in person or by proxy; and
 - (iii) vote and deliver within any applicable time periods any proxies, instructions, directions or consents in respect of all Notes in which it holds a beneficial interest as principal, including (without limitation) to vote in favour of the BVI Scheme in respect of the aggregate outstanding principal amount of all Notes in which it holds a beneficial interest as principal at the Voting Record Time (as set out in its Account Holder Letter) at the Scheme Meeting;
- (c) not take, commence or continue any Enforcement Action, whether directly or indirectly, to delay the Scheme Effective Date, interfere with the implementation of the Restructuring and/or the BVI Scheme or the consummation of the transactions contemplated thereby;
- (d) not object to the BVI Scheme or any application to the BVI Court in respect thereof or otherwise commence any proceedings to oppose or alter any Scheme Document filed by the Issuer in connection with the confirmation of the Restructuring, except to the extent that such Scheme Document is materially inconsistent with the terms as set out in the Term Sheet;
- (e) not take any actions inconsistent with, or that would, or are intended to, or would be likely to delay approval or confirmation of, the Restructuring or any related documents, except to the extent that the Restructuring and any related documents are materially inconsistent with the terms as set out in the Term Sheet;
- (f) not sell, transfer or otherwise dispose of, or instruct any Account Holder or Intermediary that holds an interest in the Notes on its behalf to sell, transfer or otherwise dispose of, all or any part of its Initial Restricted Notes and any additional Notes purchased or otherwise acquired by that Consenting Creditor after the date of this Agreement or its Accession Deed (as applicable) unless the transfer has been made in accordance with Clause 5; and
- (g) notify the Issuer via the Information Agent of any change (whether an increase or decrease) to its holdings of Restricted Notes as soon as reasonably practicable, and in

any event within five (5) Business Days from the date of such change, by sending a Restricted Notes Notice by email to the Information Agent at: yuhuang@investor.morrowsodali.com.

3.2 Nothing in this Agreement shall require any Consenting Creditor to take, or omit to take, any action that would:

- (a) be contrary to any applicable law or regulation; or
- (b) result in the Consenting Creditor incurring any Liability, other than as expressly contemplated by this Agreement.

3.3 The Issuer undertakes to and the Parent Guarantor will use its best endeavors to procure that the Issuer will:

- (a) pay or procure payment of the Consent Fee:
 - (i) to each Eligible Creditor on the Restructuring Effective Date; and
 - (ii) free and clear of and without any deduction or withholding for or on account of Tax unless it is required to make such a deduction or withholding, in which case the Consent Fee payable shall be increased to the extent necessary to ensure that each Eligible Creditor receives a sum net of any deduction or withholding equal to the sum which it would have received had no such deduction or withholding been made or required to be made;
- (b) implement the Restructuring and the BVI Scheme in the manner envisaged by, and on the terms and conditions set out in, this Agreement and the Term Sheet;
- (c) prepare, review, negotiate and finalize (as applicable), in good faith, the Scheme Document and any and all other documents required to implement the Restructuring such that they are consistent in all material respects with the terms as set out in the Term Sheet;
- (d) upon the Scheme Documents being agreed, promptly propose, file and pursue expeditiously any legal process or proceedings contemplated by or required to implement the Restructuring, including (without limitation) the BVI Scheme;
- (e) take any actions pursuant to any order of, or sanction by, any relevant courts (including, without limitation, the BVI Court) as may be required or necessary to implement or give effect to the Restructuring;
- (f) use best endeavours to procure that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
- (g) use best endeavours to obtain any necessary regulatory or statutory approval required to permit or facilitate the Restructuring;
- (h) obtain all corporate and regulatory approvals necessary to implement the Restructuring in the manner envisaged by, and on the terms and conditions set out in, this Agreement and the Term Sheet;
- (i) prior to the Voting Record Time, cancel or procure the cancellation of any Notes that it or any other member of the Group has a beneficial interest in or which it or any other member of the Group has redeemed, converted, acquired or purchased;

- (j) upon request by Kirkland & Ellis, promptly supply the aggregate number of Consenting Creditors and the aggregate principal amount of the Notes which together such Consenting Creditors hold, and updates regarding the status of the implementation of the Restructuring, including, without limitation, the status of:
 - (i) the filing of the necessary documents to convene the hearings for the BVI Scheme (including, but not limited to, the petition or application and supporting affidavits);
 - (ii) the delivering of the Scheme Document to Scheme Creditors; and
 - (iii) the holding of the Scheme Meeting;
- (k) except as expressly contemplated under this Agreement or necessary to carry out the Restructuring, operate its business in ordinary course consistent with past practice and use its reasonable endeavours to preserve its assets and business organization in all material respects; and
- (l) notify the Consenting Creditors:
 - (i) of any matter or thing which it knows or suspects would be reasonably likely to be a material impediment to the implementation of the Restructuring;
 - (ii) if any representation or statement made by it under this Agreement proves to have been or to have become, incorrect or misleading in any material respect; or
 - (iii) if it breaches any undertaking given by it under this Agreement;

in each case promptly upon becoming aware of the same.

3.4 For the avoidance of doubt, a Consenting Creditor:

- (a) must vote in favour of the BVI Scheme at the Scheme Meeting in order to be an Eligible Creditor and receive the Consent Fee. A Consenting Creditor that does not vote all of the Notes then held by it in favour of the BVI Scheme at the Scheme Meeting will not be treated as an Eligible Creditor for the purposes of this Agreement and will not be entitled to any Consent Fee;
- (b) who votes in favour of the BVI Scheme in respect of Notes with an aggregate outstanding principal amount that exceeds the aggregate outstanding principal amount of its Restricted Notes, shall receive a Consent Fee the amount of which is determined by reference to the aggregate outstanding principal amount of its Restricted Notes. For illustrative purposes only, a Consenting Creditor who holds US\$10,000,000 in outstanding principal amount of Notes at the date of its Restricted Notes Notice (then most recently delivered by that Consenting Creditor in accordance with Clause 5), but votes in favour of the BVI Scheme in respect of US\$12,000,000 in aggregate outstanding principal amount of Notes, will receive a Consent Fee which is determined by reference to US\$10,000,000 in outstanding principal amount of Notes; and
- (c) who votes in favour of the BVI Scheme in respect of the Notes with an aggregate outstanding principal amount that is less than the aggregate outstanding principal amount of its Restricted Notes, shall receive a Consent Fee the amount of which is determined by reference to the aggregate outstanding principal amount of Notes (as set out in its Account Holder Letter) in respect of which it votes in favour of the BVI

Scheme. For illustrative purposes only, a Consenting Creditor who holds US\$10,000,000 in outstanding principal amount of Notes at the date of its Restricted Notes Notice (then most recently delivered by that Consenting Creditor in accordance with Clause 5), but votes in favour of the BVI Scheme in respect of US\$8,000,000 in aggregate outstanding principal amount of Notes, will receive a Consent Fee which is determined by reference to US\$8,000,000 in outstanding principal amount of Notes.

3.5 Each Consenting Creditor acknowledges that:

- (a) the Information Agent shall be responsible for:
 - (i) receipt and processing of the Accession Deeds, the Restricted Notes Notices;
 - (ii) distribution of Accession Codes; and
 - (iii) overseeing evidence of holdings of the Consenting Creditors;
- (b) the decision of the Information Agent in relation to any reconciliations and calculations (as applicable) which may be required shall be final (in the absence of manifest error) and may not be disputed by any Consenting Creditor. Each Consenting Creditor hereby unconditionally and irrevocably waives and releases any claims, which may arise against the Information Agent after the date of this Agreement (save in the case of wilful misconduct, fraud or gross negligence) in each case in relation to the Information Agent's performance of its roles in connection with this Agreement;
- (c) in undertaking any reconciliation and calculation (as applicable), the Information Agent and/or the Issuer may request, and the Consenting Creditor undertakes to deliver, such evidence as may be reasonably required by the Information Agent and/or the Issuer proving (to the reasonable satisfaction of the Information Agent and/or the Issuer (as applicable)) that: (i) it holds the beneficial interest in the aggregate principal amount of the Notes set out in its Restricted Notes Notice and to which a Consenting Creditor has signed this Agreement or an Accession Deed; and (ii) its entitlement to receive the Consent Fee (to the extent applicable) in respect of any Restricted Notes of which it is the beneficial owner and in respect of which it claims such entitlement; and
- (d) the Information Agent will determine the entitlement of any Eligible Creditor to the Consent Fee based on: (i) evidence from such Eligible Creditor that it is the beneficial owner of the Notes in accordance with this Clause 3; and (ii) if applicable, details of any transfers (including without limitation the identity and/or Accession Code of any transferee) pursuant to which it becomes or ceases to be the beneficial owner of Restricted Notes that was Restricted Notes as at the Consent Fee Deadline;
- (e) the Information Agent may rely on this Clause 3.5 as if it were a Party to this Agreement; and
- (f) any calculation or determination by the Information Agent under this Agreement of an amount under this Agreement is, in the absence of manifest error, conclusive and binding on the Parties.

4. RIGHTS AND OBLIGATIONS

- 4.1 The obligations of each Obligor under this Agreement are joint and several, and the obligations of each Consenting Creditor under this Agreement are several (not joint, nor joint and several). Failure by a Consenting Creditor to perform its obligations under this Agreement does not affect the obligations of any other Consenting Creditor under this Agreement. No Consenting Creditor is responsible for the obligations of any other Consenting Creditor under this Agreement.
- 4.2 The rights of each Party under or in connection with this Agreement are separate and independent rights. A Party may separately enforce its rights under this Agreement.
- 4.3 The liability of the Consenting Creditors for their obligations under this Agreement shall be several only (and not joint, nor joint and several) and extend only to any loss or damage arising out of their own breaches of this Agreement and failure by a Consenting Creditor to perform its obligations under this Agreement shall not prejudice the rights and/or obligations of any other Consenting Creditor.

