

THIS EXPLANATORY STATEMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE ANY SUCH OFFER OR INVITATION OR SOLICITATION IN SUCH JURISDICTION. NONE OF THE SECURITIES REFERRED TO IN THIS EXPLANATORY STATEMENT MAY BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THEY ARE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ARE EXEMPT FROM SUCH REGISTRATION. THE SECURITIES PROPOSED TO BE ISSUED PURSUANT TO THE SCHEME WILL NOT BE, AND ARE NOT REQUIRED TO BE, REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) UNDER THE SECURITIES ACT OR THE SECURITIES LAW OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN THE SECURITIES ACT) UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT IS AVAILABLE.

NOTEHOLDERS WHO ARE IN THE UNITED STATES OR WHO ARE U.S. PERSONS AND WHO ARE NEITHER QUALIFIED INSTITUTIONAL BUYERS (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) NOR ACCREDITED INVESTORS (WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE SECURITIES ACT) ARE NOT ELIGIBLE TO RECEIVE THE NEW NOTES OR THE NEW PERPETUAL NOTES (AS EACH SUCH TERM IS DEFINED HEREIN) UNDER THE TERMS OF THE SCHEME.

THIS EXPLANATORY STATEMENT WILL NOT BE FILED WITH THE SEC AND THE SCHEME AND THE RESTRUCTURING DOCUMENTS WILL NOT BE REVIEWED BY THE SEC OR ANY STATE SECURITIES AUTHORITY AND NONE OF THEM HAS OR WILL APPROVE, DISAPPROVE, PASS UPON OR ENDORSE THE MERITS OF THE SCHEME OR THE ACCURACY, ADEQUACY OR COMPLETENESS OF THIS EXPLANATORY STATEMENT OR OTHER RESTRUCTURING DOCUMENTS. IT IS UNLAWFUL TO MAKE ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

THE SCHEME CREDITORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE SCHEME, INCLUDING THE MERITS AND RISKS INVOLVED.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**EXPLANATORY STATEMENT IN RELATION TO
SCHEME OF ARRANGEMENT**

BETWEEN

PEARL HOLDING III LIMITED

(an exempted company incorporated with limited liability under the laws of the Cayman Islands with company number 297460)

AND

THE SCHEME CREDITORS

(as defined in this Explanatory Statement)

**IN THE GRAND COURT OF THE CAYMAN ISLANDS UNDER SECTION 86 OF THE
COMPANIES ACT (2021 REVISION) AND FSD CAUSE NO: FSD 254 of 2021 (DDJ)**

8 September 2021

This document comprises an explanatory statement in relation to Scheme of arrangement proposed by Pearl Holding III Limited pursuant to section 86 of the Companies Act (2021 Revision) of the Cayman Islands (the “**Explanatory Statement**”). Reference is made to the definitions set out in Appendix 1 (*Definitions and Interpretation*) to this Explanatory Statement.

This Explanatory Statement is being sent to persons who it is believed are or may be Scheme Creditors at the date of this Explanatory Statement. If you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Scheme Creditor before the Record Time you must forward this Explanatory Statement and the accompanying documents at once to the person or persons to whom you have assigned, sold or otherwise transferred your interests as a Scheme Creditor.

WARNING – The contents of this Explanatory Statement have not been reviewed by any regulatory authority in the Cayman Islands, Hong Kong, Singapore or in any other jurisdiction. Neither the SEC nor any United States state securities commission has approved or disapproved of the Scheme Consideration or determined if this Explanatory Statement is truthful or complete. Any representation to the contrary is a criminal offence. You are strongly encouraged to exercise caution in relation to any offer pursuant to the Scheme of arrangement set out in this Explanatory Statement.

You are recommended to seek your own independent financial, legal and/or tax advice immediately from your financial, legal and/or tax adviser with respect to the contents of this Explanatory Statement or the documents that accompany it or what action you should take.

An application will be made to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for permission to deal in and the listing and quotation of the New Notes on the SGX-ST. Such permission will be granted when the New Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the New Notes to the Official List of the SGX-ST and quotation of any of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the New Notes or of the issuers of them, any guarantees, any guarantors, their respective subsidiaries (if any), their respective associated companies (if any) or their respective joint venture companies (if any). If the application to the SGX-ST to list the New Notes is approved, for so long as such New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such New Notes will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies). To the extent that the Company is required to disclose additional information solely for the purposes of the application to list the New Notes

on the SGX-ST, such information will be made available to Scheme Creditors on the Scheme Website.

This Explanatory Statement is accompanied by the Solicitation Packet, as set out at Appendix 8 (*Solicitation Packet*) to this Explanatory Statement, which is also available on the Scheme Website.

The Solicitation Packet contains: (i) the Account Holder Letter (which also encloses the Designated Recipient Form and the Distribution Confirmation) and (ii) instructions and guidance for Scheme Creditors as to how to complete those documents.

Queries in relation to this Explanatory Statement should be directed to the Information Agent as follows:

Morrow Sodali Limited

Hong Kong:

Unit 23-016, LKF Tower, 33 Wyndham Street, Central, Hong Kong
Tel: +852 2319 4130

London:

103 Wigmore Street London, W1U 1QS
Tel: +44 204 513 6917

Stamford:

470 West Ave., Suite 3000, Stamford, CT 06902
Tel: +1 203 609 4910

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

Scheme AHL Portal: <https://portal.morrowsodali.com/pearl>

E-Mail: pearl@investor.morrowsodali.com

NOTES AS TO KEY DATES AND INSTRUCTIONS

- The **Record Time** for the Scheme will be 5 p.m. New York time on 27 September 2021, the equivalent being 4 p.m. Cayman Islands time on 27 September 2021 and 5 a.m. Hong Kong time/Singapore Time on 28 September 2021. The **Initial Deadline** for the Scheme will be 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman Islands time on 27 September 2021 and 11 p.m. Hong Kong time/Singapore Time on 27 September 2021.
- The **Scheme Meeting**, at which the Scheme Creditors will consider and vote on the Scheme, will be held at the offices of Latham & Watkins LLP, 18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong, with any adjournment as may be appropriate, at 10 a.m. Hong Kong time/Singapore Time on 30 September 2021, the equivalent time being 9 p.m. Cayman Islands time on 29 September 2021 and 10 p.m. New York time on 29 September 2021.
- Scheme Creditors will be able to attend the **Scheme Meeting** in person or by proxy, and will also be able to join by video conference or by telephone using the dial-in details which will be published on the Scheme Website.
- A formal notice convening the **Scheme Meeting** is set out in Appendix 7 (*Notice of Scheme Meeting*) to this Explanatory Statement.
- The **Scheme Sanction Hearing** before the Cayman Court to determine whether or not the Cayman Court will sanction the Scheme is presently scheduled to take place on 8 October 2021 at 10 a.m. (Cayman Islands time). Scheme Creditors will have the right to attend and be heard at such hearing.
- **Instructions about actions to be taken by the Scheme Creditors** before the Scheme Meeting are set out in section 9 (*Scheme Creditors and actions to be taken*), along with Appendix 8 (*Solicitation Packet*) to this Explanatory Statement (which contains each of the Account Holder Letter, Distribution Confirmation and Designated Recipient Form).
- **Scheme Creditors should be aware that (i) the New Notes and the New Perpetual Notes will only be eligible for clearing and settlement through Euroclear and Clearstream, but (ii) DTC's ATOP (automated tender offer program) system may not be used. It is highly recommended that each Scheme Creditor instructs its Account Holder to move its Existing Notes held with DTC (if any) from DTC to an account with Euroclear or Clearstream without delay and, in any event, before the Record Time. It will not be possible for Scheme Creditors to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account). Further, if a Scheme Creditor provides relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive its entitlements until the first Periodic Distribution Date at the earliest, that is, after the Restructuring Effective Date.**
- Whether or not you intend to attend the Scheme Meeting (either in person or by proxy), you are requested to ensure that the documents specified below are duly completed, executed and returned in accordance with the instructions set out therein so that they are received by the Information Agent as soon as possible and in any event by the dates and times set out below:

Action	Documents¹ / blocking instructions² to submit	Deadline
To vote at the Scheme Meeting	<ul style="list-style-type: none"> Relevant blocking instructions 	<ul style="list-style-type: none"> Prior to submission of the Account Holder Letter; and, in any event, before the Blocking Instructions Deadline (of 11 a.m. New York time on 23 September 2021 / 10 a.m. Cayman Islands time on 23 September 2021/ 11 p.m. Hong Kong/ Singapore time on 23 September 2021) (or, if earlier, the relevant deadline imposed by the Clearing Systems)) (Please also check relevant deadlines with your custodian and/or Clearing System)
	<ul style="list-style-type: none"> Account Holder Letter (to include Blocking Reference Number and, if available in the case of a Consenting Creditor, its Accession Code)³ 	<ul style="list-style-type: none"> <u>Initial Deadline (11 a.m. New York time on 27 September 2021/ 10 a.m. Cayman Islands time on 27 September 2021/ 11 p.m. Hong Kong/ Singapore time on 27 September 2021)</u>
To receive Scheme Consideration	<ul style="list-style-type: none"> Relevant blocking instructions 	<ul style="list-style-type: none"> Prior to submission of the Account Holder Letter; and (where an Account Holder Letter is being submitted prior to the Initial Deadline) <u>before</u>

¹ All documents must be submitted to the Information Agent.

² Blocking Instructions to block the Existing Notes in the Clearing Systems must be submitted by Account Holders to the Clearing Systems, save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream the Existing Notes must be blocked in accordance with the instructions contained in the Solicitation Packet at Appendix 8 to this Explanatory Statement.

³ Save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, the Account Holder Letter must be affixed with a signature medallion guarantee stamp in accordance with the instructions in the Solicitation Packet at Appendix 8 to this Explanatory Statement.

		<p><u>the Blocking Instructions Deadline</u></p> <p>(Check relevant deadlines with custodian and Clearing System)</p>
	<ul style="list-style-type: none"> Account Holder Letter (to include Blocking Reference Number and, if available in the case of a Consenting Creditor, its Accession Code)⁴ Distribution Confirmation 	<ul style="list-style-type: none"> <u>Initial Deadline (11 a.m. New York time on 27 September 2021/ 10 a.m. Cayman Islands time on 27 September 2021 / 11 p.m. Hong Kong/ Singapore time on 27 September 2021) (to receive Scheme Consideration on the Restructuring Effective Date)</u> No later than the <u>Bar Date</u>⁵ (to receive Scheme Consideration by the <u>Final Distribution Date</u>)⁶
To appoint a Designated Recipient to receive Scheme Consideration on your behalf	<ul style="list-style-type: none"> Designated Recipient Form 	To be submitted <u>together with the Account Holder Letter and the Distribution Confirmation</u>

- Further important information is set out under sections 2 (*Important Notice to Scheme Creditors*) and 3 (*Important Securities Law Notices*) of this Explanatory Statement.

⁴ Save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, the Account Holder Letter must be affixed with a signature medallion guarantee stamp in accordance with of the instructions the Solicitation Packet at Appendix 8 to this Explanatory Statement.

⁵ **Being a time to be specified on the date falling five (5) months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Scheme.**

⁶ There will be a Holding Period from the Restructuring Effective Date up to and including the Final Distribution Date during which the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors in accordance with the terms of the Distribution Agreement. Periodic Distributions of the Surplus Scheme Consideration will be made during the Holding Period (including on the Final Distribution Date) to settle Surplus Scheme Consideration in respect of Account Holder Letters, Distribution Confirmations and Designated Recipient Forms (if applicable) which are received after the Initial Deadline and by the Bar Date (but note that Scheme Claims will be determined as at the Record Time).

TABLE OF CONTENTS

CONTENTS

Clause	Page
1. EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	8
2. IMPORTANT NOTICES TO SCHEME CREDITORS.....	11
3. IMPORTANT SECURITIES LAW NOTICES	16
4. LETTER FROM THE BOARD TO THE SCHEME CREDITORS.....	23
5. BACKGROUND TO THE COMPANY AND THE RESTRUCTURING.....	33
6. OVERVIEW OF THE RESTRUCTURING	44
7. INTRODUCTION TO THE SCHEME	67
8. RESTRUCTURING DOCUMENTS	92
9. SCHEME CREDITORS AND ACTIONS TO BE TAKEN	93
10. RISK FACTORS	100
11. TAXATION.....	116
APPENDIX 1 DEFINITIONS AND INTERPRETATION	117
APPENDIX 2 2020 ANNUAL REPORT	142
APPENDIX 3 Q1 & Q2 2021 FINANCIAL RESULTS	143
APPENDIX 4 ILLUSTRATIVE EXAMPLE OF DISTRIBUTION WATERFALL	144
APPENDIX 5 LIQUIDATION FINANCIAL ANALYSIS	145
APPENDIX 6 SCHEME	146
APPENDIX 7 NOTICE OF SCHEME MEETING.....	147
APPENDIX 8 SOLICITATION PACKAGE	152
APPENDIX 9 PRE-RESTRUCTURING CORPORATE STRUCTURE	153
APPENDIX 10 POST-RESTRUCTURING CORPORATE STRUCTURE	154
APPENDIX 11 SCHEME MEETING CONVENING ORDER.....	155

1. EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁷

- 1.1 **Scheme Creditors should observe any deadlines set by any institution or settlement system (including the Clearing Systems) through which they hold interests in the Existing Notes to ensure that any voting instructions given by them are taken into account at the Scheme Meeting and that they can participate in the distributions of Scheme Consideration on the Restructuring Effective Date and the Final Distribution Date.**
- 1.2 **The Company strongly urge each Scheme Creditor to contact its relevant Account Holder or Intermediary as soon as possible to ensure they are aware of this Explanatory Statement and the process and timetable set out in it.**
- 1.3 **Principal events taking place *before* the date of this Explanatory Statement are set out below marked with an asterisk* and are for information purposes only.**

Event	Expected date	Cayman Islands time	New York time	Hong Kong /Singapore time
Date of the RSA*	26 May 2021			
Consent Fee Cut-Off Time* (the latest time for Noteholders to accede to the RSA in accordance with its provisions in order to receive the Consent Fee under it)	5:00 p.m. (Hong Kong/Singapore time), 16 June 2021			
Scheme Convening Hearing*	6 September 2021	11 a.m. on 6 September 2021	12 p.m. on 6 September 2021	12 a.m. on 7 September 2021
Blocking Instructions Deadline # (or, if earlier the relevant deadline imposed by the Clearing Systems)	23 September 2021 [#]	10 a.m. on 23 September 2021 [#]	11 a.m. on 23 September 2021 [#]	11 p.m. on 23 September 2021 [#]
Initial Deadline (the latest time and date for delivery of duly completed documentation (including Account Holder Letters) necessary to vote at the Scheme Meeting and to receive the Scheme Consideration on the Restructuring Effective Date (subject to the Restructuring Effective Date occurring)) ⁸	27 September 2021	10 a.m. on 27 September 2021	11 a.m. on 27 September 2021	11 p.m. on 27 September 2021

⁷ The dates in this timetable and those mentioned throughout this Explanatory Statement assume that none of the court hearings or the Scheme Meeting are adjourned or delayed. It is also possible that the drawing up or registration of the Court Orders may be delayed if any person appeals either order.

⁸ **Note that the Clearing System in which you hold your Existing Notes (or your Account Holder) may impose an earlier deadline for the submission of the relevant blocking instructions**

Event	Expected date	Cayman Islands time	New York time	Hong Kong /Singapore time
Record Time ⁹	27 September 2021	4 p.m. on 27 September 2021	5 p.m. on 27 September 2021	5 a.m. on 28 September 2021
Scheme Meeting ¹⁰	30 September 2021	9 p.m. on 29 September 2021	10 p.m. on 29 September 2021	10 a.m. on 30 September 2021
Scheme Sanction Hearing ¹¹	8 October 2021	10 a.m. on 8 October 2021	11 a.m. on 8 October 2021	11 p.m. on 8 October 2021
Scheme Effective Date	A date to be specified by the Company in a notice to the Scheme Creditors (amongst others), which is a Business Day, cannot occur after the Longstop Date and which may only occur following the date on which all of the Scheme Conditions are satisfied.			
Restructuring Effective Date ¹²	A date to be specified by the Company in a prior notice to the Scheme Creditors (amongst others), which is a Business Day, cannot occur after the Longstop Date and which may only occur following the date on which all of the Restructuring Conditions are satisfied or, to the extent permitted by law and the RSA and agreed with the Ad Hoc Committee (or the AHC Advisers), waived by the Company.			

and/or Account Holder Letter. To ensure timely submission of your relevant blocking instructions and Account Holder Letter, please ask your Account Holder to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your relevant blocking instructions and/or Account Holder Letter are received before any such applicable deadline. This is particularly important if you wish to submit an Account Holder Letter by the Initial Deadline in order to vote at the Scheme Meeting and receive Scheme Consideration on the Restructuring Effective Date.

- ⁹ All Scheme Claims are determined as at the Record Time. The Company will be entitled to exercise discretion as to whether it recognises any assignment or transfer of Scheme Claims after the Record Time.
- ¹⁰ The Scheme Meeting will commence at the time stated. Any Scheme Creditor that wishes to attend the Scheme Meeting should produce a duplicate copy of the Account Holder Letter that was executed and delivered on their behalf, evidence of personal identity (for example, a passport or other picture identification) and, in the case of a corporation, evidence of corporate authority (for example, a valid power of attorney and/or board minutes) at the registration desk by no later than fifteen minutes before the scheduled time of the Scheme Meeting.
- ¹¹ The date of the hearing by the Courts for sanction of the Scheme and the Scheme Effective Date of the Scheme will depend on the Court's availability. Notice will be provided to all Scheme Creditors if the date of the Scheme Sanction Hearing changes.
- ¹² This is also an estimated date and will depend both upon the court's availability and when the Restructuring Conditions are satisfied or waived.