5. ACCESSION, POSITION DISCLOSURE, TRANSFER AND PURCHASE

- 5.1 Each Initial Consenting Creditor shall provide a properly completed and executed Initial Restricted Notes Notice to the Information Agent on behalf of the Issuer on or before the date falling two (2) Business Days after the date of this Agreement.
- 5.2 A person holding a beneficial interest as principal in the Notes who is not a Party may accede to this Agreement as an Additional Consenting Creditor by delivering to the Information Agent on behalf of the Issuer, a properly completed and executed Accession Deed and Initial Restricted Notes Notice.
- 5.3 Each Party agrees that any person that executes an Accession Deed and delivers an Initial Restricted Notes Notice in compliance with the terms of this Agreement shall (subject to the terms of the Accession Deed) be:
 - (a) henceforth a Party to this Agreement; and
 - (b) bound by, and entitled to enforce, the terms of this Agreement as if they were an original party to the same in the capacity of a Consenting Creditor;in each case, on and from the date of its Accession Deed.
- 5.4 Each Consenting Creditor authorises the Information Agent to disclose the Aggregate Percentage (at the relevant time based on the most recently provided Restricted Notes Notice) to the Obligors (and their advisors) and to any Consenting Creditor upon reasonable request by any of them and to Kirkland & Ellis upon its request.
- 5.5 Without prejudice to Clauses 5.1 to 5.4 above, if any Consenting Creditor purports to transfer all or part of its legal or beneficial interest, rights, benefits or obligations in respect of the Restricted Notes held by it or implement any transaction of a similar or equivalent economic effect (collectively a “**Transfer**”) other than in accordance with Clause 5.6, then that Consenting Creditor shall remain liable as a Consenting Creditor in respect of its obligations and liabilities under this Agreement, in respect of the relevant Restricted Notes until the relevant transferee is bound by the terms of this Agreement.
- 5.6 While this Agreement remains in effect, a Transfer will only be effective if:

- (a) the Transfer is made in accordance with the terms of the relevant Existing Finance Document;
 - (b) the relevant transferor has notified the Information Agent of its transfer via the submission of an updated and valid Restricted Notes Notice in accordance with Clause 3.1(g); and
 - (c) the relevant transferee is either a Consenting Creditor or has first agreed to be bound by the terms of this Agreement as a Consenting Creditor by acceding to this Agreement in accordance with Clause 5.2 and Clause 5.3 above.
- 5.7 Upon the completion of a Transfer pursuant to Clause 5.6, the transferee shall be deemed to be a Consenting Creditor hereunder with respect to such transferred portion of legal interest in the Notes and the transferor shall be deemed to have relinquished its rights, claims and liabilities (other than accrued liabilities under this Agreement) and be released from its obligations under this Agreement with respect to such transferred portion of legal interest in the Notes.
- 5.8 For the avoidance of doubt and subject to this Clause 5, nothing in this Agreement will prevent a Consenting Creditor (or any fund or other entity advised or managed by the investment adviser or manager of such Consenting Creditor) from purchasing Notes.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 Each Party represents and warrants to the other Parties, on the date of this Agreement (or on the date of the Accession Deed, in the case of an Additional Consenting Creditor), that:
- (a) unless any Party is a natural person, it is duly incorporated (if a corporate person) or duly established (in any other case) and validly existing under the laws of its jurisdiction of incorporation and has the power to own its assets and carry on its business as it is being conducted;
 - (b) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations, subject to applicable bankruptcy, insolvency, reorganization or other laws affecting creditor' rights generally and subject to general principles of equity regardless of whether considered in proceeding in equity or at law;
 - (c) the entry into and performance by it of this Agreement do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) any order, writ, injunction, decree, statute, rule or regulation applicable to it;
 - (iii) its constitutional documents; or
 - (iv) any agreement or instrument binding upon it or any of its assets;
 - (d) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated hereby and has duly executed this Agreement; and
 - (e) all Authorisations required or desirable:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Agreement; and

- (ii) to make this Agreement admissible in evidence in its jurisdiction of incorporation;

have been obtained or effected and are in full force and effect.

6.2 Each of the Obligors represents and warrants to each Initial Consenting Creditor, and agrees and confirms that:

- (a) it is an Obligor (as defined in the Existing Finance Documents) under the terms of the Existing Finance Documents;
- (b) the obligations expressed to be assumed by it under the Existing Finance Documents are legal, valid, binding and enforceable obligations, subject to applicable bankruptcy, insolvency, reorganization or other laws affecting creditor' rights generally and subject to general principles of equity regardless of whether considered in proceeding in equity or at law; and
- (c) the guarantee provided by the Parent Guarantor under the Existing Finance Documents continues in full force and effect and extends to all of the obligations of the Obligors; notwithstanding the imposition of any amended, additional or more onerous obligations.

6.3 Each Consenting Creditor represents and warrants to the Obligors that on the date of any Restricted Notes Notice delivered by it in accordance with the terms of this Agreement, it or the entity that it represents (if applicable) is the beneficial owner of and has full power to vote in respect of (or is able to direct the legal and beneficial owner of) the Notes as set out in its Restricted Notes Notice.

6.4 Each Consenting Creditor that is an investment fund or similar entity represents and warrants to the Obligors, (in the case of an Initial Consenting Creditor) on the date of this Agreement and (in the case of an Additional Consenting Creditor) on the date of its Accession Deed, and (in each case) at all times while this Agreement remains in effect and it continues to constitute a Consenting Creditor that its investment manager and/or adviser is:

- (a) in the case of an Initial Consenting Creditor, the person identified as its investment manager and/or adviser in Schedule 6; and
- (b) in the case of an Additional Consenting Creditor, the person identified as its investment manager and/or adviser in paragraph 5 of its Accession Deed.

7. TERMINATION

7.1 This Agreement and the rights and obligations created pursuant to this Agreement will terminate automatically and immediately on the earliest to occur of any of the following:

- (a) BVI Scheme not being approved by the requisite majorities of Scheme Creditors at the Scheme Meeting and there being no reasonable prospect of the BVI Scheme being sanctioned by the BVI Court within 20 Business Days of the original Scheme Meeting;
- (b) the BVI Court not granting a BVI Sanction Order at the hearing of the Court convened for such purpose (or any adjournment thereof) and there being no reasonable prospect of the Restructuring being effected and the Issuer has exhausted all avenues of appeal;
- (c) Restructuring Effective Date; and

(d) the Longstop Date.

7.2 This Agreement may be terminated:

- (a) by mutual written agreement of the Issuer, the Parent Guarantor and the Super Majority Consenting Creditors;
- (b) at the election of the Super Majority Consenting Creditors by and upon a written notice of termination to the Issuer (which shall notify the other Parties), following the occurrence of any of the following:
 - (i) the commencement of any Insolvency Event (other than (A) the BVI Scheme, (B) any petition for recognition of the BVI Scheme under Chapter 15 of Title 11 of the United States Code or (C) the combined compromise bankruptcy proceeding of the Parent Guarantor application for which was filed with a court in the People's Republic of China on 19 October 2020) in respect of any Obligor;
 - (ii) the Issuer proposing a BVI Scheme that is materially inconsistent with the terms as set out in the Term Sheet (as amended if applicable according to this Agreement);
 - (iii) the Court rejecting the Issuer's application to convene a Scheme Meeting;
 - (iv) material non-compliance with this Agreement by any Obligor, unless the failure to comply is capable of remedy and after notice thereof is remedied within ten (10) Business Days from the date on which that Obligor first breached the relevant terms under this Agreement;
 - (v) occurrence of a Change of Control (without prejudice to any right of prepayment under the Existing Finance Documents in relation to that Change of Control); and
 - (vi) termination of the Equity Purchase Agreement.

7.3 Upon any termination in accordance with this Clause 7 below, the relevant Party or Parties shall be immediately released from all their obligations and shall have no rights under this Agreement, provided that such termination and release:

- (a) shall not limit or prejudice the rights of any Party against any other Party which have accrued as a result of, or relate to, breaches of the terms of this Agreement at the time or prior to termination; and
- (b) shall not limit the effect of Clauses 7 (*Termination*), 8 (*Amendment and Waiver*), 9 (*Notice*), 10 (*Severance*), 11 (*Third Party Rights*), 12 (*Costs and Expenses*), 14 (*Disclosure*) and 15 (*Governing Law and Jurisdiction*), which shall continue to apply.

8. AMENDMENT AND WAIVER

8.1 Except as provided in Clause 8.2, any terms of this Agreement (including any terms of any schedule hereto) may be amended or waived in writing by the Majority Consenting Creditors, the Issuer and the Parent Guarantor and such amendment or waiver shall be binding on all Parties.

8.2 An amendment or waiver:

- (a) subject to sub-clauses (b) to (d) below, in respect of the terms of the Restructuring as set out in the Term Sheet, may only be made in writing by each of the Issuer, the Parent Guarantor, and the Super Majority Consenting Creditors; and
 - (b) in respect of the time period referred to in the definition of “Consent Fee Deadline”, the Issuer may extend such time period in its sole discretion (the “**Consent Fee Deadline Extension**”); provided that:
 - (i) the Issuer may only extend such time period if such extension is made before the expiration of the then in effect deadline;
 - (ii) the Issuer shall promptly notify all Parties of the Consent Fee Deadline Extension; and
 - (iii) the number of Consent Fee Deadline Extensions shall not exceed two; and
 - (c) in respect of the longstop date referred to in the definition of “Longstop Date”,
 - (i) the Issuer may extend the original longstop date in its sole discretion to a date not later than 31 March 2021 (the “**Longstop Date First Extension**”), provided that:
 - (A) the Issuer may only extend such longstop date if such extension is made before the expiration of the then in effect longstop date; and
 - (B) the Issuer shall promptly notify all Parties of the Longstop Date First Extension; and
 - (ii) the Issuer may further extend the longstop date to a date not later than 30 June 2021 (the “**Longstop Date Second Extension**”), provided that:
 - (A) prior written consent from the Majority Consenting Creditors has been obtained;
 - (B) such longstop date may only be extended if such extension is made before the expiration of the then in effect longstop date; and
 - (C) the Issuer shall promptly notify all Parties of the Longstop Date Second Extension; and
 - (d) which would amend the definitions of “Majority Consenting Creditors” or “Super Majority Consenting Creditors” or Clause 3.1, may only be made in writing by the Issuer and each Consenting Creditor.
- 8.3 Any waiver of any right under this Agreement is only effective if it is in writing and signed by the waiving or consenting Party and it applies only in the circumstances for which it is given, and shall not prevent the Party who has given the waiver from subsequently relying on the provision it has waived.
- 8.4 Except as expressly stated, no failure to exercise or delay in exercising any right or remedy provided under this Agreement or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part thereof.
- 8.5 No single or partial exercise of any right or remedy under this Agreement shall preclude or restrict the further exercise of any such right or remedy.

- 8.6 Unless specifically provided otherwise, rights arising under this Agreement are cumulative and do not exclude rights provided by law.

9. NOTICE

- 9.1 A notice given under this Agreement:

- (a) shall be in writing in the English language (or be accompanied by a properly prepared translation into English);
- (b) shall be sent for the attention of the person, and to the address, email addresses or fax number, given in Schedule 6 or, in the case of Additional Consenting Creditors, given in its respective Accession Deed (or such other address, fax number or person as the relevant Party may notify to the other Parties); and
- (c) shall be:
 - (i) delivered personally;
 - (ii) sent by fax;
 - (iii) sent by pre-paid first-class post or recorded delivery;
 - (iv) (if the notice is to be served by post outside the country from which it is sent) sent by airmail; or
 - (v) sent by e-mail.

- 9.2 A notice is deemed to have been received:

- (a) if delivered personally, at the time of delivery;
- (b) in the case of fax or e-mail, at the time of transmission, provided that if not transmitted during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of the next Business Day of the recipient;
- (c) in the case of pre-paid first class post or recorded delivery, forty-eight (48) hours from the date of posting;
- (d) in the case of airmail, five (5) days from the date of posting; or
- (e) if deemed receipt under the previous paragraphs of this Clause 9 is not within business hours (meaning 9:00 a.m. to 5:30 p.m. Monday to Friday on a day that is a Business Day), when business next starts in the place of receipt.

- 9.3 To prove service, it is sufficient to prove that the notice was transmitted by fax to the fax number of the Party, by e-mail to the e-mail address of the Party or, in the case of post, that the envelope containing the notice was properly addressed and posted.

10. SEVERANCE

- 10.1 If any provision of this Agreement (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

- 10.2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the Parties.

11. THIRD PARTY RIGHTS

Other than Kirkland & Ellis, no person that is not a Party shall have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

12. COSTS AND EXPENSES

In the event that this Agreement is terminated pursuant to Clause 7, the Obligors shall, within fifteen (15) Business Days of demand by the Consenting Creditor, pay to such Consenting Creditor the amount of all costs and expenses which are due and payable and reasonably incurred and documented by it in connection with the Restructuring up to the date on which the Agreement terminates.

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each Party had signed the same document.

14. DISCLOSURE

- 14.1 All Parties agree to the Redacted Version of this Agreement and/or the Aggregate Percentage at the relevant time based on the Restricted Notes Notices provided to the Issuer being publicly or privately disclosed by any Party to any person, including (but not limited to) by transmission to holders of the Notes through the Clearing Systems. Save as provided in Clause 14.2, none of the Issuer or any Affiliate of the Parent Guarantor may, without the prior written consent of the relevant Consenting Creditor, disclose the identity of any Consenting Creditor or the specific number of Notes it indirectly holds to any other person.

- 14.2 Notwithstanding anything to the contrary herein, any Party may disclose the execution version of this Agreement (and any Accession Deeds):

- (a) to the trustee for the Notes and/or Information Agent;
- (b) to the BVI Court as part of the evidence to be submitted in respect of the BVI Scheme and in support of any application to the courts of any jurisdiction for recognition of the BVI Scheme;
- (c) to any Governmental Agency, any of its professional consultants (including, without limitation, its legal and financial advisors and auditors), or its financiers or to its employees, to the extent such disclosure is required in order to implement the Restructuring;
- (d) to its auditors, in connection with the preparation of its statutory accounts;
- (e) in the case of a Consenting Creditor only, to its Affiliates and to its professional advisors (including, without limitation, Kirkland & Ellis) solely in connection with their capacity as professional advisor to the Consenting Creditors in connection with the Restructuring;

- (f) the purchaser and its legal advisors solely in connection with their capacity as legal advisors to the purchaser in connection with the Asset Sale; and/or
- (g) to the extent required or compelled by applicable law, rule or regulation.

15. GOVERNING LAW AND JURISDICTION

- 15.1 This Agreement and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with the law of Hong Kong.
- 15.2 The courts of Hong Kong shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement).

This Agreement has been entered into on the date stated on the first page hereof.

SCHEDULE 1

THE INITIAL CONSENTING CREDITORS

SCHEDULE 2

DEFINITIONS AND INTERPRETATION

PART A: DEFINITIONS

In this Agreement, each word, phrase or expression shall (unless the context otherwise requires) bear the meaning attributed to it below:

“Accession Code” means a unique code provided by the Information Agent to a Scheme Creditor following its valid accession to the Restructuring Support Agreement, and which must be included by such Scheme Creditor in its voting instructions in respect of the BVI Scheme.

“Accession Deed” means a deed pursuant to which a person becomes a Party as an Additional Consenting Creditor, in the form set out in Schedule 3.

“Account Holder” means a person who is recorded in the books of a Clearing System as being a holder of Notes in an account with such Clearing System at the Voting Record Time.

“Account Holder Letter” means a letter from an Account Holder on behalf of the Consenting Creditor in the form attached to the relevant Scheme Document.

“Additional Consenting Creditor” means a person holding a beneficial interest as principal in the Notes who has agreed to be bound by the terms of this Agreement as a Consenting Creditor in accordance with Clause 5.

“Affiliate” means, with respect to any person, any other person: (a) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person; or (b) who is a director or officer of such person or any Subsidiary of such person or of any person referred to in clause (a) of this definition. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.

“Aggregate Percentage” means, at any time, the percentage that the aggregate outstanding principal amount of the Notes held by all Consenting Creditors collectively (calculated based on the disclosures provided in their Restricted Notes Notices) represents of the outstanding principal amount of all Notes.

“Asset Sale” has the meaning given to it in the Term Sheet.

“Authorisation” means:

- (a) an authorisation, consent, approval, resolution, license, exemption, filing, notarization, lodgment or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgment, filing, registration or notification, the expiry of that period without intervention or action.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York or Hong Kong are authorized or required by law or governmental regulation to close.

“BVI” means the British Virgin Islands.

“BVI Court” means the BVI High Court of Justice of the Eastern Caribbean Supreme Court.

“BVI Sanction Order” means the sealed copy of the order of the BVI Court sanctioning the BVI Scheme.

“BVI Scheme” means the scheme of arrangement between the Issuer and the Scheme Creditors under section 179A of the BVI Business Companies Act 2004 for the purpose of implementing the Restructuring as contemplated under the Term Sheet.

“Change of Control” has the meaning given to that term in each of the Existing Finance Documents.

“Clearing System” means any one of:

- (a) Clearstream Banking S.A; or
- (b) Euroclear Bank S.A./N.V.

“Consenting Creditor” has the meaning given to it in the recital.

“Consent Fee” means, subject to Clause 3.4, with respect to an Eligible Creditor, an amount equal to (i) the aggregate principal amount of its Eligible Notes; *divided by* (ii) the aggregate principal amount of the Eligible Notes held by all Eligible Creditors collectively; *multiplied by* (iii) US\$1.5 million.

“Consent Fee Deadline” means 5:00 p.m. Hong Kong time on 11 November 2020, or such later date and time as the Issuer may elect in accordance with Clause 8.2(b).

“Consent Fee Deadline Extension” has the meaning given to it in Clause 8.2(b).

“Distribution Record Time” means the time designated by the Issuer and approved by the BVI Court for the determination of the Scheme Creditors’ claims and entitlements to the Cash Consideration.

“Eligible Creditor” means a Consenting Creditor who:

- (a) enters into or accedes to this Agreement on or before the Consent Fee Deadline;
- (b) votes in favour of the BVI Scheme at the Scheme Meeting in accordance with the terms of this Agreement and the Scheme Document; and
- (c) has not exercised its rights to terminate this Agreement and has not breached any provision of this Agreement in any material respect.

“Eligible Notes” means, with respect to an Eligible Creditor, the lower of:

- (a) the aggregate outstanding principal amount of the Notes (as set out in its Account Holder Letter) in respect of which that Eligible Creditor voted in favour of the BVI Scheme; and
- (b) the aggregate outstanding principal amount of its Restricted Notes, as indicated in its most recent Restricted Notes Notice, delivered on or prior to the Consent Fee Deadline in accordance with this Agreement.