Event	Expected date	Cayman Islands time	New York time	Hong Kong /Singapore time
	This will also be the initial date upon which the Scheme Consideration will be distributed to the Initial Participating Scheme Creditors, being the same date as the Restructuring Effective Date, as notified by the Company to the Scheme Creditors, SGX and the Agents in accordance with the terms of the Scheme.			
Longstop Date	31 October 2021 ¹³			
Holding Period and Periodic Distribution Dates	<p>The holding period from the time immediately following the initial distribution of the Scheme Consideration on the Restructuring Effective Date up to and including the Final Distribution Date during which time the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors until they are distributed in Periodic Distributions in accordance with the terms of the Distribution Agreement.</p> <p>Distributions of Surplus Scheme Consideration shall be made on a rolling basis on the Periodic Distribution Dates which will occur during the Holding Period in accordance with the provisions of the Distribution Agreement.</p>			
Bar Date (the latest time and date for delivery of duly completed documentation necessary to receive any Scheme Consideration)	A time to be specified on the date falling 5 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company pursuant to the provisions of the Scheme.			
Final Distribution Date	10 Business Days after the Bar Date (also the third and final Periodic Distribution Date).			

¹³ Or such later date as may be agreed by the Company and the Ad Hoc Committee.

2. IMPORTANT NOTICES TO SCHEME CREDITORS

This section contains a number of important notices to Scheme Creditors. Scheme Creditors are strongly encouraged to carefully review the notices in this section and, if necessary, seek and obtain independent legal and/or financial advice.

2.1 Defined terms

Unless the context otherwise requires, all capitalised terms used in this Explanatory Statement shall have the meanings set out in Appendix 1 (*Definitions and Interpretation*) to this Explanatory Statement.

2.2 Information

This Explanatory Statement has been prepared in connection with a proposed scheme of arrangement under section 86 of the Cayman Companies Act in relation to the Scheme between the Company and the Scheme Creditors, and has been prepared solely for the purpose of providing information to Scheme Creditors in relation to the Scheme.

Nothing in this Explanatory Statement or any other document issued with or appended to it should be relied on for any purpose other than for Scheme Creditors to make a decision on the Scheme. In particular and without limitation, nothing in this Explanatory Statement should be relied on in connection with the purchase or acquisition of any Scheme Claim or any other financial instruments, securities, assets or liabilities of the Company or any other Group Company.

Nothing contained in this Explanatory Statement constitutes a recommendation, or the giving of advice, by the Board, the Company, any other Group Company or Platinum Equity to take a particular course of action or to exercise any right conferred by the Existing Notes in relation to, buying, selling, subscribing for, exchanging, redeeming, holding, underwriting, disposing of, or converting Existing Notes or any other financial instruments, securities, assets, claims, property interests or liabilities of the Company or any other Group Company.

2.3 Scheme Creditors

This Explanatory Statement is to be distributed to Scheme Creditors. Information on the actions that Scheme Creditors are required to take under the Scheme is set out in section 9 (*Scheme Creditors and Actions to be Taken*) of this Explanatory Statement and Appendix 8 (*Solicitation Packet*) to this Explanatory Statement.

2.4 Notice to Scheme Creditors

Without prejudice to any representations and warranties to be given by the Company in the Restructuring Documents, nothing contained in this Explanatory Statement shall constitute a representation, warranty, undertaking or guarantee of any kind, express or implied, nor any admission of any fact or liability on the part of the Company, any other Group Company or Platinum Equity with respect to any asset to which they may be entitled or any claim against them. Without prejudice to the generality of the foregoing, nothing in this Explanatory Statement or the distribution thereof evidences to any person, or constitutes any admission by the Company, any other Group Company or Platinum Equity, that a liability is owed to any person in respect of any claim (including without limitation any Scheme Claim) or that any person is or may be a Scheme Creditor. The failure to distribute this Explanatory Statement to any Scheme Creditor shall not constitute an admission or determination by the Company or any other Group Company that such person is not a Scheme Creditor.

No person has been authorised by the Company to give any information or make any representations concerning the Restructuring Documents or the Scheme which is inconsistent with this Explanatory Statement and, if made, such representations shall not be relied upon as having been so authorised.

The information contained in this Explanatory Statement has been prepared based upon information available to the Company prior to the date of this Explanatory Statement. The delivery of this Explanatory Statement does not imply that the information herein is correct as at any time subsequent to the date hereof. To the best of the Company's knowledge, information and belief, the information contained in this Explanatory Statement is in accordance with the facts and does not omit anything likely to affect the import of such information, each in a material respect. The Company has taken all reasonable steps to ensure that this Explanatory Statement contains the information reasonably necessary and material to enable Scheme Creditors to make an informed decision about how the Restructuring affects them.

None of the Company's advisers have verified that the information contained in this Explanatory Statement is materially in accordance with facts and does not omit anything likely to affect the veracity of such information in any material way, and each of those persons expressly disclaims responsibility for such information.

None of the Scheme Creditors, the Ad Hoc Committee or their advisers have authorised the content of this document or any part of it, nor do they or their advisers accept any responsibility for the accuracy, completeness or reasonableness of the statements contained within it. The Ad Hoc Committee and its advisers do not act for the Company or any other Scheme Creditors in any representative capacity, and have no fiduciary or other duties or obligations to the Company or any other Scheme Creditors, in connection with this Explanatory Statement, the Scheme or the Restructuring.

This Explanatory Statement has not been reviewed, verified or approved by any rating agency, the Existing Notes Trustee, or any regulatory authority. Without prejudice to any representations and warranties to be given by the Company in the Restructuring Documents, to the fullest extent permitted by law, the Company, any other Group Company and Platinum Equity will have no tortious, contractual or any other liability to any person in connection with the use of this Explanatory Statement the Company, any other Group Company and Platinum Equity will not accept any liability whatsoever to any person, regardless of the form of action, for any lost profits or lost opportunity, or for any indirect, special, consequential, incidental or punitive damages arising from any use of this Explanatory Statement, its contents or preparation or otherwise in connection with it, even if the Company, any other Group Company or Platinum Equity has been advised of the possibility of such damages.

2.5 Restrictions

The distribution of this Explanatory Statement to or in certain jurisdictions may be restricted by law or regulation and persons into whose possession this Explanatory Statement comes are requested to inform themselves about, and to observe, any such restrictions. Failure to comply with any such restrictions could result in a violation of the laws of such jurisdictions.

2.6 Summary only

The summary of the principal provisions of the Scheme contained in this Explanatory Statement is qualified in its entirety by reference to the Scheme itself. The full text of the Scheme is set out in Appendix 6 (*Scheme*) to this Explanatory Statement. Each Scheme Creditor is strongly encouraged to read and consider carefully the text of the Scheme. This Explanatory Statement has been prepared solely to assist Scheme Creditors in respect of voting on the Scheme.

2.7 Conflicts

In the event of a conflict between the information and terms described in:

- (a) this Explanatory Statement; and
- (b) the Scheme or the Restructuring Documents;

the terms of the Scheme and the Restructuring Documents shall prevail.

Subject to the terms of the RSA and applicable laws, the Company shall be at liberty to:

- (a) propose a different scheme of arrangement at any time prior to sanction of the Scheme; or
- (b) propose any modifications to the Scheme, provided that, subject to clause 23 of the Scheme, any such modifications shall require the Company to seek further directions from the Cayman Court and/or obtain further approval from the Scheme Creditors.

The Company shall enjoy such liberty notwithstanding any actions in reliance on the Scheme or this Explanatory Statement by a Scheme Creditor or any other person.

2.8 Forward-looking Statements

Nothing in this Explanatory Statement shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company and/or any Group Company except where otherwise specifically stated.

This Explanatory Statement contains statements, estimates, opinions and projections with respect to the Company and the Group and certain plans and objectives of the Company and the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “*anticipate*”, “*target*”, “*expect*”, “*estimate*”, “*intend*”, “*plan*”, “*goal*”, “*believe*”, “*will*”, “*may*”, “*should*”, “*would*”, “*could*” or other words of similar import. These statements are based on numerous assumptions and assessments made by the Company as appropriate in light of its perception of historical trends, current conditions, expected future developments and other factors which it believes appropriate. No assurance can be given that such expectations will prove to be correct. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Such forward-looking statements only speak as at the date of this Explanatory Statement. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors and uncertainties set out in section 10 (*Risk Factors*) of this Explanatory Statement. Each Scheme Creditor is urged to make its own assessment of the validity of such forward-looking statements and their underlying assumptions and no liability is accepted by the Company in respect of the achievement or failure thereof of such forward-looking statements and assumptions. Without limiting the above, none of the boards of the directors of the Company or of the other Group Companies assumes any obligation to update or correct any forward-looking statements contained in this Explanatory Statement to reflect any change of expectations with respect thereto or any change in event, situation or circumstances on which any such forward-looking statement was based.

2.9 Risk Factors

Scheme Creditors’ attention is drawn to certain risks and uncertainties associated with the Restructuring that are set out in section 10 (*Risk Factors*) of this Explanatory Statement.

These important risk factors could cause the Company’s and the Group’s actual results and future prospects to differ materially from those expressed in this Explanatory Statement (including any forward-looking statements).

Each Scheme Creditor should carefully read and analyse such risk factors and uncertainties, and fully understand their impact, which may be material and adverse, on its financial condition and prospects. The statement of risk factors is not and is

not intended to be an exhaustive statement of such factors or of all possible factors which might influence the decision of Scheme Creditors as regards the Scheme or any investment decision.

2.10 Unaudited financial information

- (a) The Q1 2021 Interim Report and Q2 2021 Interim Report at Appendix 3 (*Q1 & Q2 2021 Financial Results*) to this Explanatory Report contain unaudited financial information. Scheme Creditors are directed to the Q1 & Q2 2021 Financial Results which contain information as to the basis on which they have been prepared.

2.11 Disclaimer regarding preparation of the Liquidation Analysis

- (a) AMC Capital Advisory Services Limited ("**AMC**") has been engaged by the Company in connection with the preparation of the Liquidation Analysis. Full text of the Liquidation Analysis is set out in Appendix 5 (*Liquidation Analysis*) to this Explanatory Statement. At the request of the Company, AMC has prepared a high level Liquidation Analysis of the potential outcome for Scheme Creditors of the Company in the event that the Restructuring is not completed and the Company enters into an insolvent liquidation. The Liquidation Analysis is based on the Company's instructions.
- (b) The Liquidation Analysis has been prepared by AMC solely for the use of the Company provided that it can be shared with the Scheme Creditors and is disclosed in this Explanatory Statement strictly on a non-reliance basis.
- (c) The Liquidation Analysis is based on information and explanations provided by the Company which have not been subject to independent verification or audit. Accordingly, AMC assumes no liability whatsoever and makes no representations or warranties, express or implied, in relation to the contents of the Liquidation Analysis, including its accuracy, completeness or verification or for any other statement made or purported to be made by or on behalf of the Company or AMC.
- (d) The Liquidation Analysis is based on a review of the current financial position of the Company (and other Group companies) as at 31 March 2021. For the avoidance of any doubt, the work AMC has been engaged to carry out does not constitute an audit of the Company's financial position and AMC is not in a position to provide an opinion as to the veracity of information received nor should any opinions of AMC be regarded as a substitute for an audit opinion which can only be provided by the Company's appointed auditors. Additionally, the Liquidation Analysis has been prepared based on a number of assumptions as set out in Appendix 5 (*Liquidation Analysis*).
- (e) Any person who is in any doubt about the subject matter of the Liquidation Analysis should consult a duly authorised person. Nothing in the Liquidation Analysis should be relied upon in connection with the purchase of any shares, debt participation or other assets.
- (f) The statements made in the Liquidation Analysis are current as at the date of this Explanatory Statement and delivery of this Explanatory Statement should not give rise to any implication that there has not been any change in the information set out in this Explanatory Statement.

2.12 Legal, tax and financial advice

Without limiting any of the above, Scheme Creditors should not construe the contents of this Explanatory Statement or any other document in connection with the Restructuring as legal, tax or financial advice.

This Explanatory Statement has been prepared without taking into account the objectives, financial or tax situation or needs of any particular recipient of it, and consequently, the

information contained in this Explanatory Statement may not be sufficient or appropriate for the purpose for which a recipient might use it. Each Scheme Creditor should conduct its own due diligence and consider the appropriateness of the information in this Explanatory Statement having regard to its own objectives, financial situations and needs. Scheme Creditors are also recommended to consult their own professional advisers as to legal, tax, financial or other aspects relevant to any action Scheme Creditors might take in relation to the Scheme and the Restructuring, or the implications/consequences of such action.

This Explanatory Statement is addressed to Scheme Creditors for their information only and no person should rely on it in formulating or reaching any investment decision other than for Scheme Creditors to make a decision whether or not to approve the Scheme. **Scheme Creditors must rely on their own due diligence and their professional advisers in their decisions with respect to the Scheme and the Restructuring.**

2.13 Other Jurisdictions

The implications of the Restructuring for Scheme Creditors who are residents or citizens of jurisdictions other than the Cayman Islands may be affected by the laws of other relevant jurisdictions. Such overseas Scheme Creditors should inform themselves about and observe any applicable legal requirements in their respective jurisdictions. Any person outside of the Cayman Islands who is resident in, or who has a registered address in, or is a citizen of, an overseas jurisdiction should consult independent professional advisers and satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme and the Restructuring, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.

3. IMPORTANT SECURITIES LAW NOTICES

3.1 United States Securities Law Considerations

- (a) The New Notes and the New Perpetual Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”) or with any securities regulatory authority of any state of the United States.
- (b) In connection with the issue of the New Notes and the New Perpetual Notes, the Distribution Confirmation (appended to the Account Holder Letter) will require each Scheme Creditor (or its Designated Recipient) who wishes to receive its New Notes and New Perpetual Notes to confirm, amongst other things, that it (or its Designated Recipient) is not a Disqualified Person or a Prohibited Transferee. It will also require any Scheme Creditor (or Designated Recipient) who is located in the United States or who is a U.S. person (as defined in Regulation S under the US Securities Act (“**Regulation S**”)) and intends to receive their New Notes and New Perpetual Notes to make certain representations and covenants in the Distribution Confirmation. If the confirmations required by the Distribution Confirmation cannot be or are not given by a Scheme Creditor (or its Designated Recipient), such Scheme Creditor (or its Designated Recipient) will not be eligible to receive the relevant New Notes and New Perpetual Notes.
- (c) Unless otherwise approved by the Company or Pearl II, the New Notes and the New Perpetual Notes will be transferred and delivered within the United States solely to “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A under the US Securities Act and institutional “accredited investors” (“**Accredited Investors**”) as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act and to U.S. persons who are QIBs and Accredited Investors only. Outside the United States, the New Notes and the New Perpetual Notes will be transferred and delivered solely to non-U.S. persons in offshore transactions in reliance on Regulation S.
- (d) If you are a U.S. person, or are located in the United States, but you are not a QIB or an Accredited Investor, you are eligible to receive this Explanatory Statement and to participate in the Scheme and the meetings described herein but you will not be eligible to receive your New Notes and New Perpetual Notes.
- (e) The New Notes and the New Perpetual Notes will not be listed on any U.S. securities exchange or with any inter-dealer quotation system in the United States. Neither the Company nor Pearl II intends to take action to facilitate a market of the New Notes and the New Perpetual Notes in the United States. Consequently, each of the Company and Pearl II believes that it is unlikely that an active trading market in the United States will develop for such New Notes and New Perpetual Notes.

The New Notes and the New Perpetual Notes have not been and will not be registered with the SEC or any U.S. federal, state or other securities commission or regulatory authority and neither the SEC nor any U.S. federal, state or other securities commission or regulatory authority has approved or disapproved this Explanatory Statement. Any representation to the contrary is a criminal offence in the United States.

Scheme Creditors who are citizens or residents of the United States should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Scheme in their particular circumstances.

3.2 European Economic Area

- (a) The New Notes and New Perpetual Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client

as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the New Notes or the New Perpetual Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Notes or the New Perpetual Notes or otherwise making them available to any retail investor in the EEA may be unlawful the PRIIPs Regulation.