“Enforcement Action” means, in relation to any Existing Finance Document:

- (a) the acceleration of any sum payable or the making of any declaration that any sum payable is due and payable or payable on demand;

- (b) the making of any demand against any member of the Group under any guarantee or surety provided by that member of the Group;
- (c) the suing for, commencing, or joining of any legal or arbitration proceedings against any member of the Group to recover any sums payable or under any guarantee or surety provided by any member of the Group;
- (d) the taking of any steps to enforce or require the enforcement of any security granted by any member of the Group;
- (e) the levying of any attachment, garnishment, sequestration or other legal process over or in respect of any assets of the Group;
- (f) the petitioning, applying, or voting for any Insolvency Proceedings in relation to any member of the Group;
- (g) the commencing or continuation of any legal action or other proceedings against any member of the Group (or any director or officer thereof) or any of their respective assets;
- (h) joining any other entity or person in the exercise of any of the foregoing rights;
- (i) exercising any right, power, privilege or remedy in connection with the foregoing; or
- (j) directing any trustee or agent to do any of the foregoing,

other than (x) as contemplated by the Restructuring, and (y) any action falling within (a) to (j) above which is necessary, but only to the extent necessary, to preserve the validity, existence, or priority of claims in respect of the Notes, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent the loss of the right to bring, support, or join proceedings by reason of applicable limitation periods.

“Equity Purchase Agreement” has the meaning given to it in the Term Sheet.

“Existing Finance Documents” means the Notes, the Indenture and any related guarantee or security documents.

“Funds Release” has the meaning given to it in the Term Sheet.

“Governmental Agency” means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute).

“Group” means the Parent Guarantor and its Subsidiaries.

“Indenture” means the indenture dated 27 March 2017, as amended, supplemented, or otherwise modified from time to time, between the Issuer, the Parent Guarantor and Citicorp International Limited, as trustee pursuant to which the Notes were constituted.

“Information Agent” means Morrow Sodali Limited, or any other person appointed by the Issuer to act as information agent in connection with the BVI Scheme.

“Initial Restricted Notes” means, in the case of:

- (a) an Initial Consenting Creditor, the outstanding principal amount of the Notes in which it has a beneficial interest as principal at the date of this Agreement (as set out in its Initial Restricted Notes Notice); and

- (b) an Additional Consenting Creditor, the outstanding principal amount of the Notes in which it has a beneficial interest as principal at the date of its Accession Deed (as set out in its Initial Restricted Notes Notice).

“Initial Restricted Notes Notice” means, in relation to a Consenting Creditor, the first Restricted Notes Notice delivered by it under the terms of this Agreement, being, in the case of:

- (a) an Initial Consenting Creditor, the Restricted Notes Notice delivered by it pursuant to Clause 5.1; and
- (b) an Additional Consenting Creditor, the Restricted Notes Notice delivered by it pursuant to Clause 5.2.

“Insolvency Event” means a court of competent jurisdiction granting an order to commence any Insolvency Proceedings in relation to any Obligor.

“Insolvency Proceedings” means:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, bankruptcy, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;
- (b) a composition or arrangement with any creditor of any Obligor, or an assignment for the benefit of creditors generally of any Obligor or a class of such creditors;
- (c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of any Obligor or any of its assets;
- (d) enforcement of any security over any assets of any Obligor; or
- (e) any procedure or step taken in any jurisdiction analogous to those set out in paragraphs (a) to (d) above.

“Intermediary” means a person who holds an interest in Notes on behalf of another person, but who is not an Account Holder.

“Kirkland & Ellis” means Kirkland & Ellis LLP and its affiliated undertakings.

“Liability” means any debt, liability or obligation whatsoever, whether present, future, prospective or contingent.

“Longstop Date” means 31 January 2021 or such later date as the Issuer may select in accordance with Clause 8.2(c).

“Majority Consenting Creditors” means, at any time, Consenting Creditors who hold an aggregate outstanding principal amount of more than 50% of the outstanding principal amount of the Notes held in aggregate by the Consenting Creditors at the time.

“Notes” means the US\$300,000,000 6.625% senior notes due 2020 issued by the Issuer and guaranteed by the Parent Guarantor.

“Obligors” means, collectively, the Issuer and the Parent Guarantor; and **“Obligor”** means any one of them.

“Parties” means, collectively, the Issuer, the Parent Guarantor and the Consenting Creditors; and **“Party”** means any one of them.

“Redacted Version of this Agreement” means a redacted version of this Agreement headed “Redacted Version” on its cover page prepared by Kirkland & Ellis (in its capacity as legal advisor to the Initial Consenting Creditors) which has had certain information redacted to protect the identities and notice details of the Initial Consenting Creditors (including Schedule 1 and Schedule 6 and the signature pages of the Initial Consenting Creditors).

“Restricted Notes” means, with respect to a Consenting Creditor at any time, the aggregate outstanding principal amount of Notes set out in the Restricted Notes Notice then most recently delivered by that Consenting Creditor to the Information Agent in accordance with Clause 5.

“Restricted Notes Notice” means a notice substantially in the form set out in Schedule 4.

“Restructuring” means the restructuring of the indebtedness of the Obligors in respect of the Notes, to be conducted in the manner envisaged by, and on the terms set out in, the Term Sheet.

“Restructuring Effective Date” means the day on which all conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents, and the Funds Release has been completed.

“Scheme Creditors” means creditors of the Issuer whose claims against the Obligors are (or will be) the subject of the BVI Scheme.

“Scheme Document” means the composite document to be circulated by the Issuer to the holders of the Notes in relation to the BVI Scheme, which will include (among other things) an explanatory statement and the terms of the BVI Scheme.

“Scheme Effective Date” means the date on which the BVI Sanction Order is filed with the BVI Registrar of Corporate Affairs.

“Scheme Meeting” means the meeting of the creditors of the Issuer whose claims against the Issuer are (or will be) the subject of the BVI Scheme to vote on that BVI Scheme convened pursuant to an order of the BVI Court (and any adjournment of such meeting).

“Subsidiary” means with respect to any person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding voting stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person. **“Subsidiaries”** shall be construed accordingly.

“Super Majority Consenting Creditors” means, at any time, Consenting Creditors who hold an aggregate outstanding principal amount of the Notes of more than 75% of the outstanding principal amount of the Notes held in aggregate by the Consenting Creditors, at that time.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Term Sheet” means the term sheet attached at Schedule 5.

“Voting Record Time” means the time designated by the Issuer for the determination of the Scheme Creditor’s claim for the purposes of voting at the Scheme Meeting and the deadline for the Scheme Creditors to submit voting instructions to the Information Agent.

PART B: INTERPRETATION

Save as otherwise expressly provided, the principles of interpretation set out below shall be applied in construing the provisions of this Agreement:

1. Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
2. A “person” includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
3. The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules.
4. References to Clauses and Schedules are to the clauses and schedules of this Agreement; references to paragraphs are to paragraphs of the relevant Schedule.
5. A reference to one gender shall include a reference to the other genders.
6. Words in the singular shall include the plural and *vice versa*.
7. A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it.
8. “Writing” or “written” includes faxes but not e-mail.
9. Where the words “include(s)”, “including” or “in particular” are used in this Agreement, they are deemed to have the words “without limitation” following them. The words “other” and “otherwise” are illustrative and shall not limit the sense of the words preceding them.
10. Any obligation in this Agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
11. “US\$” denotes the lawful currency for the time being of the United States of America and “RMB” denotes the lawful currency for the time being of the People’s Republic of China.

SCHEDULE 3
FORM OF ACCESSION DEED

To: **Rock International Investment Inc. (磐石国际投资股份有限公司) and Shandong Yuhuang Chemical Co., Ltd. (山东玉皇化工有限公司)**
c/o Morrow Sodali Limited, as Information Agent

From: *[Insert name of Additional Consenting Creditor]*

Email: *[email of Additional Consenting Creditor]*

Date: _____ 2020

Dear Sirs,

Restructuring Support Agreement dated _____ 2020 (the “Agreement”)

1. We refer to the Agreement. This is an Accession Deed as defined in the Agreement. Except as otherwise defined herein, terms defined in the Agreement have the same meaning when used in this Accession Deed.
2. We agree, for the benefit of each Party, to be a Consenting Creditor under the Agreement and to be bound by the terms of the Agreement as a Consenting Creditor.
3. We agree, represent and warrant to each other Party on the date of this Accession Deed that we or the entity that we represent (if applicable) are the beneficial owner of and have full power to vote in respect of (or are able to direct the legal and beneficial owner of) the Notes as set out in our Restricted Notes Notice.
4. We confirm we will submit a Restricted Notes Notice together with this Accession Deed.
5. We represent and warrant to the Issuer that our investment manager and/or adviser is [●].
6. The contact details of *[insert name of Additional Consenting Creditor]* for purposes of Clause 9 of the Agreement are as follows:

Address: [●]

Address: [●]

Address: [●]

Country: [●]

For the attention of: [●]

Phone number: [●]

E-mail: [●]

with a copy to its investment manager (if applicable), *[name of investment manager of the Additional Consenting Creditor]* (if not applicable, enter ‘N/A’)

Address: [●]

Address: [●]

Address: [●]

Country: [●]

For the attention of: [●]

Phone number: [●]

E-mail: [●]

7. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of Hong Kong.

Executed and delivered as a deed by [*name of signatory*]¹)
)
)
for and on behalf of)
[*Name of Additional Consenting Creditor*])
in the presence of:)

Witness Name:

Witness Address:

The completed and executed Accession Deed must be submitted to the Information Agent via email in pdf format to: yuhuang@investor.morrowsodali.com.

For assistance, please contact the Information Agent at yuhuang@investor.morrowsodali.com (Attention: Debt Services Team).