- (b) This Explanatory Statement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). This Explanatory Statement is only being distributed to and is only directed at Scheme Creditors: (i) who are not incorporated or situated in any member state (“**Relevant Member State**”) of the European Economic Area (the “**EEA**”), (ii) who are “qualified investors” (as defined in the Prospectus Regulation), or (iii) in compliance with any other circumstances falling within Article 1(4) of the Prospectus Regulation (all such persons together being referred to as “**Relevant Persons**”), provided that no such offer of the New Notes or the New Perpetual Notes shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Explanatory Statement has been prepared on the basis that all offers of the New Notes and the New Perpetual Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of the New Notes and the New Perpetual Notes. Accordingly, any person making or intending to make any offer within the EEA of the New Notes or the New Perpetual Notes should only do so in circumstances in which no obligation arises for the Company or Pearl II to produce a prospectus for such offer. Neither the Company nor Pearl II has authorised the making of any offer of any of the New Notes or the New Perpetual Notes through any financial intermediary other than offers made by the Company or Pearl II as contemplated by this Explanatory Statement.
- (c) The New Notes and New Perpetual Notes are only available to the Scheme Creditors (or their Designated Recipients) in accordance with the terms of the Scheme and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such New Notes and New Perpetual Notes will only be engaged in with a Relevant Person; *provided* that if any such Relevant Person is a qualified investor acting as a “financial intermediary” (as such terms are used in the Prospectus Regulation), it has not elected for the New Notes or the New Perpetual Notes and will not subscribe for the New Notes or the New Perpetual Notes on a non-discretionary basis on behalf of, nor will the New Notes or the New Perpetual Notes be acquired with a view to its offer or resale to, persons in circumstances which may give rise to an offer of securities to the public, and *provided* further that no such offer of the New Notes or the New Perpetual Notes shall require the Company or Pearl II to publish a prospectus pursuant to the Prospectus Regulation. Any person who is not a Relevant Person should not act or rely on this Explanatory Statement or any of its contents.
- (d) For the purposes of this provision, the expression “**offer of securities to the public**” in relation to the New Notes and the New Perpetual Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes and New Perpetual Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes and the New Perpetual Notes, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

3.3 United Kingdom

- (a) The New Notes and New Perpetual Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the New Notes or the New Perpetual Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the New Notes or the New Perpetual Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.
- (b) This Explanatory Statement is not a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). This Explanatory Statement is only being distributed to and is only directed at Scheme Creditors: (i) who are not incorporated or situated in the UK, (ii) who are “qualified investors” (as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA), or (iii) in compliance with any other circumstances falling within Article 1(4) of the UK Prospectus Regulation (all such persons together being referred to as “**UK Relevant Persons**”), provided that no such offer of the New Notes or the New Perpetual Notes shall require the Company to publish a prospectus for offer of the New Notes or the New Perpetual Notes pursuant to Article 3 of the UK Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. This Explanatory Statement has been prepared on the basis that all offers of the New Notes or the New Perpetual Notes will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of the New Notes or the New Perpetual Notes. Accordingly, any person making or intending to make any offer within the UK of the New Notes or the New Perpetual Notes should only do so in circumstances in which no obligation arises for the Company or Pearl II to produce a prospectus for such offer. Neither the Company nor Pearl II has authorised the making of any offer of the New Notes or the New Perpetual Notes through any financial intermediary other than offers made by the Company or Pearl II as contemplated by this Explanatory Statement.
- (c) The New Notes and the New Perpetual Notes are only available to the Scheme Creditors (or their Designated Recipients) in accordance with the terms of the Scheme and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such New Notes or New Perpetual Notes will only be engaged in with a UK Relevant Person; *provided* that if any such UK Relevant Person is a qualified investor acting as a “financial intermediary” (as such terms are used in the UK Prospectus Regulation), it has not elected for the New Notes or the New Perpetual Notes and will not subscribe for the New Notes or the New Perpetual Notes on a non-discretionary basis on behalf of, nor will the New Notes or the New Perpetual Notes be acquired with a view to its offer or resale to, persons in circumstances which may give rise to an offer of securities to the public, and *provided* further that no such offer of the New Notes or the New Perpetual Notes shall require the Company or Pearl II to publish a prospectus pursuant to the UK

Prospectus Regulation. Any person who is not a UK Relevant Person should not act or rely on this Explanatory Statement or any of its contents.

- (d) This Explanatory Statement and any other documents or materials relating to the Scheme may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the FSMA does not apply. Accordingly, such documents or materials and this Explanatory Statement are not being distributed to, and must not be passed on to, persons in the United Kingdom save in circumstances where section 21(1) of the FSMA does not apply. In the United Kingdom, this Explanatory Statement is only being distributed to and is only directed at (i) persons who have professional experience in matters relating to investments and who qualify as Investment Professionals in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth companies, unincorporated associations, partnerships or trustees in accordance within Article 49(2) of the Order; and (iii) Scheme Creditors falling within Article 43(2) of the Order (together, “**relevant persons**”). This Explanatory Statement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Explanatory Statement relates, including the New Notes and the New Perpetual Notes, is available only to relevant persons and will be engaged in only with relevant persons. Any persons other than relevant persons should not act or rely on this Explanatory Statement.

3.4 Hong Kong

- (a) This Explanatory Statement has not been and will not be registered with the Securities and Futures Commission or the Hong Kong Registrar of Companies. The New Notes and the New Perpetual Notes have not been and will not be offered or sold in Hong Kong, by means of any document, other than: (a) to Professional Investors (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”) and any rules made under the SFO); or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of C(WUMP)O. No advertisement, invitation or document relating to the New Notes or the New Perpetual Notes may be issued or may be in the possession of any person other than with respect to those New Notes and New Perpetual Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

3.5 PRC

- (a) The New Notes and the New Perpetual Notes have not been and will not be registered under the relevant laws of the PRC. Accordingly, no offer, promotion, solicitation for sales or sale of or for, as the case may be, any New Notes or New Perpetual Notes in the PRC will be made, except where permitted by the China Securities Regulatory Commission or where the activity otherwise is permitted under the laws of the PRC.

3.6 Singapore

- (a) This Explanatory Statement has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Explanatory Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes or the New Perpetual Notes may not be circulated or distributed, nor may the New Notes or the New Perpetual Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to

Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

- (b) Where the New Notes or the New Perpetual Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Notes or the New Perpetual Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (2) where no consideration is or will be given for the transfer;
 - (3) where the transfer is by operation of law;
 - (4) as specified in Section 276(7) of the SFA; or
 - (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.
- (c) Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.
- (d) **Notification under Section 309B of the SFA** – The New Notes and the New Perpetual Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).
- (e) To the extent that the Company is required to disclose additional information solely for the purposes of the application to list the New Notes on the SGX-ST, such information will be made available to Scheme Creditors on the Scheme Website.

3.7 Cayman Islands

- (a) There is no registration or licensing required or made under the Securities Investment Business Act in the Cayman Islands or with the Cayman Islands Monetary Authority in relation to this Explanatory Statement and this Explanatory Statement is only distributed to Scheme Creditors such that it does not represent an offer to the public in the Cayman Islands under any law in the Cayman Islands.

3.8 Thailand

3.9 There will be no distribution of this Explanatory Statement or any other document or material in connection with Scheme to any person who resides or is located in Thailand. **General**

- (a) There will be no offer of the New Notes or the New Perpetual Notes in any state or jurisdiction in which such offer would be unlawful prior to qualification under securities law of such state or jurisdiction.
- (b) The implications of the Scheme for Scheme Creditors who are resident in, have a registered address in or are citizens of any other jurisdictions may be affected by the laws of such jurisdictions. Such Scheme Creditors should inform themselves about and observe any applicable legal requirements and should consult their professional advisers and satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.
- (c) In the absence of bad faith, none of the Company, Pearl II, the other Group Companies, the Board, the Information Agent or any person appointed to distribute the New Notes and the New Perpetual Notes shall have any liability for any loss or damage arising from any regulatory, civil or criminal sanctions or penalties incurred by the Scheme Creditors as a result of the implementation of the Scheme in respect of laws or regulations applicable to them in any place in which they accept, hold, receive or handle any New Notes or New Perpetual Notes.

3.10 Disqualified Persons and Prohibited Transferees

- (a) Without limiting the information set out in this section (*Important Securities Law Notices*), the Scheme Consideration will not be issued to a Scheme Creditor pursuant to the Scheme where such Scheme Creditor is a Disqualified Person or Prohibited Transferee. A Disqualified Person is a person who is disqualified from holding, receiving or handling any New Notes or New Perpetual Notes pursuant to any applicable laws or regulations. A Prohibited Transferee is a person who is prohibited from being issued with, holding, receiving or handling any New Notes or New Perpetual Notes pursuant to any laws or regulations that apply to it in any place in which it accepts, holds, receives or handles any New Notes or New Perpetual Notes **or so prohibited except after compliance with conditions or requirements that the Company acting reasonably and in good faith consider to be disproportionate to the value of the relevant Scheme Consideration.**
- (b) However, a Scheme Creditor who is either a Disqualified Person or a Prohibited Transferee may designate a Designated Recipient (who itself must not be a Disqualified Person or Prohibited Transferee) to receive the Scheme Consideration, *provided, however*, that when designating a Designated Recipient, a Scheme Creditor which is a Disqualified Person or a Prohibited Transferee will be required to represent and warrant to the Company that it will retain no beneficial interest in the New Notes or the New Perpetual Notes designated to be held by the Designated Recipient.
- (c) If a Scheme Creditor is a Disqualified Person or Prohibited Transferee and fails to designate a Designated Recipient prior to the Bar Date, the New Notes and New Perpetual Notes to which that Scheme Creditor would otherwise be entitled shall form part of the Remaining Surplus Notes to (subject to any ongoing Adjudication) be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date.

3.11 Certain ERISA and Related Considerations

- (a) The U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes certain fiduciary and related requirements on employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Part 4 of Subtitle B of Title I of ERISA (“**ERISA Plans**”), and on the persons charged with administering and investing the assets of ERISA Plans, called “fiduciaries” under ERISA. Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) prohibit certain transactions involving the assets of an ERISA Plan, or the assets of a plan, account or arrangement that is not subject to ERISA but is subject to Section 4975 of the Code, such as a U.S. individual retirement account (a “**Tax Advantaged Arrangement**”), and certain persons (referred to as “parties in interest” under ERISA and “disqualified persons” under the Code) having certain relationships to the ERISA Plan or Tax Advantaged Arrangement, unless a statutory or administrative exemption applies to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. In addition, a fiduciary of an ERISA Plan or Tax Advantaged Arrangement who engages in or causes the ERISA Plan or Tax Advantaged Arrangement to engage in a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.
- (b) Under the regulations promulgated by the U.S. Department of Labor, 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA, the “**Plan Asset Rules**”), if an ERISA Plan or Tax Advantaged Arrangement (each, a “**Plan**”) invests in an “equity interest” of an entity that is neither a “publicly offered security” as defined in the Plan Asset Rules nor a security issued by an investment company registered under the U.S. Investment Company Act, the Plan’s assets will include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or that equity participation in the entity by Plans or entities themselves holding “plan assets” under the Plan Asset Rules (collectively, “**Benefit Plan Investors**”) is not “significant”. Equity participation in an entity by Benefit Plan Investors will be “significant” if 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors, excluding interests held by certain persons managing or providing investment advice to the entity and by certain of their affiliates. An “equity interest” is defined under the Plan Asset Rules as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. If an entity is subject to “look through” treatment in this manner under the Plan Asset Rules, the entity and its operations and investments will be directly subject to ERISA and to the prohibited transaction provisions of the Code, and the persons charged with managing the entity and investing its assets will be treated as “fiduciaries” under ERISA and the prohibited transaction provisions of the Code.
- (c) U.S.-based governmental plans, certain church plans, non-U.S. plans and other plans, while not subject to the fiduciary responsibility provisions of Title I of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state, local, federal or non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code (“**Similar Laws**”).
- (d) The foregoing discussion regarding ERISA and the Code is general in nature and does not purport to be complete.
- (e) Fiduciaries of any Scheme Creditor that is a plan, arrangement or entity subject to Section 406 of ERISA or Section 4975 of the Code or to any Similar Law should consult with their counsel concerning the matters described in this section.

None of the securities referred to in this Explanatory Statement may be sold, issued or transferred in any jurisdiction in contravention of applicable law.

4. LETTER FROM THE BOARD TO THE SCHEME CREDITORS

8 September 2021

Dear Scheme Creditor,

PEARL HOLDING III LIMITED (THE “COMPANY”)

1. INTRODUCTION

The Board writes to you in your capacity as a Scheme Creditor. This letter forms part of the Explanatory Statement for the Scheme proposed by the Company as part of the Restructuring, the details of which are explained below. Unless otherwise specified, capitalised words or phrases used in this letter have the meanings attributed to them in Appendix 1 (*Definitions and Interpretation*) to the Explanatory Statement.

2. THE PURPOSE OF THE EXPLANATORY STATEMENT

As you may be aware, the Company has been exploring ways to secure its financial position and the future of its business. Following extensive negotiations with the Ad Hoc Committee (being a representative group of certain Scheme Creditors), the Company has now come to a decision that the Restructuring, as more fully described in section 6 (*Overview of the Restructuring*) of the Explanatory Statement, is in the best interest of those with an economic interest in the Company and the Group.

It is proposed that the implementation of the Restructuring will involve (amongst other things): the implementation of the Scheme, being a court approved scheme of arrangement in the Cayman Islands pursuant to section 86 of the Companies Act in respect of the Company’s liabilities under the Existing Notes.

A scheme of arrangement is an arrangement entered into between a company and its creditors (or any class of them), as provided for under section 86 of the Companies Act. A scheme of arrangement becomes legally binding on all creditors, including those voting for the scheme, those voting against the scheme of arrangement and those not voting, if at least a majority in number of creditors, representing at least seventy-five per cent (75%) in value of creditors, present and voting (either in person or by proxy) at the scheme meeting, vote in favour of the scheme of arrangement and the Cayman Court then sanctions it. The Scheme will become effective and legally binding in accordance with its terms when an order of the Cayman Court sanctioning the Scheme is filed with the Registrar of Companies in the Cayman Islands. After the Scheme becomes effective, the Company may, if it in good faith considers it necessary or desirable for protecting the Scheme and after having consulted the AHC Advisers, make the Recognition Filings, being a petition for the recognition of the Scheme under any of Chapter 15 of the US Bankruptcy Code and/or the Third Schedule of the Singapore IRDA.

The Explanatory Statement, which is provided pursuant to Order 102, Rule 20(4)(e) of the Cayman Islands Grand Court Rules 1995 (Revised Edition), is distributed for the purpose of providing Scheme Creditors with all the information reasonably necessary to enable the Scheme Creditors to make an informed decision on whether to approve the Scheme. A short explanation of the reasons for the Restructuring and the proposed Scheme is included below, as part of this letter.

Houlihan Lokey has acted as financial advisers to the Company, and Latham & Watkins LLP has acted as global legal adviser, along with Harneys as the Cayman Islands law advisers to the Company in relation to the Scheme and the Restructuring.

3. OVERVIEW OF THE RESTRUCTURING

The Restructuring comprises the restructuring of the Company's existing indebtedness under the Existing Notes. In conjunction, the Company will undergo the SSRCF Refinancing, by which the Company will refinance its existing indebtedness under the Senior Secured Revolving Credit Facility. The Restructuring will take place under and pursuant to the Scheme and the Restructuring Documents. Whereas the SSRCF Refinancing is intended to take place under and pursuant to the SSRCF Refinancing Documents, the Restructuring and the SSRCF Refinancing will be interdependent since both are vital in order for the Company to continue to trade as a going concern. For the avoidance of any doubt, the SSRCF Lender is *not* a Scheme Creditor.

The Restructuring envisages that Scheme Creditors will release their existing claims under and in connection with the Existing Notes, in return for receiving (or being entitled to receive) certain allocations of the following cash payment and new debt and equity instruments:

- **Cash Payment:** an upfront cash payment of US\$23,250,000, to be paid on the Restructuring Effective Date and distributed amongst the Scheme Creditors on a “**Pro Rata**” basis (that is, based on the proportion that the outstanding principal amount of the Existing Notes held by each Scheme Creditor as at the Record Time bears to the aggregate outstanding principal amount of all the Existing Notes as at the Record Time);
- **New Notes:** new secured notes in an aggregate principal amount of US\$66,500,000, with a maturity date that is the fourth (4th) anniversary of the Restructuring Effective Date, to be issued by the Company on the Restructuring Effective Date to the Scheme Creditors on a Pro Rata basis. The New Notes will be secured by the same guarantees and security as those securing the Existing Notes; and
- **New Perpetual Notes:** new perpetual notes in an aggregate principal amount of US\$83,500,000 to be issued by Pearl II on the Restructuring Effective Date to the Scheme Creditors on a Pro Rata basis.

In addition, the Consent Fee (in the fixed aggregate amount of US\$1,750,000, representing 1% of the outstanding principal amount of the Existing Notes), will be payable on the Restructuring Effective Date to the Eligible Consenting Creditors, being those Scheme Creditors who have entered into the RSA on or before the cut-off time of 5:00pm (Hong Kong/Singapore Time) on 16 June 2021, being 21 days after the date of the RSA, and who meet the other relevant requirements to receive a portion of the Consent Fee under the RSA. Each Eligible Consenting Creditor will receive a pro rata share of the Consent Fee in accordance with, and on the terms and conditions, set out in the RSA.

No new monies will be advanced or made available to the Company or any other Group Company in connection with the issuance of the New Notes or the New Perpetual Notes.

In conjunction with, and as one of the conditions precedent for the Restructuring, the Investor will make an equity investment of US\$25,000,000 in the Company (indirectly via Pearl I and/or Pearl II), in exchange for the New Investor Shares in Pearl II, which new shares will entitle their holder to receive, amongst other things, a preferential payout following an Exit Transaction.

Further details regarding the commercial terms of the Restructuring and the allocation/distribution of the above-mentioned new debt and equity instruments as between Scheme Creditors is set out at section 6 (*Overview of the Restructuring*) of the Explanatory Statement.

4. RESTRUCTURING SUPPORT AGREEMENTS

On 26 May 2021, the Company and each member of the Ad Hoc Committee entered into the RSA to set out the terms on which the parties thereto would assist and facilitate the implementation of the Restructuring. Details regarding the restructuring support agreement are set out in sections 5.13 (*Restructuring Support Agreements*) 5.14 and (*Key terms of the RSA*) of the Explanatory Statement. In addition, a copy of the execution version of the RSA is available on the Scheme Website.

The entry into of such restructuring support agreements is typical in financial restructurings such as the Restructuring and helps to secure a critical mass of creditor support to implement the restructuring. As at the date of the Explanatory Statement, certain Noteholders had designated the aggregate principal amount of approximately US\$164,940,000 of Existing Notes (representing approximately 94.25% of the aggregate outstanding principal amount of all Existing Notes) as Consenting Notes under the RSA meaning that the holders of such Existing Notes are obliged to vote their holdings of such Existing Notes in favour of the Scheme, subject to the terms of the RSA.

The Consent Fee is payable to Noteholders who have become party to the RSA prior to the Consent Fee Cut-Off Time. Full details of the Consent Fee are set out in section 5.15 (*Consent Fee*) of the Explanatory Statement.

Noteholders who are not already party to the RSA may no longer accede to it in order to receive the Consent Fee because the Consent Fee Cut-Off Time has now passed. However, Noteholders who validly take transfer of Consenting Notes from an Early Consenting Creditor in accordance with the RSA, may be entitled to receive the Consent Fee with respect to such Consenting Notes even if they only accede to the RSA after the Consent Fee Cut-Off Time.

5. EFFECT OF THE SCHEME

The effect of the Scheme will be to release the Scheme Claims and Ancillary Claims of Scheme Creditors under and in connection with the Existing Notes in return for which Scheme Creditors will be entitled to receive distributions of Scheme Consideration (comprising the Cash Payment, the Consent Fee (available to certain eligible Scheme Creditors in accordance with the RSA), the New Notes and the New Perpetual Notes) in accordance with the terms of the Scheme.

6. WHOSE RIGHTS WILL BE ALTERED BY THE SCHEME?

The Scheme will affect the rights of the Company, other Group Companies and the Scheme Creditors only.

However, Scheme Creditors should be aware that the SSRCF Refinancing will take place separately pursuant to the SSRCF Refinancing Documents. The execution of the SSRCF Refinancing Documents will be a condition to the effectiveness of the Restructuring and the occurrence of the Restructuring Effective Date will be a condition to the completion of the SSRCF Refinancing.

7. CAN THE COMPANY CONTINUE AS A GOING CONCERN?

Reference is made to the audited financial statements for the year ending 31 December 2020 and the unaudited financial information for the quarter ending 31 March 2021 and for the quarter and the six months ending 30 June 2021, which are contained at Appendix 2 (*2020 Annual Report*) and Appendix 3 (*Q1 & Q2 2021 Financial Results*) to the Explanatory Statement and the Liquidation Analysis prepared by AMC at Appendix 5 (*Liquidation Analysis*) to the Explanatory Statement. Scheme Creditors are strongly encouraged to review such information.

The Company believes that, subject to the successful implementation of the Restructuring, there is a real opportunity for the Company and the Group to continue as a going concern beyond 2022.

The Restructuring is expected to strengthen the Company's financial position and result in a material de-leveraging of its capital structure. The Group's financial indebtedness will reduce from US\$201.5 million as at 30 June 2021 to approximately US\$93million pro forma upon consummation of the Restructuring. This debt reduction of US\$108.5 million (circa 54% of existing indebtedness) will strengthen, safeguard and better position the Company for longer-term success and for delivering value to all its stakeholders.

The deleveraging will also significantly reduce the Company's annual debt service obligations by approximately US\$10.6 million, thereby freeing up cash for the Group operations and capital expenditures to continue supporting its existing client base and capitalise on the business recovery post COVID-19.

The Company's existing sponsor, Platinum Equity, will also inject US\$25.0 million of new equity capital in the Company as part of the Restructuring. By doing so, it is reaffirming its commitment to the Group and its support for the Company's management team and business prospects.

8. WHAT HAPPENS IF THE RESTRUCTURING FAILS?

The Company believes that should the Restructuring not proceed, the Company will be unable to comply with its financial obligations.

The Company has limited available cash (sufficient only to fund the implementation of the Restructuring and to meet ongoing operational costs during this period) and, if the Restructuring should fail, would be unable to pay its debts.

If the Scheme is not approved and implemented, it is likely that the Company will be wound-up and result in a substantially lower return to creditors of the Company. In that regard, if the Restructuring were to fail, it is possible that creditors of the Company may petition for the winding up of the Company. The estimated recoveries in such scenario are described in the Liquidation Analysis prepared by AMC (see Appendix 5 (*Liquidation Analysis*) to the Explanatory Statement).

9. LISTING REQUIREMENTS - SINGAPORE

The Company's Existing Notes are listed on the SGX-ST.

The Board has taken all necessary and appropriate steps to retain the listing of the Existing Notes on the SGX-ST pending the completion of the Restructuring, whereupon the Existing Notes will be de-listed from the SGX-ST.

It is anticipated that the New Notes will be listed on the SGX-ST. To the extent that the Company is required to disclose additional information solely for the purposes of the application to list the New Notes on the SGX-ST, such information will be made available to Scheme Creditors on the Scheme Website.

10. THE DIRECTORS AND SHAREHOLDER

The current Board members of the Company, and their interests in respect of the Company and the Scheme, are listed in section 5 (*Background to the Company and the Restructuring*) of the Explanatory Statement.

As at the date of the Explanatory Statement, Pearl II is the sole shareholder of the Company, and Pearl I is in turn the sole shareholder of Pearl II.

11. RISK FACTORS

The Company and the Group of which it is a part, like many in the same industry in the current business environment, are faced with significant business risks. Since the Company is a holding company of the Group, its financial condition and results of operations are necessarily affected by the operations and financial conditions of its subsidiaries on a consolidated basis. In addition to the risks associated with the implementation of the Restructuring, the Company has identified a number of factors that may affect the Group's operating results, liquidity and financial condition. The Board believes that the successful implementation of the Restructuring is a key step towards mitigating these risks and will allow the Group to focus on its operations and principal business activities.

Certain principal risk factors that the Company and the Group will likely face in connection with and following the Restructuring are set out in section 10 (*Risk Factors*) of the Explanatory Statement. However, those risk factors are not an exhaustive list of all the potential risks and uncertainties which may be involved.

12. ACTIONS TO BE TAKEN

Scheme Creditors, Account Holders and Intermediaries

You are a Scheme Creditor if you have a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems as at the Record Time and have a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture.

A Scheme Creditor may or may not also be an Account Holder. Account Holders are those persons who are direct participants in the Existing Notes Depositary, Euroclear or Clearstream with their interests in the Global Notes being recorded directly in the books or other records maintained by the Existing Notes Depositary, Euroclear or Clearstream. Each Account Holder may be holding its interests in the Existing Notes on behalf of one or more Scheme Creditors. For the avoidance of doubt, an Account Holder may also be a Scheme Creditor but only if it has a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems as at the Record Time and has a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture.

You are an Intermediary if you hold an interest at the Record Time in any Existing Notes on behalf of another person or other persons and you do not hold that interest as an Account Holder. An Intermediary is commonly a bank or a brokerage house which does not have an account with the Existing Notes Depositary, Euroclear or Clearstream.

Scheme Creditors and any persons with an interest in the Existing Notes (whether as a Scheme Creditor, Account Holder or Intermediary) should read the full instructions set out in the Solicitation Packet at Appendix 8 to the Explanatory Statement and should read the Explanatory Statement as a whole, in conjunction with the Solicitation Packet appended to it. More specifically:

- **if you are a Scheme Creditor, you should read the Explanatory Statement carefully.**
- **if you are a Scheme Creditor who is not an Account Holder, you should contact your Account Holder (through any Intermediaries, if applicable) to ensure that your Account Holder takes appropriate action(s) described in the Explanatory Statement and the Solicitation Packet appended to it.**

- **if you are a Scheme Creditor who is an Account Holder, you should take the appropriate action as described below and in the Explanatory Statement and the Solicitation Packet appended to it.**

Meeting of Scheme Creditors

On 6 September 2021 (Cayman Islands time) the Cayman Court ordered that meeting of Scheme Creditors be convened to consider and if thought fit, approve the Scheme with or without modification, proposed by the Company. Such meeting is referred to herein and in the Explanatory Statement as the Scheme Meeting.

A formal notice convening the Scheme Meeting is set out at Appendix 7 (*Notice of Scheme Meeting*) to the Explanatory Statement.

The Scheme Meeting will be held at the offices of Latham & Watkins LLP, 18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong, with any adjournment as may be appropriate, at 9 p.m. Cayman Islands time on 29 September 2021, the equivalent time being 10 a.m. Hong Kong / Singapore time on 30 September 2021 / 10 p.m. New York time on 29 September 2021.

Scheme Creditors will be able to attend the Scheme Meeting in person or by proxy, and will also be able to join by video conference or by telephone using the dial-in details which will be published on the Scheme Website.

Relevant documents

- Account Holder Letter.

Among other things, the Account Holder Letter is the document that allows Scheme Creditors to vote on the Scheme and to become eligible to receive Scheme Consideration should the Restructuring Effective Date occur. A failure by a Scheme Creditor to submit, or a failure by a Scheme Creditor to procure that its Account Holder submits on its behalf (if applicable), the Account Holder Letter by the Initial Deadline will mean that the voting instructions contained in that Account Holder Letter will be disregarded for the purposes of voting at the Scheme Meeting and the relevant Scheme Creditors will, subject to the Chairperson's discretion, not be entitled to vote at the Scheme Meeting. A failure by a Scheme Creditor to submit, or a failure by a Scheme Creditor to procure that its Account Holder submits on its behalf (if applicable), the Account Holder Letter by the Initial Deadline will also mean that such Scheme Creditor will not be eligible to receive the Scheme Consideration on the Restructuring Effective Date. A failure by a Scheme Creditor to submit, or a failure by a Scheme Creditor to procure that its Account Holder submits on its behalf (if applicable), the Account Holder Letter by the Bar Date will mean that such Scheme Creditor will not be entitled to participate in any distribution of Scheme Consideration and will therefore not receive any Scheme Consideration, but will have its Scheme Claims and Ancillary Claims released in accordance with the terms of the Scheme.

- Distribution Confirmation.

The Distribution Confirmation is a document that Scheme Creditors (or their Designated Recipient, if applicable) must complete in order to confirm (among other things) that the Scheme Creditor (or its Designated Recipient, if applicable) may lawfully be issued the Scheme Consideration. The Distribution Confirmation is appended to the Account Holder Letter. Failure to submit a Distribution Confirmation will result in no Scheme Consideration being issued to that Scheme Creditor or its Designated Recipient, if applicable.

- Designated Recipient Form.

The Designated Recipient Form is a form that Scheme Creditors may complete in order to appoint, should they wish, a Designated Recipient to be the recipient of some or all of the Scheme Consideration that would otherwise be issued to such Scheme Creditor. In addition, any Scheme Creditor that is a Disqualified Person or Prohibited Transferee will *only* be entitled to have its Scheme Consideration issued to a Designated Recipient and *must* therefore complete and return a Designated Recipient Form in order to receive any Scheme Consideration. The Designated Recipient Form is appended to the Account Holder Letter.

Voting at the Scheme Meeting

In order to vote on the Scheme, attend the Scheme Meeting and be eligible to receive Scheme Consideration, it is of the utmost importance that Scheme Creditors ensure that they follow the voting and other documentary instructions set out below and throughout the Explanatory Statement.

If you wish to vote in respect of the Scheme, please ensure that the Account Holder Letter is duly completed, executed and returned in accordance with the instructions set out therein so that it is received by the Information Agent by the Initial Deadline being no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman Islands time on 27 September 2021 and 11 p.m. Hong Kong/Singapore time on 27 September 2021.

Participating in the Initial Distribution of Scheme Consideration on the Restructuring Effective Date

If you wish to participate in the initial distribution of Scheme Consideration on the Restructuring Effective Date, please ensure that the Account Holder Letter and Distribution Confirmation are duly completed, executed and returned in accordance with the instructions set forth therein so that they are received by the Information Agent by the Initial Deadline being 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman Islands time on 27 September 2021 and 11 p.m. Hong Kong/Singapore time on 27 September 2021.

It is highly recommended that each Scheme Creditor that currently holds its Existing Notes through a DTC Account Holder instructs its Account Holder to move its Existing Notes from DTC to an account with Euroclear or Clearstream without delay and, in any event, before the Record Time. It will not be possible for a Scheme Creditor to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account). Further, if a Scheme Creditor provides relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive any of its entitlements until the first Periodic Distribution Date at the earliest, that is, after the Restructuring Effective Date.

To receive any Scheme Consideration

Surplus Scheme Consideration not distributed on the Restructuring Effective Date will be held on trust by the Scheme Consideration Trustee for a period of 5 months and 10 Business Days, being the Holding Period. During that period, Scheme Creditors who are not already Participating Scheme Creditors may become Participating Scheme Creditors by completing and returning the required documentation to the Information Agent.

During the Holding Period the Scheme Consideration Trustee will make rolling Periodic Distributions of Surplus Scheme Consideration on the Periodic Distribution Dates. Such distributions will be made to Scheme Creditors who become Participating Scheme Creditors after

the Initial Deadline and within the period from and including the preceding Periodic Distribution Date to and excluding the next Periodic Distribution Date. Scheme Creditors should note that in order to receive a distribution of Scheme Consideration on a Periodic Distribution Date, Scheme Creditors will be required to submit a completed and duly executed Account Holder Letter, Distribution Confirmation and, if applicable, Designated Recipient Form to the Information Agent at least 10 Business Days prior to the relevant Periodic Distribution Date (being the Bar Date, in the case of the Final Distribution Date). If any Scheme Creditor submits the aforesaid documentation to the Information Agent within the period of 10 Business Days prior to the relevant Periodic Distribution Date (save for the Final Distribution Date), such Scheme Creditor's full entitlement to Scheme Consideration will be distributed to it on the next Periodic Distribution Date. Scheme Creditors are encouraged to review the terms of the Distribution Agreement in this regard.

In order to receive any Scheme Consideration at all, please ensure that the Account Holder Letter and Distribution Confirmation are duly completed, executed and returned in accordance with the instructions set forth therein so that they are received by the Information Agent by the Bar Date. The Bar Date will be a time to be specified on the date falling 5 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company pursuant to the provisions of the Scheme.

To nominate a Designated Representative to receive your Scheme Consideration

If you wish to nominate a Designated Recipient to receive any Scheme Consideration to which you may be entitled, please ensure that a duly completed and executed Designated Recipient Form is also returned with the other documents to be submitted to the Information Agent.

Additional required electronic instructions

Any Scheme Creditor that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) must block its Existing Notes by ensuring that its Account Holder, prior to delivering the Account Holder Letter to the Information Agent takes the action set out in the Solicitation Packet at Appendix 8 of this Explanatory Statement with regard to the submission of Blocking Instructions and inclusion of a Blocking Reference Number (and, if available in the case of a Consenting Creditor, its Accession Code) in such Account Holder Letter, save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, in order to block its Existing Notes the Scheme Creditor must confirm the instructions contained in the Account Holder Letter (which among other things confirms to the Company and the Information Agent that the Scheme Creditor holds the Existing Notes as at the Record Time and will not trade the Existing Notes) and arrange for the Existing Notes referred to in the Account Holder Letter to be signature medallion guarantee stamped by the Account Holder.

Scheme Creditors should note:

- that an Account Holder Letter will not be valid and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Blocking Reference Number (if the Existing Notes are held through Euroclear and Clearstream as at the Record Time) or affix a signature medallion guarantee stamp (if the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time); and
- the Clearing System in which you hold your Existing Notes (or your custodian) may impose an earlier deadline for the submission of the relevant blocking instructions and/or Account Holder Letter. To ensure timely submission of your relevant blocking instructions and Account Holder Letter, please ask your custodian to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your relevant blocking instructions and/or Account Holder Letter are received before any applicable deadline. This is particularly

important if you wish to submit an Account Holder Letter by the Initial Deadline and receive Scheme Consideration on the Restructuring Effective Date.

Undertakings not to sell, transfer, assign etc

Additionally, by completing the Account Holder Letter, the Scheme Creditor undertakes that it will not from the date of delivery of its Account Holder Letter sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Existing Notes. Such undertaking will terminate immediately upon the occurrence of certain circumstances.

Return of documents

All completed documents should be submitted to the Information Agent online, at <https://portal.morrowsodali.com/Pearl> (the “**Scheme AHL Portal**”), before the important deadlines set out above and further detailed in the Solicitation Packet.

We would encourage all Scheme Creditors to start the process for submitting their votes for the Scheme Meeting and submitting the documentation required to participate in a distribution of Scheme Consideration as soon as possible.

If you are in any doubt as to what action you should take in connection with the Explanatory Statement and/or the Scheme, the proposals contained in them or the documents that accompany them, you are recommended to:

- contact the Information Agent using the following contact details:

Morrow Sodali Limited
Attention: Debt Services Team
Email: pearl@investor.morrowsodali.com

Hong Kong:
Unit 23-016, LKF Tower, 33 Wyndham Street, Central
Tel: +852 2319 4130

London:
103 Wigmore Street London, W1U 1QS
Tel: +44 204 513 6917

Stamford:
470 West Ave., Suite 3000, Stamford, CT 06902
Tel: +1 203 609 4910

- seek your own independent advice immediately from your legal, financial, tax or other independent adviser.

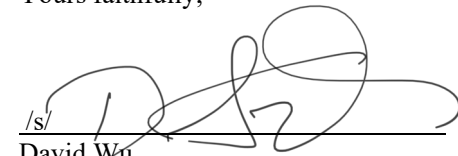
ANY SCHEME CREDITOR WHO FAILS TO ENSURE THAT A DULY COMPLETED AND EXECUTED ACCOUNT HOLDER LETTER, DISTRIBUTION CONFIRMATION AND DESIGNATED RECIPIENT FORM (IF APPLICABLE) ARE SUBMITTED TO THE INFORMATION AGENT BY NO LATER THAN THE BAR DATE IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN SHALL BE A NON-PARTICIPATING SCHEME CREDITOR AND SHALL NOT RECEIVE ANY SCHEME CONSIDERATION OR ANY OTHER BENEFITS UNDER THE TERMS OF THE SCHEME BUT SHALL HAVE ITS SCHEME CLAIMS AND ANCILLARY CLAIMS RELEASED IN ACCORDANCE WITH THE TERMS OF THE SCHEME AND THE SCHEME CONSIDERATION TO WHICH THAT SCHEME CREDITOR WOULD HAVE BEEN ENTITLED WILL BE CANCELLED OR PAID TO THE COMPANY AND/OR PEARL II.

13. DIRECTORS' RECOMMENDATION

The Board has reviewed this Explanatory Statement and the documents referred to in it and approves the form and content of this Explanatory Statement. For the reasons set out herein, the Board also believes that the Scheme and the Restructuring represent a structural solution to the current financial issues facing the Group, and are essential to delivering the successful financial restructuring of the Company to return to going concern trading and is in the best interests of the Company and the Scheme Creditors.

Accordingly, the Board strongly recommends that the Scheme Creditors vote in favour of the Scheme at the Scheme Meeting and return their Account Holder Letters as soon as possible and prior to the Initial Deadline.

Yours faithfully,


/s/ David Wu

for and on behalf of
the Board of
Pearl Holding III Limited

5. BACKGROUND TO THE COMPANY AND THE RESTRUCTURING

This section contains a brief description of the Group, the principal activities of the Group, the Group's shareholders, the Company's debt, security structure and assets, the deterioration in the Company's financial condition, events leading up to the restructuring negotiations, agreement of the Restructuring, relevant financial information and consequences of the failure to implement the Restructuring.