¹ The detail of the capacity in which the entity signing the Accession Deed as well as the entities in respect of which it is acting by doing so must be disclosed in accordance with Clause 5 of the Accession Deed above.

SCHEDULE 4
FORM OF RESTRICTED NOTES NOTICE

BY EMAIL

PRIVATE AND CONFIDENTIAL

Date: _____

To: **Rock International Investment Inc. (磐石国际投资股份有限公司) and Shandong Yuhuang Chemical Co., Ltd. (山东玉皇化工有限公司)**
c/o **Morrow Sodali Limited**, as Information Agent

From: *[Name of Consenting Creditor]*

1. We refer to the restructuring support agreement dated _____ 2020 between Rock International Investment Inc. (磐石国际投资股份有限公司), Shandong Yuhuang Chemical Co., Ltd. (山东玉皇化工有限公司) and the Initial Consenting Creditors (the “**Agreement**”). Capitalised terms used in the Agreement have the same meaning in this notice.
2. This is a Restricted Notes Notice. We hereby notify you that, at the date of this notice, the details of our Restricted Notes are as follows:

Notes ISIN	Principal amount of the Notes held or controlled as at the date of this Restricted Notes Notice
XS1580443072	US\$[●]

3. We request that you treat the existence and contents of the Restricted Notes Notice with the utmost confidence and that you do not disclose these to any person without our prior written consent. We do, however, consent to you disclosing the aggregate outstanding principal amount of the Notes held by the Consenting Creditors collectively (calculated from the disclosures provided in their Restricted Notes Notices) to the Issuer and the Parent Guarantor (and their advisors) and any Consenting Creditor, upon request by any of them.
4. We confirm that we will provide evidence satisfactory to the Information Agent of our positions in the Notes described above.
5. This Restricted Notes Notice and any non-contractual obligations arising out of or in connection with it are governed by the law of Hong Kong.

Yours faithfully,

[The Consenting Creditor]

.....

Name:

Title:

Email:

The completed and executed Restricted Notes Notice must be submitted to the Information Agent via email in pdf format to: yuhuang@investor.morrowsodali.com.

For assistance, please contact the Information Agent at yuhuang@investor.morrowsodali.com (Attention: Debt Services Team).

SCHEDULE 5
TERM SHEET

ROCK INTERNATIONAL INVESTMENT INC.
(磐石国际投资股份有限公司)

INDICATIVE RESTRUCTURING TERMS
FOR THE USD 300,000,000 6.625% SENIOR NOTES DUE 2020
(ISIN: XS1580443072)

ISSUED BY ROCK INTERNATIONAL INVESTMENT INC. (磐石国际投资股份有限公司)
AND GUARANTEED BY SHANDONG YUHUANG CHEMICAL CO., LTD. (山东玉皇化工有限公司)

This term sheet (the “**Term Sheet**”) sets forth certain material terms and conditions in connection with the proposed restructuring of the Notes. This Term Sheet is a summary only and does not purport to be a comprehensive or exhaustive statement of the requirements of the parties or information relating to the contemplated restructuring. For the avoidance of doubt, this term sheet is intended to be non-binding and subject to contract and nothing in this Term Sheet shall amend any term of the Notes or constitute a waiver of any right of any party thereunder. Should the discussions between the parties result in a decision to proceed with a transaction, the parties shall do so only pursuant to the terms of definitive agreements to be negotiated, executed and delivered in form and substance satisfactory to each party.

The Term Sheet does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Issuer and its management, as well as financial statements. No public offer of securities is to be made by the Issuer in the United States.

Background	The USD 300,000,000 6.625% Senior Notes Due 2020 (ISIN: XS1580443072) (the “Notes”) were issued by Rock International Investment Inc. (磐石国际投资股份有限公司) (the “Issuer”) and guaranteed by Shandong Yuhuang Chemical Co., Ltd. (山东玉皇化工有限公司) (the “Parent Guarantor”) pursuant to an indenture dated 27 March 2017. The Notes were not redeemed by the Issuer on the scheduled maturity of 27 March 2020 and remain in default. The Issuer and the Parent Guarantor have been in discussions with an <i>ad hoc</i> committee of holders of the Notes (the “Committee”) regarding a restructuring of the Notes (the “Restructuring”). This Term Sheet sets out the proposed terms and conditions of such Restructuring.
Restructuring	The Restructuring is expected to involve a compromise of the Scheme Creditors’ Claims (as defined below) in exchange for the Cash Consideration (as defined below) at the Restructuring Effective Date (as defined below). The Cash Consideration and the Consent Fee (as defined below) will be funded by the funds in the Escrow Account (as defined below).

Implementation of the Restructuring	The Issuer plans to implement the Restructuring through a scheme of arrangement in the British Virgin Islands under section 179A of the BVI Business Companies Act 2004 (the “BVI Scheme”). The Issuer will also appoint a foreign representative to seek recognition of the BVI Scheme under chapter 15 of Title 11 of the United States Code (the “Chapter 15 Recognition”).
Scheme Creditors	Persons holding an economic or beneficial interest as principal in the Notes (i) as at the Voting Record Time (as defined below) for purpose of voting and (ii) as at the Distribution Record Time (as defined below) for purpose of determining entitlements to Cash Consideration for the BVI Scheme.
Scheme Creditors’ Claims	The sum of: (a) the outstanding principal amount of the Notes held by the Scheme Creditors at the Distribution Record Time; and (b) all accrued and unpaid interest on the Notes up to (but excluding) the Restructuring Effective Date. In addition, in consideration of the payment of Cash Consideration to the Scheme Creditors, each Scheme Creditor agrees to a full release of all claims in connection with or arising from its holdings in the Notes against (among others) the Issuer, the Parent Guarantor and its subsidiaries including the Seller (as defined below), the Target Company (as defined below), the Purchaser (as defined below), their respective affiliates and respective officers, directors, advisors and representatives (subject to carve outs for fraud, dishonesty, wilful default and wilful misconduct).
Cash Consideration	A total cash redemption of US\$184,521,250 to be paid to the Scheme Creditors on a pari passu and pro rata basis.
Consent Fee	The Issuer shall pay each eligible consenting Scheme Creditor who has signed or acceded to a restructuring support agreement (the “ Restructuring Support Agreement ”) and votes in favour of the BVI Scheme at a scheme meeting (the “ Scheme Meeting ”) an amount equal to (i) the aggregate principal amount of its eligible Notes; <i>divided by</i> (ii) the aggregate principal amount of the eligible Notes held by all eligible consenting Scheme Creditors collectively; <i>multiplied by</i> (iii) US\$1.5 million.
Escrow Account	Pursuant to an equity purchase agreement dated 28 October 2020 (the “Equity Purchase Agreement”), entered into between Yuhuang Chemical Industries, Inc. (the “Seller”), a subsidiary of the Parent Guarantor and Koch Methanol Investments, LLC (the “Purchaser”), the Purchaser has agreed to purchase and the Seller has agreed to sell all of its equity interests in St. James Holding LLC (the “Target Company”, a subsidiary of the Purchaser), free and clear of any liens or encumbrances (the “Asset Sale”) subject to certain conditions as set out in the Equity Purchase Agreement. Assuming certain settlement and release agreements with the Seller have been delivered to the Escrow Agent (as defined below) by 6 November 2020 (including settlement and release agreements from Scheme Creditors holding not less than 80% of the outstanding principal amount of the Notes) (the “Requisite Release Agreements”) and certain conditions under the Equity Purchase Agreement are satisfied or waived, an amount of approximately US\$197.6 million from the Asset Sale will be deposited into an escrow

	account (the “Escrow Account”) with JPMorgan Chase Bank, N.A., which will be released and used to fund, among others, the Cash Consideration, the Consent Fee, the Work Fee (as defined below) and other Restructuring related fees and costs (the “Funds Release”) subject to the following conditions: - the Equity Purchase Agreement is not terminated pursuant to its terms, including, among others: - by mutual written agreement of the parties to the Equity Purchase Agreement; - by the Purchaser, (i) on or after 19 November 2020, if by such date, the hearing with the BVI Court for leave to convene the Scheme Meeting has not been held; (ii) on or after 17 December 2020, if by such date, the Scheme Meeting has not been held; (iii) on or after 23 December 2020, if by such date, (A) the sanction order of the BVI Court (the “BVI Sanction Order”) in respect of the BVI Scheme has not been filed with the BVI Registrar of Corporate Affairs and (B) an order in respect of the Chapter 15 Recognition has not been issued by the United States Bankruptcy Court for the Southern District of New York or the Southern District of Texas; - by the Purchaser if the Restructuring Support Agreement to which this Term Sheet is attached is terminated for any reason; - by the Purchaser, if the Requisite Release Agreements are not delivered to the Escrow Agent by 6 November 2020; - by the Purchaser, if there occur certain events of default with respect to the Parent Guarantor or the Seller or their affiliates, or certain events of default or other events with material adverse effect to the target company or the completion of the Asset Sale in a timely manner; and (i) satisfaction of all conditions under the Equity Purchase Agreement (including completion of the BVI Scheme and Chapter 15 Recognition) by 31 December 2020; or (ii) the Purchaser, at its option and in its sole and absolute discretion, waives one or more of such conditions and instructs the Funds Release.
Conditions Precedent	The following conditions must be satisfied prior to or on the Restructuring Effective Date: - the Funds Release has been completed; - the BVI Scheme has been approved by a majority in number of affected creditors representing at least seventy-five percent (75%) by value of the same that are present and voting (in person or by proxy) at the Scheme Meeting; - the BVI Scheme has been sanctioned by the BVI Court and filed with the BVI Registrar of Corporate Affairs and becomes effective in the BVI; - the Cash Consideration, the Consent Fee, the Work Fee (as defined below) and all fees, costs and expenses of professional advisers to the Committee or the Issuer in connection with the Restructuring have been paid by the

	Issuer or another party on behalf of the Issuer; and (e) execution of all documents necessary to consummate the Restructuring, in each case in form and substance satisfactory to the Committee.
Work Fee	In consideration for the work undertaken and to be undertaken by the Committee in connection with the Restructuring, the Issuer shall, on the Restructuring Effective Date, pay a work fee to the Committee in an amount of US\$6 million, representing 2% of the aggregate outstanding principal amount of the Notes.
Voting Record Time	The time designated by the Issuer for the determination of the claims of the Scheme Creditors for the purposes of voting at the Scheme Meeting and the deadline for the Scheme Creditors to submit voting instructions to the information agent appointed by the Issuer.
Distribution Record Time	A time designated by the Issuer and approved by the BVI Court for the determination of the Scheme Creditors' Claims and the Scheme Creditors' entitlements to the Cash Consideration.
Restructuring Effective Date	The day on which all Conditions Precedent have been satisfied or waived (as the case may be).

SCHEDULE 6

NOTICE DETAILS

The addresses for service of notice for purposes of Clause 9 are:

1. in the case of **Rock International Investment Inc.** (磐石国际投资股份有限公司)

Address: No. 4989, Chang Jiang East Road, Heze City, Shandong Province, the PRC

For the attention of: Wang Jinshu

Fax number: +86 530 5791888

Email: gloriazyl@126.com

2. in the case of **Shandong Yuhuang Chemical Co., Ltd.** (山东玉皇化工有限公司)

Address: No. 4989, Chang Jiang East Road, Heze City, Shandong Province, the PRC

For the attention of: Wang Jinshu

Fax number: +86 530 5791888

Email: gloriazyl@126.com

3. in the case of **Initial Consenting Creditors:**

SIGNATURE PAGES

Signed for and on behalf of:

ROCK INTERNATIONAL INVESTMENT INC.
(磐石国际投资股份有限公司)

.....

Name: Wang Jinshu
Title: Authorised Representative

Signed for and on behalf of:

SHANDONG YUHUANG CHEMICAL CO., LTD.
(山东玉皇化工有限公司)

.....

Name: Wang Jinshu

Title: Authorised Representative

Signed for and on behalf of:

.....

Name:

Title:

EXHIBIT B
PRACTICE STATEMENT LETTER

Rock International Investment Inc. 磐石国际投资股份有限公司
Ritter House
Wickhams Cay II, Road Town
Tortola, VG1110, British Virgin Islands

29 October 2020

THIS LETTER CONCERNS MATTERS WHICH MAY AFFECT YOUR LEGAL RIGHTS AND ENTITLEMENTS AND YOU MAY THEREFORE WISH TO TAKE APPROPRIATE LEGAL ADVICE ON ITS CONTENTS.

Dear Sir / Madam

Proposed scheme of arrangement in relation to Rock International Investment Inc. (磐石国际投资股份有限公司) (the *Company*) pursuant to section 179(A) of the BVI Business Companies Act 2004 (the *BVI Scheme*)

1 INTRODUCTION

1.1 This practice statement letter relates to the BVI Scheme. The purpose of this letter is to inform creditors of:

- (a) the Company's intention to propose the BVI Scheme to certain creditors of the Company (the ***Scheme Creditors***);
- (b) the Company's intention to apply to the Eastern Caribbean Supreme Court of the British Virgin Islands (the ***BVI Court***) to seek orders permitting it to convene a single meeting of Scheme Creditors (the ***Scheme Meeting***) for the purpose of considering and, if thought fit, approving with or without modification, the BVI Scheme;
- (c) The objectives which the BVI Scheme is designed to achieve; and
- (d) The composition of the class of Scheme Creditors who will be eligible to attend and vote, either in person or by proxy, at the Scheme Meeting.

1.2 This letter has been sent or made available to you because the Company considers that you are, or may be, a Scheme Creditor. However, receipt of this letter does not confirm or necessarily mean that you are, or are likely to be, a Scheme Creditor, or that you will be able to participate in or be affected by the BVI Scheme.

1.3 If you have assigned, sold or otherwise transferred your rights in respect of the Notes (as defined in paragraph 3 of this letter) or you intend to do so before the Voting Record Time as defined in the RSA and the Explanatory Statement (both as defined below), you should forward a copy of this letter to the person or persons to whom you have assigned, sold or otherwise transferred, or the person or persons to whom you intend to assign, sell or otherwise transfer, such rights as soon as possible as this letter contains important information in respect of such rights.

2 BACKGROUND OF THE COMPANY

2.1 The Company was incorporated in the British Virgin Islands (the ***BVI***) on 23 August 2016 under the BVI Business Companies Act 2004 (the ***BCA***) as a limited liability company with registration number 1921665. The registered agent of the Company is Intertrust Corporate Services (BVI) Limited, and

its registered office is at Ritter House, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands.

- 2.2 The Company is a special purpose vehicle incorporated for the purpose of issuing the Notes, and is a 50% owned subsidiary of Shandong Yuhuang Chemical Co., Ltd. (the **Parent**, together with its subsidiaries, the **Group**), a limited liability company incorporated in the People's Republic of China (**PRC**), with the remaining 50% being held by three legal entities within the Group. The Group is a multinational enterprise with a complete industrial chain from refining to fine chemicals and basic organic chemicals to polymer materials. The Group is in the business of research and development, production, sales and logistics of chemical products, new energy batteries, real estate development and other fields.

3 BACKGROUND TO THE NOTES

Pursuant to a New York law-governed indenture between the Company (as issuer), the Parent (as guarantor), and Citicorp International Limited (as trustee) dated 27 March 2017 (the **Indenture**), the Company issued USD300,000,000 6.625% guaranteed senior notes with maturity date on 27 March 2020 (the **Notes**). The due and punctual payment of all amounts owing by the Company under the Notes is guaranteed by the Parent. As at the date hereof, the Company has not paid the amounts due in respect of the Notes. The Notes are listed on the Singapore Exchange Securities Trading Limited and cleared in Euroclear Bank SA/NV and Clearstream Banking S.A. with ISIN code of XS1580443072.

4 WHAT IS A SCHEME OF ARRANGEMENT?

- 4.1 A scheme of arrangement is a statutory procedure under BVI law which allows a company to agree a compromise or arrangement with its creditors (or any class of them), and for the terms of that compromise or arrangement to bind any non-consenting or opposing minority creditors.
- 4.2 If the BVI Court is satisfied at the hearing scheduled for this purpose that, among other things, the proposed scheme of arrangement has a reasonable prospect of being approved by the creditors, the BVI Court will order the scheme meeting for the relevant classes of creditors to be convened.
- 4.3 Under BVI law, in order for a scheme of arrangement to become effective:
- (a) it must be approved by a majority in number of creditors present and voting, in person or by proxy, at the class meeting holding at least seventy-five percent (75%) in value of the relevant creditors of the Company present and voting at the meeting in person or by proxy;
 - (b) it must be sanctioned by the BVI Court at a hearing convened for this purpose at which the BVI Court will consider, amongst other things, whether the scheme is fair and reasonable; and
 - (c) a copy of the order of the BVI Court sanctioning the scheme must be delivered to and filed with the Registrar of Corporate Affairs in the BVI.

- 4.4 If the scheme of arrangement becomes effective, it will bind the company and all the members of each class of creditors that the scheme purports to affect in accordance with its terms, including those creditors who did not vote on the scheme or who voted against it.

5 THE SCHEME MEETING

- 5.1 The Scheme Meeting relates to a single class of Scheme Creditors of the Company, which comprises those persons holding an economic or beneficial interest as principal in the Notes at the Distribution Record Time of the BVI Scheme.
- 5.2 The objective of the Scheme Meeting is to enable the Scheme Creditors to consider and, if thought fit, approve the BVI Scheme with or without modification.
- 5.3 As set out in paragraph 18.4 below, it is anticipated that the Scheme Meeting will be held on 11 December 2020.

6 CONDITIONS PRECEDENT TO THE RESTRUCTURING

- 6.1 If an order for the sanction of the BVI Scheme is made, certain conditions will need to be satisfied or waived before the restructuring contemplated by the BVI Scheme (the **Restructuring**) will become effective in accordance with the terms of the BVI Scheme. These conditions include, among others:
- (a) release of the relevant funds from the escrow account held by JP Morgan Chase Bank N.A. to be set up pursuant to the transaction specified in paragraph 9.6 below (the **Escrow Account**);
 - (b) the Scheme Consideration, the Consent Fee, and all fees, costs and expenses of professional advisers to the Committee (as defined below) or the Company in connection with the Restructuring have been paid by the Company or another party on behalf of the Company; and
 - (c) execution of all documents necessary to consummate the Restructuring.
- 6.2 The conditions are further particularised in the Explanatory Statement which will be made available to Scheme Creditors (the **Explanatory Statement**) in the manner set out in paragraphs 18.2 and 18.3 of this letter.

7 THE CONVENING HEARING

- 7.1 The convening hearing in respect of the BVI Scheme (the **Convening Hearing**), at which orders will be sought to: (i) approve the Explanatory Statement and other documentation supporting the BVI Scheme; and (ii) convene the Scheme Meeting, is expected to be listed in the BVI Court on 12 November 2020 (BVI time).
- 7.2 A further notice will be sent to the Scheme Creditors once the date and time of the Convening Hearing has been confirmed by the BVI Court.

8 JURISDICTION

- 8.1 The Company considers that the BVI Court has jurisdiction in relation to the BVI Scheme on the basis that the Company is incorporated and subject to the laws of the BVI.