Reference should also be made to the Company's 2020 Annual Report at Appendix 2 (2020 Annual Report) and Appendix 3 (Q1 & Q2 2021 Financial Results), and the Liquidation Analysis prepared by AMC at Appendix 5 (Liquidation Analysis) to this Explanatory Statement.

5.1 The Group

- (a) The Company is an exempted company incorporated in the Cayman Islands on 11 March 2015 with limited liability and having company number 297460. The Company's registered office is situated at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.
- (b) The Company issued the Existing Notes on 11 December 2017. The Existing Notes were listed on the Official List of the SGX-ST on 12 December 2017.
- (c) The Group comprises Pearl I, Pearl II, the Company and its direct and indirect subsidiaries located in Singapore, Hong Kong, Thailand and the PRC. A chart depicting the organisational and capital structure of the Group as of the date of this Explanatory Statement is set out at Appendix 9 (*Pre-Restructuring Group Structure Chart*).
- (d) The organisational structure of the Group following completion of the Restructuring will remain the same, but the capital structure will be slightly different. These are depicted in the diagram at Appendix 10 (*Post-Restructuring Group Structure Chart*) to this Explanatory Statement.

5.2 Principal activities of the Group

- (a) The Group engages in the business of manufacturing precision plastic injection moulds, high precision plastic injection moulding, laser marking and decorative finishing for engineering components for the automotive, healthcare and consumer product industries. Its customers are primarily multinational companies and global original equipment manufacturers.
- (b) The main operating facilities of the Group are situated in Suzhou and Zhuhai in the PRC. It has expanded into Southeast Asia (Thailand and Malaysia) following the acquisition of Fischer Tech Pte. Ltd. in November 2017, which focuses on plastic injection mold design and components manufacturing for the automobile industry.

5.3 Directors and Senior Management

Current Board

- (a) As of the date of this Explanatory Statement, the Company's Board comprises of 2 directors:

Name	Position
Eva M. Kalawski	Director
Mary Ann Sigler	Director

- (b) No recent changes to the Board of directors have taken place.

Directors' interests

- (c) As at the date of this Explanatory Statement, each director:
- (i) holds no entitlements to shares of the Company or its subsidiaries pursuant to employee stock options or otherwise;
 - (ii) has not provided any loans to the Company or its subsidiaries;
 - (iii) has not provided any guarantees in relation to any of the Existing Notes or the Scheme Claims and Ancillary Claims which are to be released under the Scheme; and
 - (iv) is receiving remuneration for such role as director of the Company and has an interest in the Company continuing to trade and avoiding liquidation,

and none of the directors of the Company has any direct interest in the shares of the Company or any of its subsidiaries. However, the directors have indirect interests in the shares of the Company, through the directors holding of equity interests in Platinum Equity. Such indirect interests of the directors together represent less than 5% of the share capital of the sole shareholder of Pearl I.

Management

- (d) Management, which comprise the Group's executive team, responsible for the day to day management of the Group, are as follows:

Name	Position
David Wu	Chief Executive Officer
Ang Boon Heng	Chief Financial Officer
Julia Xiong	General Counsel
Kelvin Chan	Vice President, Operation
Kok Keong Loh	Vice President, Supply Chain

- (e) Under a management incentive plan entered into by the Company and, upon completion of a Full Exit Transaction, an amount equal to 10% of the Company's remaining equity value (calculated based on the equity value post repayment of Platinum Equity's new equity investment of US\$25,000,000) may be distributed in cash to a subset of Management. This management incentive plan is designed to align incentives amongst the key stakeholders and encourage a value-maximising and timely exit to the mutual benefit of Platinum Equity and the Noteholders. The total amount of payments under this management incentive plan is in line with market standard.

5.4 Shareholders

- (a) As at the date of the Explanatory Statement, Pearl II is the sole shareholder of the Company, holding 30,002 ordinary shares in the Company. Pearl I is in turn the sole shareholder of Pearl II, holding 30,002 ordinary shares in Pearl II.
- (b) The Group's sponsor, Platinum Equity, is a global investment firm with approximately US\$13.0 billion of assets under management and a portfolio of approximately 30 operating companies.

5.5 Financial statements

- (a) A copy of the Company's 2020 Annual Report Interim Report (including audited financial statements as at 31 December 2020) is at Appendix 2 (*2020 Annual Report*) to this Explanatory Statement.
- (b) In addition, the Company's unaudited financial results for the quarter ending 31 March 2021 and for the quarter and the six months ending 30 June 2021 respectively are contained at Appendix 3 (*Q1 & Q2 2021 Financial Results*) to the Explanatory Statement.

5.6 Debt structure

- (a) The Company's principal financial indebtedness comprises:

- (i) Existing Notes.

The Existing Notes were issued in the original aggregate principal amount of US\$175,000,000 on 11 December 2017. The Existing Notes bear interest at 9.50% per annum which is payable semi-annually in arrears on 11 June and 11 December of each year. The Existing Notes are listed on SGX-ST. The obligations of the Company in respect of the Existing Notes are guaranteed by the Existing Notes Subsidiary Guarantors and are secured by the Security Interests constituted by the Security Documents.

Further summary information regarding the terms of the Existing Notes constituted by the Existing Notes Indenture are set out at section 6.4 (*Summary Terms of Existing Notes*) of this Explanatory Statement below;

- (ii) Senior Secured Revolving Credit Facility

On 27 October 2017, the Company entered into the SSRCF Agreement pursuant to which a US\$35 million revolving loan facility was made available to the Company.

The Senior Secured Revolving Credit Facility was provided in two tranches, a US\$25 million revolving tranche ("**RCF A**") and a US\$10 million cash bridge tranche ("**RCF B**"). The maturity date for RCF A is 6 November 2022 (being the date falling five years after 6 November 2017). RCF B has matured and was repaid in full.

The Senior Secured Revolving Credit Facility bears interest at the percentage rate per annum which is the aggregate of the applicable benchmark rate (which in relation to any loan denominated in US dollars is LIBOR (as defined in the SSRCF Agreement)) plus 4% per annum. The liabilities of the Company under the Senior Secured Revolving Credit Facility are guaranteed on a joint and several basis by the Company and certain of its subsidiaries, and are secured by Security Documents.

As at the date of this Explanatory Statement, US\$ 8.5 million is outstanding under the RCF A.

(b) Intercreditor Agreement

The liabilities of the Company under the Existing Notes and the Senior Secured Revolving Credit Facilities are subject to the provisions of the Intercreditor Agreement. The Intercreditor Agreement provides, amongst other things, that:

- (i) the obligations under the Existing Notes, the Senior Secured Revolving Credit Facilities, certain priority hedging obligations and certain Indebtedness permitted under the Existing Notes Indenture (subject to the Intercreditor Agreement), if any, are secured equally and ratably by first-ranking Liens over the Collateral; *provided*, however;
- (ii) the Senior Secured Revolving Credit Facilities rank prior to the Existing Notes in rights to the proceeds received or recovered from enforcement of the Collateral, in the sense that any proceeds received upon any enforcement over any of the Collateral will only be applied in repayment of the Existing Notes, and all other Indebtedness ranking *pari passu* with the Existing Notes, after all liabilities in respect of the obligations under the Senior Secured Revolving Credit Facility, the permitted secured hedging and certain other indebtedness permitted by the Existing Notes Indenture (subject to the Intercreditor Agreement), if any, have been paid from such recoveries.

(c) Further, the Group had indebtedness at the subsidiary levels. Specifically:

- (i) Fischer Advanced Technology (Suzhou) Co., Ltd. (“**FAT**”) - RMB 110 million Term Loan

Total drawn balance of RMB 87 million as at 30 June 2021. The facility is a short-term loan for working capital purposes provided by Bank of China. The respective security package includes the land where the Suzhou mega facility is located. The facility is subject to annual extension with the next review date occurring in November 2021.

- (ii) Zhuhai Yingcheng Electronics Technology Co., Ltd. (“**YSZ**”) - RMB 29 million Term Loan

The facility was fully drawn as at 30 June 2021. It is a short-term loan facility provided by Agricultural Bank of China and utilised for working capital purpose. It is subject to semi-annual review with the next review date occurring in November 2021.

- (iii) Fischer Tech (Thailand) Co., Ltd. (“**FTT**”) - THB 40 million Term Loan

The facility was undrawn as at 30 June 2021. It is a short-term facility utilized for working capital purposes provided by Bangkok Bank. It is subject to annual extension with the next review date in January 2022.

- (iv) M-Fischer Tech Sdn Bhd (“**MFT**”) - MYR 1 million RCF

The facility was undrawn as at 30 June 2021. It is an unsecured revolving credit facility utilised for working capital purposes provided by Maybank. It is subject to annual extension with the next review date in February/March 2022.

5.7 Financial indebtedness

- (a) As at 30 June 2021 (being the date of the last published unaudited financial statements of the Company), as set out in the Q1 & Q2 2021 Financial Results at Appendix 3 (*Q1 & Q2 2021 Financial Results*), the Group had total indebtedness of US\$201.5 million of which US\$183.5 million was owed by the Company.

(b) As at 30 June 2021, the Group's total financial indebtedness was as follows:

Borrowing entity	Creditor	Nature of liability	Total Facility (US\$ '000)	Total Drawn (US\$ '000)	% of total indebtedness
Pearl III	SSRCF Lender	SSRCF	25,000	8,500	4.2%
Pearl III	Noteholders	Existing Notes	175,000	175,000	86.9%
Subtotal			200,000	183,500	93.1%
FAT	Bank of China	FAT - RMB 110m Term Loan	17,028	13,467	6.7%
YSZ	Agricultural Bank of China	YSZ - RMB 29m Term Loan	4,489	4,489	2.2%
FTT	Bangkok Bank	FTT - THB 40m Term Loan	1,248	-	-
MFT	Maybank	MFT - MYR 1m RCF	241	-	-
Total			223,005	201,456	100.0%

5.8 Security structure

- (a) Pursuant to the Security Documents, the liabilities due under or in connection with the Existing Notes, the Existing Notes Subsidiary Guarantees and Senior Secured Revolving Credit Facilities are secured equally (subject to the Intercreditor Agreement) by first-ranking Liens over the Collateral, consisting of:
- (i) security assignment by Pearl II over all of its material intercompany loans to the Company or its subsidiaries;
 - (ii) debentures over all or substantially all assets of the Company and each of the Existing Notes Subsidiary Guarantors, other than (i) PES' equity interest in Fischer Medtech Pte. Ltd., Fischer Technology Pte. Ltd. and MFT; and (ii) equity interest in other Group Companies held by the Existing Notes Subsidiary Guarantors which are otherwise subject to the pledges listed below. (For the avoidance of doubt, such debentures included a fixed charge over PES' shares in FTI and a fixed charge over the Company's shares in PES);
 - (iii) pledge over Pearl II's equity interest in the Company;
 - (iv) pledge over the Company's equity interest in Ying Shing and Ying Tat;
 - (v) pledge over PES' equity interest in FTT;
 - (vi) pledge over FTI's equity interest in FAT, Fischer Solution (Suzhou) Co., Ltd and Fischer Tech (Suzhou) Co., Ltd. ("**FTS**"); and

- (vii) pledge over Ying Shing's equity interest in Zhuhai Yingcheng Electronics Technology Co., Ltd and Ying Tat's equity investment in Suzhou Ying Hao Precision Moulding and Tooling Co., Ltd.

5.9 Assets

- (a) The asset position of the Company as at 30 June 2021 is summarised below.

	As at 30 June 2021 (US\$ '000)
Assets	
<u>Non-Current Assets</u>	
Property, Plant and Equipment	48,678
Intangible Assets	51,694
Right-of-Use Assets	11,770
Deferred Income Tax Assets	8,730
Long-Term Prepayments	1,748
Subtotal	122,620
<u>Current Assets</u>	
Inventories	36,179
Trade and Other Receivables	55,864
Contract Assets	5,497
Amount Due from Intermediate Holding Companies	11,373
Cash and Bank Balances	16,778
Total	248,311

- (b) Further details regarding the assets of the Company are set out in Appendix 2 (2020 Annual Report) and Appendix 3 (Q1 & Q2 2021 Financial Results) to this Explanatory Statement.

5.10 The Group's deteriorating financial condition

- (a) The Group has been severely affected by deteriorating financial performance since 2018, with revenue declining from US\$234.4 million in FY 2018 to US\$170.6 million in FY 2020 (27% reduction) and Adjusted EBITDA declining from US\$38.0 million in FY 2018 to US\$22.7 million (40% reduction) in FY 2020. These are primarily driven by:
- (i) low market demand and structural technology shift in the automotive industry with the adoption of in-mold labelling;
 - (ii) US-China trade tensions as the Group's main manufacturing facilities are located in China;
 - (iii) supply-chain disruptions and weakened consumer demand caused or accelerated by the COVID-19; and
 - (iv) loss of certain customers.
- (b) Lower sales in the last two years were partially offset by cost cutting initiatives and improved operational efficiency. Cash flows in 2019 and 2020 were aided by significant release of cash in working capital with revenue declines and stringent cash preservation actions (including capex reduction). Notwithstanding these measures, the Group's liquidity profile remains challenged and insufficient to cover its annual interest burden and/or the maturity of the US\$175 million Existing Notes in December 2022.

5.11 Events leading to the commencement of the restructuring negotiations

- (a) As a consequence of the aforementioned operational headwinds and high debt service requirements, the Company foresees that it may have difficulty meeting its financial obligations when due.
- (b) The Group's highly leveraged capital structure also triggered concerns from some of the Company's key customers that questioned the Group's ability to remain a reliable supplier given risks in its ability to continue operating as a going concern. Certain key customers, which are mindful of potential risks to their own supply chains, became increasingly hesitant, absent a comprehensive restructuring and/or recapitalisation transaction, to continue doing business with the Group. The eventuality of losing these key customers would result in a material downsizing of the Group's operations and significant value erosion, to the detriment of all of the Company's stakeholders.
- (c) The Company explored various refinancing options since the middle of 2020, and it became apparent that external source of funding would not be available to the Group absent a comprehensive restructuring of the Existing Notes.
- (d) In light of the above, the Company commenced discussions with the Ad Hoc Committee (comprising global real-money asset managers and discretionary private banks) in early 2021, with the view to finding a mutually agreeable solution for restructuring its indebtedness under the Existing Notes.

5.12 Agreement of the Restructuring

- (a) The Company has since been negotiating the terms of a Restructuring of the Company's financial indebtedness with the Ad Hoc Committee. The final agreed terms of the Restructuring as set out in the Term Sheet were finalised on 26 May 2021.
- (b) Further details regarding the commercial terms of the Restructuring, as set out in the Term Sheet, are at section 6 (*Overview of the Restructuring*) of this Explanatory Statement.

5.13 Restructuring Support Agreement

- (a) In order to assist and facilitate the implementation of the Restructuring, the Company, the Existing Notes Subsidiary Guarantors, the Ad Hoc Committee and other Consenting Creditors have entered into the RSA.
- (b) As at the date of this Explanatory Statement, certain Noteholders had designated the aggregate principal amount of approximately US\$164,940,000 of Existing Notes (representing approximately 94.25% of the aggregate outstanding principal amount of all Existing Notes) as Consenting Notes under the RSA meaning that the holders of such Existing Notes are bound by the provisions of the RSA and are obliged to vote such holdings of Consenting Notes in favour of the Scheme, subject to the terms of the RSA;

5.14 Key terms of the RSA

There follows a summary of the key terms of the RSA (which is qualified entirely by reference to the terms of RSA, a copy of the execution version of which is available on the Scheme Website):

- (a) Each Consenting Creditor who is bound by the terms of the RSA has agreed not to take any restricted action which includes:
 - (i) accelerating the Notes or the making of any demand against the Company or any Group Company in respect of them;

- (ii) the enforcement of any security granted by the Company or any Group Company;
 - (iii) the suing for, commencing, supporting and/or joining of any legal or arbitration proceedings against any the Company or Group Company to recover any liabilities payable pursuant to the Notes;
 - (iv) the petitioning, applying or voting for, or supporting of, any Insolvency Proceeding against the Company or any Group Company (other than the Scheme, the Scheme Application and any Recognition Filing); and
 - (v) the taking, encouraging, assisting or supporting any action that would, or would reasonably be expected to, frustrate, delay, impede or prevent the Scheme or the Restructuring or that is inconsistent with the RSA or the Term Sheet.
- (b) Each Consenting Creditor party to the RSA has given a number of irrevocable undertakings in respect of the Restructuring, including to:
- (i) work in good faith with the Company and its advisers to implement the Restructuring as soon as possible in a manner consistent with the terms of the RSA and the Term Sheet;
 - (ii) negotiate in good faith in order to finalise the terms of any Restructuring Documents to which such Consenting Creditor will be a party in form and substance consistent with the Term Sheet;
 - (iii) vote their Consenting Notes in favour of the Scheme (including by delivering any proxies, instructions, directions or consents required and by attending the Scheme Meeting by proxy or in person) *provided* that the Scheme is proposed by the Company and that the terms of the Scheme (including any amendments or modifications) are consistent with the Term Sheet or as otherwise agreed with the professional advisers acting for the Ad Hoc Committee;
 - (iv) provide reasonable support and assistance to the Company and any other Group Company (at the sole expense of the Group and without incurring any additional liability or obligation) to prevent the occurrence of any Insolvency Proceeding in respect of any Group Company (other than the Scheme, the Scheme Application and any Recognition Filing);
 - (v) not formulate, encourage, procure, vote in favour of or otherwise support any alternative proposal or alternate offer for the implementation of the Restructuring or to otherwise engage in any such discussions; and
 - (vi) not take (or procure that any other person takes) any action which would, or would reasonably be expected to, breach or be inconsistent with the RSA or the Restructuring, or delay, impede, frustrate or prevent the implementation or consummation of the Restructuring, except to the extent that the Scheme Documents are materially inconsistent with the terms as set out in the Term Sheet.
- (c) The Company and the Guarantors (as defined therein) (the “**Obligors**”) have agreed to a number of undertakings to support the Restructuring and a number of restrictions set out in the RSA. Such undertakings and restrictions are set out at clauses 5.1 and 5.2, respectively, of the RSA (a copy of which is available on the Scheme Website).
- (d) The RSA contains provisions restricting the selling, assignment or transfer by a Consenting Creditor of all or any part of its legal or beneficial interests, rights, benefits or obligations under or in respect of any of the Consenting Notes held by it or

implementation of any transaction of a similar or equivalent economic effect, whereby no Consenting Creditor may complete a transfer unless, amongst other things, the proposed transferee is already a Consenting Creditor or agrees to become bound by the RSA by delivering an Accession Deed.