9 BACKGROUND TO THE RESTRUCTURING

- 9.1 The Parent had intended to make payment under the Notes (given that the Company is a special purpose vehicle without any operations) through operating income, net profit, cash flow from operating activities, realising assets and other financing sources of the Group. However, the Parent experienced a tightened cash position and liquidity problems as a result of cross Group defaults and liabilities as guarantor for debts of other companies unrelated to the Group. As a result, the Parent's creditworthiness has deteriorated, rendering the Parent unable to refinance its operations in a more cautious lending environment which has contributed to the further decline in the Group's business.
- 9.2 In addition, the business of the Parent and the Group has been adversely affected by the COVID-19 pandemic, as transportation routes were either blocked or closed, resulting in business difficulties in respect of transporting goods.
- 9.3 As a result of the matters set out above, the Company was unable to pay the principal and accrued interest on the Notes when they became due and payable on 27 March 2020. The Company and the Parent have been in discussions with an ad hoc committee of Scheme Creditors (the **Committee**) regarding a restructuring of the Notes.
- 9.4 By way of additional background:
- (a) On 3 December 2019, the Company and Parent received a notice of acceleration from a holder of the Notes as a result of a breach of the Indenture for failure to perform certain obligations under the Indenture and make payment of certain amounts due in respect of the Parent's onshore corporate bonds. This was confirmed by the Trustee by a letter dated 20 December 2019.
 - (b) On 9 April 2020, the Trustee issued a letter to the holders of the Notes that the Company had failed to make principal and interest payments on 27 March 2020, which constituted an event of default pursuant to the Indenture.
 - (c) On 19 May 2020, the Trustee issued a letter to the holders of the Notes that monies had been withdrawn out of the interest reserve account for payment of the interest accrued as of 27 March 2020 under the Notes.
- 9.5 The Company and the Parent have since appointed Admiralty Harbour Capital Limited as its financial advisor and Locke Lord LLP as international counsel to pursue a transparent dialogue with creditors with a view to identifying and implementing a consensual resolution of their claims. The Company and the Parent have also engaged Harney Westwood & Riegels as its BVI counsel and Morrow Sodali Limited as the Information Agent.

- 9.6 In connection with the Restructuring, Yuhuang Chemical Industries, Inc. (the **Seller**), a subsidiary of the Parent, entered into an equity purchase agreement (the **Equity Purchase Agreement**) with Koch Methanol Investments, LLC (the **Purchaser**) on 28 October 2020, pursuant to which the Purchaser has agreed to purchase and the Seller has agreed to sell all of its equity interests in St. James Holding LLC (**St James**), a company in which the Seller and the Purchaser both hold equity interests (the **Asset Sale**) free and clear of all liens and encumbrances subject to certain conditions as set out in the Equity Purchase Agreement.
- 9.7 Subject to satisfaction of certain conditions, an amount of approximately USD197.6 million from the Asset Sale will be deposited into the Escrow account with JPMorgan Chase Bank, N.A., which will, subject to satisfaction of certain conditions including the BVI Scheme becoming effective, be released and used to fund, among others, the Scheme Consideration, the Consent Fee, the Work Fee (as defined below) and other Restructuring related fees and costs.
- 9.8 On 29 October 2020, the Company, the Parent and certain Scheme Creditors (the **Initial Consenting Creditors**) entered into a restructuring support agreement (the **RSA**) setting out the terms of a proposed restructuring of the Notes. As at the date of this letter, the holders of approximately USD227 million in outstanding principal amount of the Notes, representing over 75% by value of the Notes, have signed and are bound by the terms of, the RSA. The Initial Consenting Creditors have undertaken to support the Restructuring and vote in favour of the BVI Scheme under the terms of the RSA.

10 OBJECTIVE OF THE RESTRUCTURING

- 10.1 The BVI Scheme, if sanctioned, would implement a restructuring proposal recommended and approved by the sole director of the Company (the **Sole Director**). After considering the position of the Company based on the information available to it, the Sole Director believes that the Restructuring and the participation by the Company in the transactions contemplated by the BVI Scheme, is in the best interests of the Company and its stakeholders, including the Scheme Creditors.
- 10.2 Under the BVI Scheme, Scheme Creditors will discharge any and all claims in full in connection with or arising from its holdings in the Notes against, among others, the Company, the Parent, Seller, St James, Purchaser and their respective officers, directors, advisors and representatives in return for a total cash payment of USD184,521,250 (the **Scheme Consideration**) such that each Scheme Creditor receives a proportion of the Scheme Consideration that reflects the proportion that the principal amount of the Notes held by that Scheme Creditor as of the Distribution Record Time (as defined in the RSA) bears to the aggregate outstanding principal amount of the Notes held by all Scheme Creditors collectively.
- 10.3 In addition, a consent fee (the **Consent Fee**) of USD1.5 million, being 0.5% of the aggregate outstanding principal amount of the Notes, shall be paid to certain eligible consenting Scheme Creditors. Each eligible consenting Scheme Creditor will be entitled to receiving an amount equal to (i) the aggregate principal amount of that Scheme Creditor's eligible Notes *divided by* (ii) the aggregate principal amount of eligible Notes held by all eligible consenting Scheme Creditors, who have previously signed or acceded to the RSA and subsequently voted in favour of the BVI Scheme in accordance with the terms of the RSA, *multiplied by* (iii) USD1.5 million. The Consent Fee will be

paid to eligible Scheme Creditors on the day on which all conditions precedent to the Restructuring have been satisfied or waived (i.e. the Restructuring Effective Date) in accordance with the terms of the RSA.

- 10.4 The funds required to make payment of the Scheme Consideration and the Consent Fee will come from the proceeds of the Asset Sale.
- 10.5 The Company has confirmed that Mr. Wang Jinshu, as the sole director of the Company and a director of the Parent, holds a 62% equity interest in the Parent and a combined 0.796% equity interest in the Company through the Company's corporate shareholders. No other directors of the Company or Parent have any equity interest in the Parent.
- 10.6 The Company considers that if it is, for any reason, unable to implement the Restructuring, the Sole Director would be required to take steps to make an application to the BVI Court, or courts in other relevant jurisdictions, to appoint liquidators. Accordingly, the relevant comparator to the BVI Scheme is the insolvent winding-up of the Company, which would be to the detriment of the Company and all of its stakeholders, including the Scheme Creditors. In those circumstances, the Company would not be able to repay its creditors (including the Scheme Creditors) in full. Further, the quantum and timing of any distribution to its creditors would be uncertain and the recoveries for creditors would be far lower than the anticipated recovery to the Scheme Creditors under the BVI Scheme.

11 THE RESTRUCTURING SUPPORT AGREEMENT

- 11.1 As set out above at 9.8, the Company and the Initial Consenting Creditors representing over 75% by value of the outstanding principal amount of the Notes have signed and are bound by the terms of the RSA. The Initial Consenting Creditors have undertaken to support the Restructuring and to vote in favour of the BVI Scheme.
- 11.2 The RSA provides, among other things, that the Company, the Parent and its subsidiaries agree to take all steps that are reasonably necessary to implement the Restructuring by the longstop date of 31 January 2021.
- 11.3 Scheme Creditors who acceded to the RSA as a consenting creditor are entitled to a proportion of the Consent Fee of USD1.5 million in accordance with the terms of the RSA as stated in paragraph 10.3 above. The Sole Director does not consider that entitlement to the Consent Fee, or the existence of the RSA (which includes a binding obligation on signatories to vote in favour of the BVI Scheme), would prevent the Scheme Creditors as a class from consulting with each other with a view to their common interest in relation to the BVI Scheme.
- 11.4 In consideration for the work undertaken and to be undertaken by the Committee in connection with the Restructuring, the Company shall, on the Restructuring Effective Date, pay a work fee to the Committee in an amount of USD6 million, representing 2% of the aggregate outstanding principal amount of the Notes. The Sole Director does not consider that entitlement to the Work Fee, or the existence of the RSA (which includes a binding obligation on signatories to vote in favour of the BVI Scheme), would prevent the Scheme Creditors as a class from consulting with each other with a view to their common interest in relation to the BVI Scheme.

12 PROCEEDINGS AGAINST THE COMPANY

PRC Proceedings

- 12.1 Thirty-two affiliated companies of the Group (the **PRC Debtor Group**) including the Parent have applied to the Heze Intermediate People's Court (**Heze Court**) for commencing consolidated bankruptcy proceedings in the PRC for a restructuring of the indebtedness of the Group, which includes the Notes. On or around 21 October 2020, the Heze Court issued an announcement that a meeting of interested parties will take place on 2 November 2020, whereby the Heze Court will invite submissions from all parties before deciding whether to officially accept the PRC Debtor Group petition. If the Heze Court decides to accept the petition officially, Heze Court will send out notices to all creditors. Verified creditors will be notified to attend a creditors' meeting whereby they will vote to support or oppose the proposed settlement agreement submitted by the PRC Debtor Group. The Heze Court will adjudicate the settlement based on the results of the vote.

Proceedings against the Company in the United States of America

- 12.2 On 3 March 2020, two Scheme Creditors (the **Plaintiffs**) filed a complaint against the Company and the Parent in the Supreme Court of the State of New York, New York County (Index No. 651462/2020). The Plaintiffs claim that the Company and the Parent breached their obligation to make payment on the Notes following service of a Notice of Acceleration on 3 December 2019. The Plaintiffs also claim that the Parent failed to pledge the stock of certain subsidiaries. The Plaintiffs sought damages in the amount of USD206,004,161.68 and specific performance of the pledge of the stock against the Parent. The Company and the Parent answered the complaint and asserted affirmative defences on 30 June 2020. On 8 September 2020, the Plaintiffs filed a motion for summary judgment. The Company and the Parent filed an opposition to the motion for summary judgment and made their own cross-motion for summary judgment on 12 October 2020. The Plaintiffs' reply on their motion for summary judgment and opposition to the cross-motion, and Company's and Parent's reply in support of their cross-motion are due to be submitted in November 2020.

13 CONSTITUTION OF CLASSES

- 13.1 It is the responsibility of the Sole Director to formulate the classes of creditors for the purpose of convening meetings to consider and, if thought fit, approve the proposed Scheme with or without modification.
- 13.2 The Sole Director has been advised by Admiralty Harbour Capital Limited and its legal advisors that the Scheme Creditors fall into a single class on the basis that the rights of the Scheme Creditors:
- (a) against the Company (the Parent, the Seller, St James and the Purchaser) which are to be released under and pursuant to the BVI Scheme;
 - (b) to receive the Scheme Consideration under the BVI Scheme; and

- (c) in an insolvent liquidation of the Company, being the likely alternative scenario if the BVI Scheme is not implemented are not so dissimilar as to make it impossible for them to consult together with a view to their common interest.
- 13.3 Given the financial situation of the Company and the Parent, the Sole Director considers that the most appropriate comparator for assessing whether the rights of the Scheme Creditors are not so dissimilar as to make it impossible for them to consult together with a view to their common interest is an insolvent liquidation. In an insolvent liquidation of the Company, the Scheme Creditors would all have a right to receive a *pari passu* dividend based on the value of their claims, save that the value of the pool of assets from which the *pari passu* dividends will be paid will be significantly lower than under the BVI Scheme.
- 13.4 On the instruction of the Company, AMC Capital Advisory Services Limited has prepared a comparative analysis of the return to the Scheme Creditors under the BVI Scheme and the return to Scheme Creditors in an insolvent liquidation of the Company (being the most likely alternative scenario) (the **Recovery Analysis**). A copy of the Recovery Analysis will be appended to the Explanatory Statement.
- 13.5 For completeness, the Sole Director has considered whether the payment of the Consent Fee to eligible Scheme Creditors has an impact on the constitution of classes of Scheme Creditors for the purposes of the BVI Scheme, and has concluded that it does not. The existence and terms of the RSA have been made publicly available to all Scheme Creditors and the Consent Fee has been offered to all Scheme Creditors on an equal basis, provided that they became a party to the RSA as a consenting creditor by the deadlines stated therein and vote in favour of the BVI Scheme at the Scheme Meetings. It is unlikely that a Scheme Creditor who is not eligible to receive the Consent Fee would be persuaded to vote against the BVI Scheme by reason of the existence of the Consent Fee because: (a) the Consent Fee only represents approximately 0.5% of the aggregate outstanding principal amount of the Notes; (b) the Initial Consenting Creditors representing over 75% by value of the outstanding principal amount of the Notes have already acceded to the RSA as consenting creditors; and (c) the alternative of an insolvent liquidation would result in the Scheme Creditors receiving returns that are significantly lower than the anticipated returns under the BVI Scheme. In this context, the Consent Fee is not a material factor.
- 13.6 For completeness, the Sole Director has also considered whether the payment of the Work Fee to the Committee has an impact on the constitution of classes of Scheme Creditors for the purposes of the BVI Scheme, and has concluded that it does not. It is unlikely that a Scheme Creditor who is not eligible to receive the Work Fee would be persuaded to vote against the BVI Scheme by reason of the existence of the Work Fee because: the Work Fee only represents approximately 2% of the aggregate outstanding principal amount of the Notes; and (b) the Initial Consenting Creditors representing over 75% by value of the outstanding principal amount of the Notes have already acceded to the RSA as consenting creditors; and (c) the alternative of an insolvent liquidation would result in the Scheme Creditors receiving returns that are significantly lower than the anticipated returns under the BVI Scheme. In this context, the Work Fee is not a material factor.

14 CHAPTER 15

- 14.1 The Company shall appoint a foreign representative to seek recognition of the BVI Scheme under Chapter 15 of Title 11 of the United States Code immediately upon the BVI Scheme being effective.

15 SCHEME CREDITOR ISSUES

- 15.1 If you disagree with the Company's proposal for convening the Scheme Meeting as set out above, or you wish to raise any other issues relating to the constitution of the Scheme Meeting or which might otherwise affect the conduct of the Scheme Meeting, you should contact the Company's BVI legal counsel, Harney Westwood & Riegels (whose contact details are set out at paragraph 19.3 below) as soon as possible and, in any event, no later than 5:00 p.m. one (1) day (BVI time) before the Convening Hearing. Scheme Creditors may attend before the BVI Court at the Convening Hearing in order to raise such arguments.
- 15.2 Scheme Creditors should be aware that it is likely that the BVI Court will expect that issues which may arise as to the constitution of the Scheme Meeting or which otherwise go to the BVI Court's jurisdiction to sanction the BVI Scheme (**Creditor Issues**) should be raised at the Convening Hearing. While Scheme Creditors who vote at the Scheme Meeting will be able to appear and raise objections at the hearing to sanction the BVI Scheme, the BVI Court may expect them to show good reason why they did not raise any Creditor Issue at the Convening Hearing. If any Scheme Creditor wishes to raise any Creditor Issues it should, therefore, do so at the Convening Hearing.
- 15.3 In the event the BVI Court makes an order approving the form of the Explanatory Statement and the proposed Scheme and permits the Company to convene a Scheme Meeting, the Company will provide the Scheme Creditors with details of the Scheme Meeting and how Scheme Creditors can attend and vote.

16 REQUEST FOR SUPPORT

For the reasons set out above, the Sole Director considers the Restructuring to be in the best interests of the Company and the Scheme Creditors and recommends that the Scheme Creditors vote in favour of the BVI Scheme at the Scheme Meeting.

17 SCHEME WEBSITE AND SCHEME INFORMATION

Morrow Sodali Limited (the **Information Agent**) has, at the request of the Company, set up the scheme website <https://bonds.morrowsodali.com/yuhuang> (**Scheme Website**) to disseminate information about the BVI Scheme to Scheme Creditors and facilitate the implementation of the BVI Scheme. Scheme Creditors may download documents relating to the BVI Scheme from the Scheme Website.

18 NEXT STEPS

- 18.1 As set out at paragraph 7.1 above, the Company anticipates that the Convening Hearing will take place on 12 November 2020 (BVI time). Scheme Creditors will be notified in advance once the date and time of the Convening Hearing have been confirmed by the BVI Court. Shortly following the

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Ritter House
Wickhams Cay II, Road Town
Tortola, VG1110, British Virgin Islands

Convening Hearing, the Scheme Creditors will (if the BVI Court grants permission to the Company to convene the Scheme Meeting) be provided with certain documents in connection with the BVI Scheme (the ***Scheme Documents***). The Scheme Documents will comprise:

- (a) a copy of the BVI Scheme;
- (b) the Explanatory Statement required to be provided pursuant to section 179A of the BCA; and
- (c) an instruction packet, comprising an account holder letter, pursuant to which a Scheme Creditor will be entitled to (among other things) vote on the BVI Scheme (or appoint a proxy to vote on its behalf).

18.2 The Scheme Documents will be made available by the Information Agent to the Scheme Creditors via the Scheme Website and distributed through the clearing systems to the holders of the Notes.

18.3 In addition, copies of this letter together with the Scheme Documents will also be sent via electronic mail to each person whom the Company believes may be a Scheme Creditor and for whom the Company has a valid email address. If you have any doubts as to whether you are a Scheme Creditor, please contact Morrow Sodali (whose contact details are at paragraph 19.2 below).

18.4 Assuming that the Convening Hearing takes place on 12 November 2020 and the BVI Court orders that the Scheme Meeting be convened by the Company, the proposed date on which the Scheme Meeting will be held is 11 December 2020. A further notice will be sent out by the Company at the appropriate time confirming the date of the Scheme Meeting.

19 CONTACT DETAILS AND FURTHER INFORMATION

19.1 If you have any questions in relation to this letter, the BVI Scheme or the Restructuring, please contact the Information Agent, the Company's BVI legal counsel, Harney Westwood & Riegels, and/or the Company's financial adviser, Admiralty Harbour Capital Limited, using the below contact details:

19.2 Morrow Sodali Limited

Email: yuhuang@investor.morrowsodali.com

Scheme Website: <https://bonds.morrowsodali.com/yuhuang>

In Hong Kong: Unit 1106, Level 11 Two ChinaChem Central 26 Des Voeux Road Central, Hong Kong
Telephone: +852 2158 8405

In London: 103 Wigmore Street W1U 1QS, United Kingdom
Telephone: +44 204 513 6917

In Stamford: 470 West Ave., Suite 3000, Stamford, CT 06902, United States of America
Telephone: +1 203 609 4910

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Wickhams Cay II, Road Town
Tortola, VG1110, British Virgin Islands

19.3 Harney Westwood & Riegels, as the Company's BVI legal counsel

Craigmuir Chambers, P.O. Box 71, Road Town, Tortola VG1110, British Virgin Islands

Email: chai.ridgers@harneys.com and stuart.cullen@harneys.com

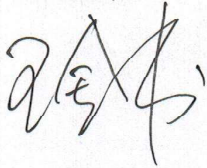
Phone: +852 5806 7869 and +1 284 852 2567

19.4 Admiralty Harbour Capital Limited, as the Company's financial adviser

Suite 1702, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong

Email: yuhuang@ahfghk.com

Yours faithfully



Wang Jinshu

Authorised Representative

For and on behalf of Rock International Investment Inc. (磐石国际投资股份有限公司)