- (e) The RSA may be terminated in a number of instances. Notably, key termination trigger events include:
 - (i) automatic termination upon the occurrence of the earliest of the following events:
 - (A) the Scheme not being finally approved by the requisite majorities of Scheme Creditors at the Scheme Meeting, provided that the Scheme Meeting may be postponed or adjourned to a subsequent date in order to obtain the requisite approval;
 - (B) the Cayman Court having decided, on a final and non-appealable basis (that is, after the Company has exhausted all avenues of appeal), not to grant an order sanctioning or approving the Scheme at or following a hearing by the Cayman Court held for that purpose, and there being no reasonable prospect of the Restructuring being effectuated;
 - (C) a Longstop Date of 31 October 2021 (or such later date as may be agreed by the Company and Ad Hoc Committee); and
 - (D) the Restructuring Effective Date;
 - (ii) termination by the Company, at its sole discretion, by giving written notice to all the Consenting Creditors, if it determines, in good faith and on reasonable bases, that there is no reasonable prospect of the Scheme becoming effective prior to the Longstop Date;
- (f) Any Consenting Creditor may terminate the RSA (only as between itself and the Obligors) with immediate effect by giving written notice to the Company, after the occurrence of any of the following:
 - (i) a breach of the RSA by any of the Obligors which has a material adverse effect on the ability of the Obligors to implement or consummate the Restructuring, unless the breach is capable of remedy and is remedied within five (5) Business Days after the Consenting Creditor has delivered a notice to the Company alleging the breach;
 - (ii) the commencement of any Insolvency Proceedings (other than the Scheme(s), the Scheme Application(s) or any Recognition Filings) in respect of any Obligor;
 - (iii) a Court of any jurisdiction in which a Scheme is being proposed rejecting, in a final and non-appealable decision, the Company's application to convene a Scheme Meeting;
 - (iv) where the parties to the RSA have, in accordance with the RSA, entered into good faith negotiations on the alternative terms for the Restructuring to the extent necessary to obtain relevant third party consents, and where those negotiations have lasted for thirty (30) days but no agreement can be reached on those alternative terms;
 - (v) the Company fails to ensure that each milestone set out in Schedule 7 to the RSA is completed on or before the applicable deadline, unless the breach is capable of remedy and is remedied within five (5) business days after the Consenting Creditor has delivered a notice to the Company alleging the breach; or

- (vi) the Company has filed or launched a Scheme, the terms of which are inconsistent with the Term Sheet.
- (g) The RSA is governed by the laws of Singapore.

5.15 **Consent Fee**

- (a) Pursuant to the RSA, Noteholders who become Consenting Creditors under the RSA before the Consent Fee Cut-off Time of 5.00 p.m. (Hong Kong/Singapore time) on 16 June 2021 (the “**Early Consenting Creditors**”), and who satisfies the other eligibility criteria (as summarised below), will be entitled to receive its pro rata share of the Consent Fee in an amount of US\$1,750,000 (which represents 1% of the aggregate outstanding principal amounts on the Existing Notes).
- (b) “Pro rata share” in this context means, in respect of each Early Consenting Creditor who is entitled to payment of the Consent Fee, the proportion that the outstanding principal amount of the Consenting Notes held or controlled by that Early Consenting Creditor bears to the aggregate outstanding principal amount of all the Consenting Notes held or controlled by all Early Consenting Creditors who are entitled to payment of the Consent Fee, each as at the Record Time.
- (c) In order to receive its pro rata share of the Consent Fee, an Early Consenting Creditor must:
 - (i) validly holds or controls the Consenting Notes (as specified in its Consenting Notes Designation(s)) on the date of the RSA or the date of its Accession Deed (in the case of an Additional Consenting Creditor) and/or the date of delivery of any further Consenting Notes Designation (as applicable), and still hold such Consenting Notes as at the Record Time;
 - (ii) has voted all of its the Consenting Notes in favour of the Scheme, and has not withdrawn or revoked such votes;
 - (iii) has included its valid accession code (provided to it by the Information Agent) in all its voting instructions in respect of the Scheme;
 - (iv) has fully complied with the material provisions of the RSA and has not breached any provision of the RSA in any material respect; and
 - (v) has not, as at the Restructuring Effective Date, exercised its rights (if any) to terminate the RSA,

5.16 **SSRCF Refinancing**

- (a) The RCF A under the Senior Secured Revolving Credit Facility is due to mature in November 2022. In light of that upcoming maturity, and because that facility is linked to the Existing Notes in a number of ways (including the fact that the two are secured by the same Security Documents), the Company considers it appropriate to refinance the Senior Secured Revolving Credit Facility at the same time as the Restructuring.
- (b) The SSRCF Refinancing is intended to take place under and pursuant to the SSRCF Refinancing Documents. The execution of the SSRCF Refinancing Documents by the relevant parties (including the SSRCF Lender) is one of the Restructuring Conditions. At the same time, the occurrence of the Restructuring Effective Date will likely be a condition precedent to completion of the SSRCF Refinancing. In other words, the Restructuring and SSRCF Refinancing will be interdependent.
- (c) Following completion of the SSRCF Refinancing, there will be two facilities in place as between the Group and the SSRCF Lender (and its Affiliates), namely:

- (i) a “Revolving Facility” of up to the aggregate of (ii) US\$10 million made available to the Company (as the borrower) by the SSRCF Lender (as the lender), under the SSRCF Agreement (as amended and restated); and
 - (ii) an “Ancillary Facility” of up to RMB65,000,000 made available to ZHYC (as the borrower) by DBS China (as an Affiliate of the SSRCF Lender and as an ancillary lender), under the SSRCF Agreement (as amended and restated).
- (d) In addition to the facilities described above, Ying Shing (as seller) will enter into an uncommitted non-recourse, non-notified account receivables purchase agreement with an Affiliate of the SSRCF Lender for the sale of certain account receivables on a non-recourse basis (the “**ARP Agreement**”). This purchase agreement will be separate and independent to the SSRCF Agreement.
- (e) A more detailed summary of the terms of the SSRCF Refinancing are set out in section 6.8 (*Terms of the SSRCF Refinancing*).

5.17 **Consequences of failure to implement the Restructuring**

- (a) The Company is of the view that if the Scheme and the Restructuring are not successfully implemented, it is likely that the Company will be wound up.
- (b) If the Company were to be wound up, the Company is of the view that Scheme Creditors are likely to receive significantly reduced recovery and any return would likely be received substantially later than the date the Scheme Creditors will receive distributions of Scheme Consideration if the Restructuring is successfully implemented, as demonstrated by the Liquidation Analysis at Appendix 5 (*Liquidation Analysis*).
- (c) Scheme Creditors are encouraged to read the information set out at Appendix 5 (*Liquidation Analysis*) carefully to ensure that they have a clear understanding of the financial circumstances of the Company as reviewed and modelled by AMC.

5.18 **The Company’s conclusions regarding the Restructuring**

- (a) The Company has been exploring various strategic options with respect to its capital structure since the middle of 2020. The Company retained advisors in December 2020 and has been engaged in substantive discussions with a subset of its largest Noteholders (who formed the Ad Hoc Committee and hired legal and financial advisors to negotiate restructuring terms with the Company).
- (b) The proposed terms of the Restructuring reflects the culmination of extensive negotiations between the Ad Hoc Committee, the Company and the Group’s sponsor – during which various potential transaction structures and forms of consideration were explored, negotiated and considered.
- (c) The Company believes that the agreed terms strike an appropriate balance between the various objectives and constraints of the parties and the needs of the business.
- (d) Should the Restructuring successfully complete on its current terms:
 - (i) the Company will emerge with a de-levered capital structure with reduced debt service requirements, and will therefore be able to prioritise cash resources to grow its existing business and attract new contract wins for the benefit of all stakeholders; and
 - (ii) Noteholders will receive significantly higher recoveries than the alternative of a liquidation and will have the ability to realise upside in the business on account of the mandatory conversion feature of the New Perpetual Notes.

6. OVERVIEW OF THE RESTRUCTURING

This section contains a brief description of the principal commercial terms of the Restructuring. The summary information contained in this section does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by references to, the more detailed information contained in the Scheme and this Explanatory Statement.

6.1 Overview

- (a) The Restructuring has been promulgated by the Company and comprises of a restructuring of the Company's existing indebtedness under the Existing Notes.
- (b) The Restructuring is contemplated to take place under and pursuant to the Scheme and the Restructuring Documents.
- (c) As part of the Restructuring, releases of indebtedness and claims under and in connection with the Existing Notes will be provided for. In consideration for such releases, the Scheme Creditors will receive (or will be entitled to receive) certain allocations of new debt and equity, as detailed below.
- (d) The cash and new debt and equity to be distributed as part of the Restructuring comprises:
 - (i) Cash Payment totalling US\$23,250,000;
 - (ii) Consent Fee totalling US\$1,750,000 (which represents 1% of the total outstanding principal amount on the Existing Notes). Further details regarding the Consent Fee are set out at section 5.15 (*Consent Fee*) of this Explanatory Statement above;
 - (iii) New Notes to be issued by the Company in the aggregate principal amount of US\$66,500,000. Further details regarding the New Notes are set out at section 6.5 (*Terms of the New Notes*) of this Explanatory Statement below; and
 - (iv) New Perpetual Notes to be issued by Pearl II in the aggregate principal amount of US\$83,500,000. Further details regarding the New Notes are set out at section 6.6 (*Terms of the New Perpetual Notes*) of this Explanatory Statement below.
- (e) Scheme Creditors will be eligible to receive a distribution of the Cash Payment, the New Notes and the New Perpetual Notes in the relevant proportions summarised below. The proportion of the Consent Fee that each Eligible Consenting Creditor will receive is summarised in section 5.15 (*Consent Fee*) of this Explanatory Statement above.
- (f) No cash proceeds will be received by the Company in consideration for the issuance of the New Notes which are being issued to refinance certain of the Company's existing indebtedness as part of the Restructuring.
- (g) The Restructuring will not involve a restructuring of any of the Group's subsidiary level indebtedness detailed at section 5.5(c) (*Debt Structure*) of this Explanatory Statement above.
- (h) A structure chart depicting the intended organisational and capital structure of the Group following completion of the Restructuring is set out at Appendix 10 (*Post-Restructuring Group Structure Chart*) to this Explanatory Statement.

6.2 Allocation of Scheme Consideration

(a) *Cash Payment*

In respect of the Cash Payment, a total amount of US\$23,250,000 will be available for distribution to eligible Scheme Creditors by way of Scheme Consideration in accordance with the following formula and the provisions of the Scheme and the Distribution Agreement, such that each Scheme Creditor will be entitled to receive (rounded down to the nearest US\$1.00):

$$A \times \frac{B}{X} = \text{Cash Payment entitlement}$$

A = US\$23,250,000, being the total amount of the Cash Payment to be paid.

B = Total amount of all principal outstanding in respect of the Existing Notes held by a Participating Scheme Creditor as at the Record Time.

X = Total amount of all principal outstanding in respect of the Existing Notes as at the Record Time.

(b) *Consent Fee*

On the Restructuring Effective Date, the Company shall pay the Consent Fee to the Eligible Consenting Creditors in accordance with the terms of the Scheme and the RSA.

Subject to the terms of the RSA, each Eligible Consenting Creditor shall be entitled to receive a share of the Consent Fee calculated in accordance with clause 7 (*Consent Fee*) of the RSA such that each Eligible Consenting Creditor shall receive a "Pro Rata Share" (as defined under the RSA) of the total amount of the Consent Fee.

(c) *New Notes*

Subject to section 7.21 below, the aggregate principal amount of US\$66,500,000 of New Notes will be available for distribution to eligible Scheme Creditors by way of Scheme Consideration in accordance with the following formula and the provisions of the Scheme and the Distribution Agreement, such that each Scheme Creditor will be entitled to receive (rounded down to the nearest US\$1.00 and subject to a minimum denomination of US\$50,000 with integral multiples of US\$1.00 in excess of US\$50,000):

$$A \quad \times \quad \frac{B}{X} \quad = \quad \text{New Notes entitlement}$$

A = US\$66,500,000, being the total principal amount of the New Notes to be issued.

B = Total amount of all principal outstanding in respect of the Existing Notes held by a Participating Scheme Creditor as at the Record Time.

X = Total amount of all principal outstanding in respect of the Existing Notes as at the Record Time.

(d) *New Perpetual Notes*

Subject to section 7.21 below, the aggregate principal amount of US\$83,500,000 New Notes Perpetual will be available for distribution to eligible Scheme Creditors by way of Scheme Consideration in accordance with the following formula and the provisions of the Scheme and the Distribution Agreement, such that each Scheme Creditor will be entitled to receive (rounded down to the nearest US\$1.00 and subject to a minimum denomination of US\$50,000 with integral multiples of US\$1.00 in excess of US\$50,000):

$$A \quad \times \quad \frac{B}{X} \quad = \quad \text{New Perpetual Notes entitlement}$$

A = US\$83,500,000, being the total principal amount of the New Perpetual Notes to be issued.

B = Total amount of all principal outstanding in respect of the Existing Notes held by a Participating Scheme Creditor as at the Record Time.

X = Total amount of all principal outstanding in respect of the Existing Notes as at the Record Time.

6.3 Surplus Scheme Consideration

- (a) A distribution of Scheme Consideration will be made to Initial Participating Scheme Creditors on the Restructuring Effective Date. Thereafter, the Scheme Consideration Trustee will hold any Surplus Scheme Consideration undistributed on the Restructuring Effective Date on trust during the Holding Period, for the purposes of and subject to any distributions in accordance with the terms of the Scheme and the Distribution Agreement. Scheme Creditors who complete and return the required documentation in order to become Participating Scheme Creditors before the Bar Date will be entitled to receive a distribution of their entitlement to the Surplus Scheme Consideration by a Periodic Distribution.
- (b) If any Surplus Scheme Consideration remains available and undistributed after the final Periodic Distribution has been made to Participating Scheme Creditors (if any)

it will be deemed Remaining Surplus Scheme Consideration and, subject to the paragraph (c) below, the Scheme Consideration Trustee shall transfer the Remaining Surplus Cash Payment to the Company and the Remaining Surplus Notes Coupon to the Company and/or Pearl II (as applicable), and deliver the Remaining Surplus Notes to the Company and/or Pearl II (as applicable) for cancellation (and the Company and/or Pearl II (as applicable) shall cancel such Remaining Surplus Notes).

- (c) In the event that one or more Adjudications remain outstanding as at the Final Distribution Date, the Company or Pearl II (as applicable), upon receiving the Remaining Surplus Cash Payment, Remaining Surplus Notes Coupon and the Remaining Surplus Notes from the Scheme Consideration Trustee, shall hold such portion of the Remaining Surplus Cash Payment, Remaining Surplus Notes Coupon and Remaining Surplus Notes as is related to the Disputed Scheme Claim on trust for the Applicant(s) until the completion of the Adjudication(s) and thereafter deal with the same in accordance with the Adjudication's decision and the other applicable terms of the Scheme and the Distribution Agreement.

6.4 Summary terms of the Existing Notes

- (a) For the purpose of assisting Scheme Creditors to compare the rights which they presently hold under the Existing Notes with the key terms of the New Notes which Scheme Creditor will be eligible to receive should the Scheme become effective and the Restructuring Effective Date occurs in accordance with the provisions of the Scheme:
- (i) set out below is a non-exhaustive summary of the key terms of the Existing Notes constituted pursuant to the Existing Notes Indenture; and
 - (ii) an electronic comparison of the Existing Notes Indenture and the New Notes Indenture will be made available on the Scheme Website.

Summary of key terms of the Existing Notes

Issuer	The Company
Amount	As at the date of this Explanatory Statement, Existing Notes in an aggregate principal amount of US\$175,000,000 remain outstanding.
Maturity	11 December 2022
Coupon Payment Dates	Under the terms of the Existing Notes Indenture, the Company is subject to an obligation (among others) to pay such interest on the Notes in US\$ on each interest payment date, being 11 June and 11 December of each year, commencing 11 June 2018, and ending on the maturity date.
Pricing / Coupon	The Existing Notes bear interest at a rate of 9.50% per annum.
Guarantors	The Existing Notes Subsidiary Guarantors
Security	The Security Interests over the Collateral constituted by the Security Documents
Trustee	The Bank of New York Mellon
Governing Law	New York law

Transfer Restrictions	The Existing Notes are <u>not</u> registered under the US Securities Act or under any state securities laws of the United States and are subject to customary restrictions on transfer and resale.
Listing	SGX-ST

6.5 Terms of the New Notes

- (a) A summary of the key terms of the New Notes is set out below. In addition, a copy of the agreed-form New Notes Indenture pursuant to which the New Notes will be constituted will be made available on the Scheme Website.
- (b) The summary of the New Notes set out below is accordingly qualified entirely by reference to the New Notes Indenture and Scheme Creditors are encouraged to review the full terms of the New Notes Indenture will be available on the Scheme Website.
- (c) No cash proceeds will be received by the Company in consideration for the issuance of the New Notes which are being issued to refinance certain of the Company's existing indebtedness as part of the Restructuring.
- (d) So long as the New Notes are listed on the SGX-ST and the listing rules of the SGX-ST so require (including upon the issuance of any definitive notes or certificates), the Company shall appoint and maintain a paying agent in Singapore, where the New Notes may be presented or surrendered for payment or redemption.
- (e) In the event that any New Notes are exchanged for definitive notes or certificates, an announcement of such exchange shall be made by or on behalf the Company, through the SGX-ST and such announcements shall include all material information with respect to the delivery of such definitive notes or certificates, including details of the paying agent in Singapore.

Summary of the key terms of the New Notes	
1. Issuer	The Company
2. Original Issue Date	The Restructuring Effective Date (or as soon as practicable thereafter)
3. Principal Amount	US\$66,500,000
4. Maturity	On the fourth anniversary of the Original Issue Date
5. Interest	Cash interest of 9.0% p.a. on the outstanding principal amount of the New Notes, payable semi-annually in arrears, commencing on 1 July 2021.
6. Trustee / Security Agent	<ul style="list-style-type: none"> Madison Pacific Trust Limited as New Notes Trustee Madison Pacific Trust Limited as Security Agent
7. Note Guarantees	<p>The New Notes will be initially guaranteed, jointly and severally, on a senior secured basis, by:</p> <ul style="list-style-type: none"> Ying Shing Enterprises Limited ("Ying Shing"); Ying Tat Investment (Hong Kong) Limited ("Ying Tat"); Pearl Engineered Solutions Pte Ltd. ("PES"); and Fischer Tech International Pte Ltd. ("FTI"), <p>(together, the "Initial Guarantors").</p>

	<p>If Fischer Tech (Thailand) Co., Ltd. (“FTT” or the “Additional Guarantor”) obtains from the Department of Business Development of the Ministry of Commerce of Thailand (or another responsible governmental entity) a license under the <i>Foreign Business Act</i> B.E. 2442 (1999) (permitting it to grant a Note Guarantee in respect of the New Notes); <i>then</i>, as soon as reasonably practicable thereafter and, in any event, no later than the date that the Additional Guarantor guarantees the Senior Secured Revolving Credit Facilities, the Company will cause the Additional Guarantor to grant a Note Guarantee on the same terms and conditions as those set forth in the New Notes Indenture and applicable to the Initial Guarantors, and the Additional Guarantor will do so by entering into a supplemental indenture.</p> <p>(The Initial Guarantors and, upon its entry into the aforementioned supplemental indenture, the Additional Guarantor are together referred to in this Explanatory Statement as the “New Notes Subsidiary Guarantors” or “Guarantors”).</p>
8. Collateral	<ul style="list-style-type: none"> • The New Notes and New Notes Guarantees will be secured by first-ranking liens over the Collateral (that is currently securing the Existing Notes), comprising: <ul style="list-style-type: none"> • security assignment by Pearl II over all of its material intercompany loans to the Company or its subsidiaries; • debentures over all or substantially all assets of the Company and each of the New Notes Subsidiary Guarantors (excluding FTT), other than (i) PES’ equity interest in Fischer Medtech Pte. Ltd., Fischer Technology Pte. Ltd. and MFT and (ii) equity interest in other Group Companies held by the New Notes Subsidiary Guarantors (excluding FTT) which are otherwise subject to the pledges listed below. (For the avoidance of doubt, such debentures will include a fixed charge over PES’ shares in FTT and a fixed charge over the Company’s shares in PES); • pledge over Pearl II’s equity interest in the Company; • pledge over the Company’s equity interest in Ying Shing and Ying Tat; • pledge over PES’ equity interest in FTT; • pledge over FTT’s equity interest in Fischer Advanced Technology (Suzhou) Co, Ltd, Fischer Solution (Suzhou) Co., Ltd and Fischer Tech (Suzhou) Co., Ltd; and • pledge over Ying Shing’s equity interest in Zhuhai Yingcheng Electronics Technology Co., Ltd and Ying Tat’s equity investment in Suzhou Ying Hao Precision Moulding and Tooling Co., Ltd.
9. Ranking	<ul style="list-style-type: none"> • The New Notes and the New Notes Guarantees will be the general obligations of the Company and each Guarantors, respectively, and will be: <ul style="list-style-type: none"> • in the case of the New Notes, guaranteed by the Guarantors, which guarantees may be subject to the guarantee limitations described in the Existing Notes Indenture; • in the same manner as the Existing Notes, secured by first-ranking liens over the Collateral but will receive proceeds from enforcement of the liens over the Collateral only after any obligations under the Senior Secured Revolving Credit Facilities (as amended, restated and/or supplemented by the SSRCF

	<p>Refinancing Documents), certain priority hedging obligations and other credit facilities have been paid in full;</p> <ul style="list-style-type: none"> • in the same manner as the Existing Notes, pari passu in right of payment with all of the Company's and the Guarantors' existing and future obligations that are not subordinated in right of payments to the New Notes or the New Notes Guarantees, including its or their obligations under the Senior Secured Revolving Credit Facilities and other credit facilities, as applicable; • in the same manner as the Existing Notes, senior in right of payment to all of the Company's and the Guarantors' existing and future indebtedness that is subordinated in right of payment to the New Notes or the New Notes Guarantees; • in the same manner as the Existing Notes, effectively subordinated to any existing and future obligations, in the case of the Company, that are secured by property or assets that do not secure such New Notes or that secure the Senior Secured Revolving Credit Facilities, certain hedging obligations and other credit facilities on a priority basis; or, in the case of each relevant New Notes Subsidiary Guarantor, that are secured by property or assets that do not secure such New Notes Guarantees, in either case to the extent of the value of the property and assets securing such obligations; and • in the same manner as the Existing Notes, effectively subordinated to all existing and future liabilities of the Company's subsidiaries that are not Guarantors. • The New Notes Guarantees will be effectively subordinated to any existing and future indebtedness of each New Notes Subsidiary Guarantor that is mandatorily preferred by law. • The New Notes will be designated as the "Senior Secured Notes" under the Intercreditor Agreement.
10. Optional Redemption	<ul style="list-style-type: none"> • At any time, and with not less than 10 days' nor more than 60 days' notice, the Company will have the right to redeem the New Notes, in whole or in part, at a redemption price per the schedule below, together with accrued and unpaid interest, if any, to (but not including) the applicable redemption date: <ul style="list-style-type: none"> • Year 1: 103% • Year 2: 102% • Year 3: 101% • Thereafter: 100%
11. Additional Amounts; Tax Redemption	<ul style="list-style-type: none"> • All payments in respect of the New Notes or any New Notes Guarantee will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Company or the relevant New Notes Subsidiary Guarantor will pay additional amounts so that the net amount received by the holder of each New Note is no less than that which such holder would have received in the absence of such withholding or deduction subject to certain exceptions.¹⁴

¹⁴ as may be agreed between the Company and the Ad Hoc Committee, if any

	<ul style="list-style-type: none"> The Company may redeem the New Notes in whole, but not in part, at any time, upon giving prior notice, if certain changes in tax law impose certain withholding taxes on amounts payable on the New Notes, and, as a result, the Company or a Guarantor is required to pay additional amounts with respect to such withholding taxes. If the Company decides to exercise such redemption right, the Company must pay each holder of the New Notes a price equal to the principal amount of the New Notes held by such holder plus interest and additional amounts, if any, to (but not including) the date of redemption.
12. Asset Sale Offer	<ul style="list-style-type: none"> The provisions for Asset Sales and the making by the Company of an Asset Sale Offer (including the definition of “Asset Sale” and the exceptions and carve-outs to that definition) will be substantially identical to those set out in the Existing Notes Indenture.¹⁵
13. Change of Control Offer	<ul style="list-style-type: none"> Upon the occurrence of a “Change of Control” (as defined below), each holder of the New Notes will have the right to require the Company to repurchase some or all of such holder’s New Notes (“Change of Control Offer”) at the relevant redemption premium applicable set out in “Optional Redemption” above, subject to the pro rata mechanism described below applicable in a partial sale scenario. Within 30 days following any Change of Control, the Company will send a notice to each holder, with a copy to the Trustee, stating (amongst other things) that a Change of Control has occurred or may occur, that such holder will have the right to require the Company to purchase that holder’s New Notes as well as the proposed purchase date (which will be no earlier than 30 days nor later than 60 days from the date of such notice). “Change of Control” means, subject to certain qualifications and exceptions as agreed with the AHC Advisers, the occurrence of any of the following: <ul style="list-style-type: none"> (1) any sale or transfer by Platinum Equity of any shares in the Company, whether held directly or indirectly by Platinum Equity; (2) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to any person; or (3) the approval of any plan for the winding up or liquidation of the Company. In the event of a partial sale or transfer by Platinum Equity of shares in the Company (that is, where less than 100% of such shares, whether held directly or indirectly by Platinum Equity, are being sold or transferred) (“Partial Sale”), if the aggregate principal amount of New Notes surrendered by holders thereof in response to the Change of Control Offer exceeds the “CoC Offer Amount” (defined below), the Company will only be obliged to apply an amount equal to the CoC Offer Amount to repurchase the New Notes on a pro rata basis (based on the principal amount of New Notes tendered and any applicable premium), and thereafter the Trustee will select the New Notes to be purchased on a pro rata basis (subject to applicable clearing system procedures with respect to Global Notes) based on the principal amount of New Notes tendered and any applicable premium (with, in each case, such adjustments as may be deemed

¹⁵ with such other exceptions as may be agreed between the Company and the Ad Hoc Committee, if any.

	<p>appropriate by the Company or the Trustee taking into account the minimum denominations of the New Notes).</p> <ul style="list-style-type: none"> • “CoC Offer Amount” means the aggregate amount of cash proceeds and cash equivalents received by Platinum Equity, whether directly or indirectly, in respect of the Partial Sale, net of (i) costs relating to the Partial Sale and the disposition of any non-cash consideration, (ii) taxes paid or payable as a result of the Partial Sale, (iii) amounts applied to the repayment of principal, premium (if any) and interest on indebtedness that is secured by the shares that are the subject of such Partial Sale and which amounts are, by virtue of such security or otherwise, required (other than pursuant to this Change of Control Offer provision) to be paid or repaid as a result of the Partial Sale; and (iv) any deduction of appropriate amounts that are reserved and retained against any liabilities associated with the shares disposed of in such Partial Sale and retained after such transaction (such amounts and timeline for retention and release to be clearly set out and evidenced to Noteholders at the time of the Change of Control Offer), provided always that upon release of such retained amounts from reserve, Platinum Equity shall procure that the Company will commence a further Change of Control Offer at the premium applicable to the original Change of Control transaction to which such reserved amounts were retained. Platinum Equity shall not distribute such retained amounts to its investors or any other person. • At all times before the mandatory conversion of the New Perpetual Notes (described below), Platinum Equity shall indirectly hold 100% of the interests of Pearl II and 100% of the Company, with the exceptions of (i) where a Change of Control Offer is made; or (ii) such permitted Asset Sales in the form of share issuances in accordance with the New Notes Indenture. All future share issuances to Platinum Equity and its Affiliates shall be effected through the issuance of ordinary shares of Pearl II at fair market value (as determined by an independent valuer), which shall then be contributed as the subscription by Pearl II of ordinary shares in the Company.
14. Amendments with Consent of Holders	<ul style="list-style-type: none"> • Amendment provisions will be substantially identical to those in the Existing Notes, except that the amendments which required the consent of holders of 90% of the principal amount of the Existing Notes would only require the consent of holders of not less than 75% of the principal amount of the New Notes.
15. Open Market Repurchase	<ul style="list-style-type: none"> • The Company will be permitted to make open market purchases of the New Notes.
16. Treasury Notes	<ul style="list-style-type: none"> • Any New Notes held by a Group Company or any of its affiliates shall not be considered outstanding for voting purposes.
17. Certain Covenants	<ul style="list-style-type: none"> • Covenants of the New Notes are to be substantially the same as those set out in the Existing Notes Indenture, including: <ul style="list-style-type: none"> • Limitations on restricted payments; • Limitations on dividend and other payment restrictions effecting subsidiaries; • Limitations on incurrence of indebtedness and issuance of disqualified stock or preferred stock; • Limitations on asset sales; • Limitations on liens; • Limitations on issuances of future guarantees by restricted subsidiaries; and • Limitations on impairment of security interests.

	<ul style="list-style-type: none"> The only exceptions (in terms of departure from, or additions to, the covenants set out in the Existing Notes Indenture) are in respect of: limitations on transactions with affiliates (see below) and monitoring fees (also see below).¹⁶
18. Transactions with Affiliates	<ul style="list-style-type: none"> Save for the Monitoring Fees (described below), the Company will not, and will not permit any of their Restricted Subsidiaries (as defined in the New Notes Indenture) to, make any payment to or sell, lease, transfer or otherwise dispose of any of their properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any affiliate of Platinum Equity or the Company (each, an “Affiliate Transaction”), involving aggregate payments or consideration from the Company or any Restricted Subsidiaries, unless: <ul style="list-style-type: none"> a) the Affiliate Transaction is on terms that are not materially less favourable, taken as a whole, to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated person; b) with respect to any Affiliate Transaction comprising payments by the Company or any Restricted Subsidiaries, such payments, in aggregate, do not exceed US\$2.0 million (or such other higher cap amount as may be approved by holders of 51% or more of the outstanding principal of the New Notes); and c) with respect to any Affiliate Transaction, the Company receives a resolution of the Board of Directors of the Company that such Affiliate Transaction complies with this sub-section. The scope of “Affiliate Transactions” will be subject to the exceptions for ordinary course transactions that are in the Existing Notes Indenture.¹⁷
19. Monitoring Fees	<ul style="list-style-type: none"> As a new covenant under the New Notes, the Company will ensure that annual monitoring fees payable to Platinum Equity or its affiliate(s) will be reduced to US\$1.5 million p.a. and payable annually in arrears. Payment of monitoring fees will contingent on: <ul style="list-style-type: none"> (i) the Company achieving base case business plan targets for that year; and (ii) there being no event of default on the New Notes and the New Perpetual Notes. For the calendar year 2021, monitoring fees will only be payable for the period after 30 June 2021, and subject to conditions (i) and (ii) above being met. Incremental monitoring fees of US\$1.5 million p.a. payable annually and in arrears if: (x) the semi-annual coupon on the Perpetual Notes has been paid in full for that year; and (y) there is no event of default on the New Notes and the New Perpetual Notes. Conditions (i) and (ii) shall be confirmed by the Company via a compliance certificate that will be submitted to the Trustee of the New

¹⁶ with such other exceptions as may be agreed between the Company and the Ad Hoc Committee, if any.

¹⁷ subject to modification by agreement between the Company and the Ad Hoc Committee.

	<p>Notes, on or before a date not more than 120 days after the end of each calendar year, confirming that the Group has satisfied its adjusted EBITDA base case business plan targets for that year (with reasonable support and evidence, and calculations contained therein) and based on audited financial statements, and that there is no event of default on the New Notes and the New Perpetual Notes, or, if there has been a failure by the Group to satisfy the adjusted EBITDA base case business plan targets or any event of default under the New Notes or the New Perpetual Notes, specifying each such failure or event of default and the nature and status thereof.</p> <ul style="list-style-type: none"> • The Company shall also be obligated to promptly notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the New Notes Indenture. • If monitoring fees are payable, such fees shall only be paid 30 days after delivery of the compliance certificate confirming the satisfaction of the conditions to the Trustee.
20. Information Undertakings	<ul style="list-style-type: none"> • The indenture governing the New Notes will require the Company to furnish to the holders of the New Notes periodic financial reports in line with existing requirements in the Existing Notes Indenture. • All other information undertakings shall be substantially identical to the Existing Notes Indenture.¹⁸
21. Events of Default	<ul style="list-style-type: none"> • The events of default provision under the New Notes Indenture will be substantially the same as those in the Existing Notes Indenture (amended as necessary to reflect this Term Sheet).¹⁹
22. Replacement of Trustee	<ul style="list-style-type: none"> • At any time after an Event of Default has occurred and where such Event of Default is continuing, Holders representing 25% of the New Notes may remove the Trustee by providing 14 days' prior written notice to the Trustee, and may appoint a successor in their sole discretion without having to obtain consent from any other party.
23. Control of Trustee/ Security Trustee	<ul style="list-style-type: none"> • Following an Event of Default, holders representing 25% of the New Notes shall be entitled to directly instruct the Trustee and/or the Security Agent to exercise remedies.
24. Transfer Restrictions	<ul style="list-style-type: none"> • The New Notes and the New Notes Guarantees will not be registered under the US Securities Act or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
25. Form, Denomination and Registration	<ul style="list-style-type: none"> • The New Notes will be issued only in fully registered form, and will be initially represented by one or more global notes deposited with a common depositary and registered in the name of the common depositary or its nominee. • The New Notes will be issued in minimum denominations of US\$50,000 and integral multiples of US\$1.00 in excess thereof.

¹⁸ except where otherwise agreed between the Company and the Ad Hoc Committee.

¹⁹ except where otherwise agreed between the Company and the Ad Hoc Committee.

26. Listing	<ul style="list-style-type: none"> • Application will be made for the listing and quotation of the New Notes on the SGX-ST. • A minimum board lot size of S\$200,000 (or its equivalent in foreign currencies) will apply.
27. Governing Law	<ul style="list-style-type: none"> • New York law

6.6 Terms of the New Perpetual Notes

- A summary of the key terms of the New Perpetual Notes is set out below. In addition, a copy of the agreed-form New Perpetual Notes Indenture pursuant to which the New Perpetual Notes will be constituted will be available on the Scheme Website.
- The summary of the New Perpetual Notes set out below is accordingly qualified entirely by reference to the New Perpetual Notes Indenture and Scheme Creditors are encouraged to review the full terms of the New Perpetual Notes Indenture.
- No cash proceeds will be received by Pearl II in consideration for the issuance of the New Perpetual Notes which are being issued to refinance certain of the Company's existing indebtedness as part of the Restructuring.

Summary of the key terms of the New Perpetual Notes	
1. Issuer	Pearl II
2. Original Issue Date	The Restructuring Effective Date (or as soon as practicable thereafter)
3. Principal Amount	US\$83,500,000
4. Maturity	None
5. Pricing	<ul style="list-style-type: none"> • The coupon for the New Perpetual Notes will be payable semi-annually in arrears solely at Pearl II's option. • The New Perpetual Notes will have coupons as follows: <ul style="list-style-type: none"> • Cash coupon of 6.0% p.a. on the outstanding principal amount of the New Perpetual Notes, if paid in the semi-annual period; or • PIK coupon of 8.0% p.a., if deferred. • Any partial cash coupon shall reduce the PIK accrual pro rata.
6. Security	Unsecured
7. Trustee/Registrar/ Paying Agent	Madison Pacific Trust Limited as the New Perpetual Notes Trustee Elavon Financial Services DAC as the Registrar and Elavon Financial Services DAC, UK Branch Paying Agent
8. Participation in Exit Process	<ul style="list-style-type: none"> • Upon the appointment of any financial adviser or commencement of preparatory actions (such as appointment of legal advisers) in relation to an Exit Transaction (defined below), Pearl II will notify the holders of the New Perpetual Notes, and holders of no less than 25% of the outstanding principal of the New Perpetual Notes would be entitled to nominate and appoint one individual (who may be replaced from time to time) (the "Individual Appointee") to be consulted and to receive information in respect of the proposed Exit Transaction, including a list of potential buyers or counterparties, information memorandum,

	<p>management presentation materials, draft and final terms of the transaction and periodic updates upon reaching material milestones, provided that the Individual Appointee (and any holder of the New Perpetual Notes to whom such Individual Appointee intends to disclose confidential information concerning the Group and/or the Exit Transaction) must first enter into non-disclosure agreement(s) with Pearl II on standard terms (in a form that is reasonably satisfactory to Pearl II).</p> <ul style="list-style-type: none"> • For the avoidance of doubt, (a) the Individual Appointee will only be entitled to be consulted in respect of the proposed Exit Transaction, but will not have any decision-making authority, voting rights or veto rights in relation to the same; and (b) Pearl II shall comply with the above for each Exit Transaction that is undertaken, including in respect of any unsuccessful exit processes. • The consultation obligation on the part of Pearl II: (x) only applies for so long as the Individual Appointee (and any holder of the New Perpetual Notes to whom such Individual Appointee discloses confidential information) enter into the non-disclosure agreement(s) with Pearl II; and (y) shall not be considered breached unless the Individual Appointee is not consulted in good faith in respect of (i) the appointment of professional advisers in respect of the Exit Transaction, (ii) the options available in respect of which form of Exit Transaction would be most favourable at such point in time; (iii) review of likely counterparties for any Exit Transaction, and their deal proposals (including terms, valuation, structure and timing); and (iv) the selection of final counterparty to any Exit Transaction. In the event that either the Individual Appointee or a holder of the New Perpetual Notes who has entered into a non-disclosure agreement should be found to have breached such confidentiality obligations, such person/party shall be precluded from receiving any further confidential information and from being consulted by Pearl II, and Pearl II shall cease to be obliged to provide further confidential information to, or to consult, such person/party, provided that the holders of the New Perpetual Notes shall be entitled to appoint another Individual Appointee in his/her place. For the avoidance of doubt, Pearl II shall be entitled to enforce and exercise its remedies under law or equity against such breaching person/party. • “Exit Transaction” means each transaction or a series of related transactions resulting in, or with the objective of effecting: <ul style="list-style-type: none"> a) a Change of Control; or b) an initial public offering in respect of the Company, until such time that Platinum Equity has disposed of 100% of its equity interests in the Company. • “Full Exit Transaction” means the Exit Transaction which results in the disposal of all of Platinum Equity’s equity interests in the Company. • “Partial Exit Transaction” means any Exit Transaction which results in the sale or disposal by Platinum Equity of less than 100% of its equity interests in the Company.
<p>9. Mandatory exchange on Full Exit</p>	<ul style="list-style-type: none"> • Within 5 business days after the entry by Pearl II or by the relevant subsidiary or subsidiaries of Pearl II into a binding agreement or arrangement for the Full Exit Transaction, Pearl II must, by written notice, notify the New Perpetual Notes Trustee of the same and designate a date of mandatory exchange in respect of the New

	<p>Perpetual Notes (which shall be the date of completion of the Exit Transaction) (the “Designated Exchange Date”).</p> <ul style="list-style-type: none"> On: (a) the Designated Exchange Date (which shall be immediately before completion of the Full Exit Transaction); or (b) if applicable, the date of commencement of any liquidation or winding up of the Company (the “Liquidation Exchange Date”), the New Perpetual Notes, unless redeemed or otherwise repaid prior to that date, will be automatically exchanged into the NPN Conversion Stock (defined below) in Pearl II, which shares (and any distribution in respect of those shares) will be held by the New Perpetual Notes Trustee on trust for the holders of the New Perpetual Notes. In the case of a Designated Exchange Date for the Full Exit Transaction (provided that such transaction successfully completes) or on a Liquidation Exchange Date, the following shares shall be issued (the “NPN Conversion Stock”): <ol style="list-style-type: none"> 10,000 fully paid and non-voting Class B preferred stock in Pearl II (each a “Class B Share”), which will represent 25% of all the Class B Shares on issue, have US\$0.01 par value per share and will carry the Cumulative Dividend (defined below); and 30,001 fully paid common stock in Pearl II (each an “Ordinary Share”). The number of Class B Shares to be issued to the New Perpetual Notes Trustee shall be subject to change as per the “<i>Adjustment Events</i>”, “<i>Redemption</i>” and “<i>Event of Default</i>” sub-sections.
10. Distribution on a Partial Exit Transaction	<ul style="list-style-type: none"> Upon completion of a Partial Exit Transaction, and upon receipt by Pearl II of the Net Cash Proceeds (as defined below in sub-section 11 (<i>Distribution on a Full Exit Transaction</i>)) as a result of the relevant Partial Exit Transaction and in respect of its equity interest in the Company, Pearl II will use such Net Cash Proceeds to redeem the Redemption Percentage of Class A Shares at par value of US\$25 per Class A Share.²⁰ “Redemption Percentage” means the percentage of Platinum Equity’s equity interest (on a number of shares basis) in the Company (whether held directly or indirectly) that is being sold or disposed of in a Partial Exit Transaction, relative to Platinum Equity’s equity interest (on a number of shares basis) in the Company (whether held directly or indirectly) as at the date of issuance of the New Perpetual Notes. All remaining Net Cash Proceeds not used to redeem such Redemption Percentage of Class A Shares shall be retained in an escrow account for the benefit of the holders of the New Perpetual Notes and Platinum Equity (the “Escrowed Sale Proceeds”). The broad parameters in respect of such escrow arrangement shall be in such form as agreed with the Ad Hoc Committee. For the avoidance of doubt, the consideration for any Exit Transaction must be in the form of cash, unless otherwise agreed by holders of no less than 51% of the outstanding principal amount of the New Perpetual Notes.
11. Distribution on a Full Exit Transaction	<ul style="list-style-type: none"> On the Designated Exchange Date for a Full Exit Transaction, and upon receipt by Pearl II of the Net Cash Proceeds as a result of the Full Exit Transaction and in respect of its equity interest in the

²⁰ The New Investor Shares intended to be issued by Pearl II to the Investor on or before the Restructuring Effective Date in accordance with the terms of the Scheme comprises (among other things) 1,000,000 Class A Shares .

	<p>Company, Pearl II will distribute the same and the Escrowed Sale Proceeds to the shareholders of Pearl II as follows:</p> <ol style="list-style-type: none"> 1. <i>First</i>, payment to the holder of Class A Shares, in redemption at par value of all remaining Class A Shares (which are not already redeemed following the completion of any prior Partial Exit Transactions), of a redemption price of US\$25,000,000 <i>less</i> all redemption amounts previously paid to the holder of Class A Shares following the completion of any prior Partial Exit Transactions. 2. <i>Then</i>, payment of the Cumulative Dividend (defined below) to holders of Class B Shares in respect of the Class B Shares they hold. 3. <i>Then</i>, the remaining proceeds will be paid to each holder of the Ordinary Shares on a pro rata basis by reference to their holding of the Ordinary Shares, <p>(the “Distribution Waterfall”).</p> <ul style="list-style-type: none"> • “Net Cash Proceeds” means all proceeds of, or resulting from, an Exit Transaction, when received in cash by Pearl II as the sole shareholder of the Company, net of all fees, expenses and taxes payable by one or more Group Companies in connection with the Exit Transaction, and after repayment in full of the SSRCF, the New Notes and other credit facilities of the operating companies within the Group (as applicable), in accordance with their respective terms and any applicable intercreditor agreement(s). • “Cumulative Dividend” means, in respect of each Class B Share, the US dollar amount calculated based on the following formula: <p style="text-align: center;"><i>Cumulative Dividend Per Class B Share =</i></p> $((A * (1 + B)^C - A) / D) / E$ <p>A = US\$25,000,000 (new equity investment)</p> <p>B = 20% (targeted IRR on the new equity investment)</p> <p>C = Time elapsed between the Restructuring Effective Date and the date of Exit, expressed as year fractions</p> <p>D = 75% (economic interest to the Investor)</p> <p>E = 40,000 (total number of Class B Shares)</p> • For the avoidance of doubt, calculations of the Targeted IRR are to be based solely on the new equity investment of US\$25,000,000 and shall exclude past or future monitoring fees properly paid or payable to Platinum Equity or its affiliates. Furthermore, the above formula is subject to adjustment for any Partial Exit Transaction such that any redemption of the Class A Shares following the completion of any Partial Exit Transaction will result in that portion of the US\$25,000,000 no longer attracting any further return under future calculations of the Target IRR. • After the Liquidation Exchange Date, any assets of Pearl II that are available for distribution to its shareholders will be distributed to such shareholders in the order of priority set out in the Distribution Waterfall subject to any prior redemptions of shares as effected prior to such date. • A <i>illustrative example</i> of the Distribution Waterfall is set out in Appendix 4.
--	--

12. Redemption	<ul style="list-style-type: none"> At any time, Pearl II may redeem the New Perpetual Notes, in whole or in part, at par plus accrued and unpaid interest. For the avoidance of doubt, any voluntary redemption of the New Perpetual Notes shall result in a pro rata reduction of the NPN Conversion Stock to be issued.
13. Open Market Repurchase	<ul style="list-style-type: none"> Pearl II will be permitted to make open market purchases of the New Perpetual Notes.
14. Treasury Notes	<ul style="list-style-type: none"> Any New Perpetual Notes held by a Group Company or any of its affiliates shall not be considered outstanding for voting purposes.
15. Certain Covenants	<ul style="list-style-type: none"> Pearl II will give the following covenants: <ol style="list-style-type: none"> Pearl II will not approve or issue dividends for the life of the New Perpetual Notes, unless such dividends have been approved or issued with the consent of the Majority Noteholders (defined below), pursuant to paragraph 2 of the sub-section 18 (<i>Consent Matters</i>). Pearl II and the Company will not approve or issue any new shares (other than those contemplated by the terms of the New Perpetual Notes, including, without limitation, any new shares that are approved or issued with the consent of the Majority Noteholders (defined below), pursuant to paragraph 3 of sub-section 18 (<i>Consent Matters</i>)) for the life of the New Perpetual Notes, except for such permitted Asset Sales in accordance with the indenture for the New Notes. All future share issuances to Platinum Equity and its affiliates shall be effected through the issuance of ordinary shares of Pearl II at fair market value of the Company at such time (as determined by an independent valuer), which shall then be contributed as the subscription by Pearl II of ordinary shares in the Company. Save for the Monitoring Fees payable to Platinum Equity in accordance with the terms of the New Notes, Pearl II and the Company will not, and will not permit any of their Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of their properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any affiliate of Platinum Equity, Pearl II or the Company (each, an "Affiliate Transaction"), involving aggregate payments or consideration from Pearl II or any Restricted Subsidiaries, unless: <ol style="list-style-type: none"> the Affiliate Transaction is on terms that are not materially less favorable, taken as a whole, to Pearl II, the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Pearl II, the Company or such Restricted Subsidiary with an unrelated person; with respect to any Affiliate Transaction comprising payments by Pearl II, the Company or any Restricted Subsidiaries, such payments, in aggregate, do not exceed US\$2.0 million (or such other higher cap amount as may be approved by the Majority Noteholders); and

	<p>c) with respect to any Affiliate Transaction, Pearl II or the Company (as applicable) receives a resolution of the Board of Directors of Pearl II or of the Company (as applicable) that such Affiliate Transaction complies with this sub-section.</p> <p>The scope of “Affiliate Transactions” shall be subject to the exceptions for ordinary course transactions that are in the Existing Notes Indenture.²¹</p>
16. Adjustment Events	<ul style="list-style-type: none"> • The New Perpetual Notes will be subject to standard adjustment events, being any payment of dividend or distribution by Pearl II (notwithstanding any applicable prohibitions), or any combination, split, redemption or repurchase of any Class B Shares or Ordinary Shares prior to the mandatory conversion of the New Perpetual Notes. The applicable adjustment shall be made, on the Designated Exchange Date (for a Full Exit Transaction) or the Liquidation Exchange Date (as applicable), to the mandatory conversion formula by which the New Perpetual Notes are converted into Class B Shares and Ordinary Shares (as applicable), such that each of Platinum Equity and the New Perpetual Notes Trustee (on behalf of the holders of the New Perpetual Notes) shall receive the same distribution that they would otherwise be entitled to receive from the Distribution Waterfall had the relevant adjustment event not occurred. • Holders of the New Perpetual Notes will be entitled to standard preemptive rights in connection with new issuances of shares (which shall be effected through the issuance of ordinary shares of Pearl II at fair market value (as determined by an independent valuer) in accordance with their pro rata share ownership, which is deemed to be 50%).
17. Information Undertakings	<ul style="list-style-type: none"> • The New Perpetual Notes Indenture will require Pearl II to furnish to the holders of the New Perpetual Notes periodic financial reports in line with existing requirements in the Existing Notes Indenture. • Pearl II will provide the New Perpetual Notes Trustee (for distribution to any requesting holders of the New Perpetual Notes) with detailed fund flow details upon completion of a Full Exit Transaction. The holders of the New Perpetual Notes, to the extent they disagree with Pearl II's calculations, will have the right to appoint an auditor (from a Big 4 accounting firm) to ensure economic sharing reflects the commercially agreed position.
18. Consent Matters	<ul style="list-style-type: none"> • Any actions taken by Pearl II or the Company in respect of the following matters would require the approval of holders of no less than 51% of the outstanding principal of the New Perpetual Notes (“Majority Noteholders”): <ol style="list-style-type: none"> 1. Constitution: Any amendment to the constitutional documents of Pearl II, the Company or any Group Company, except for any amendments that are administrative in nature and do not affect any rights of the New Perpetual Noteholders. 2. Distributions: Any declaration, payment or making of any dividend or distribution (whether in cash, securities, property or other assets) in respect of any shares or other securities issued

²¹ Subject to modification by agreement with the Ad Hoc Committee.

	<p>by Pearl II or the Company (other than payment of the Cumulative Dividend as defined in sub-section 11 (<i>Distribution on a Full Exit Transaction</i>) above).</p> <p>3. Shareholders Rights: Any variation of any right of any class of shares or securities in the capital of Pearl II or the Company which will have an adverse effect on the New Perpetual Noteholders (including the issuance of any new classes of shares), or any repurchase, cancellation, buy back, redemption, reduction, consolidation, subdivision, re-organisation or reclassification of the share capital of Pearl II or the Company which do not impact all classes of Pearl II's and the Company's shareholders in the same manner (other than any redemption of Class A Shares as contemplated by the sub-section 10 (<i>Distribution on a Partial Exit Transaction</i>) and sub-section 11 (<i>Distribution on a Full Exit Transaction</i>) above).</p> <p>4. Insolvency: The dissolution, liquidation, application, petition, administration, winding-up of or entering into any scheme of arrangement with creditors of any of Pearl II, the Company, Group Company (subject to a carve-out for directors of such companies complying with their fiduciary and statutory duties).</p> <p>5. Business: Any material change in the nature of the business of the Group, provided that any changes to expand the business to ancillary and related business activities shall not be deemed a material change.</p> <p>6. Material Dispositions: Any disposal of any undertaking, asset, shares or other securities in any body corporate, trust or other entity by any of Pearl II, the Company, the Group Companies to any affiliate of Platinum Equity (save for any Affiliate Transaction that is permitted under paragraph 3 in sub-section 15 "<i>Certain Covenants</i>").</p> <p>7. Material Acquisitions: Any entry into any partnership, joint venture, consortium, profit sharing arrangement or any similar arrangement (or series of arrangements) (including by way of issuance of securities) by such Group Company with any affiliate of Platinum Equity.</p>
19. Exit Notice	<ul style="list-style-type: none"> In the event that a Full Exit Transaction fails to occur within 5 years of the date of issuance of the New Perpetual Notes, holders of New Perpetual Notes holding no less than 25% will be entitled to serve a notice on the Group. Upon receipt of such notice, the Group shall be required to commence a process to seek a Full Exit Transaction and notify the Noteholders in accordance with the requirements set out in sub-section 8 (<i>Participation in Exit Process</i>) above. For the avoidance of doubt, notwithstanding the service of such exit notice, Platinum Equity and Pearl II shall not be obliged in any way to complete a Full Exit Transaction by any specific date, and shall not be taken to guarantee the completion of any Full Exit Transaction by any specific date.
20. Amendments	<ul style="list-style-type: none"> All amendments to the provisions of the New Perpetual Notes will require the approval of the majority of the holders of the New Perpetual Notes, except that certain major amendments, such as the reduction of the principal amount of, or premium, if any, or interest on,

	any New Perpetual Note, ²² will be able to be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Perpetual Notes.
21. Event of Default	<ul style="list-style-type: none"> • In the event of any of the following: <ul style="list-style-type: none"> a) a wilful breach by Pearl II of its obligation to consult the Individual Appointee (as per, and subject to the qualifications set out in, sub-section 8 (<i>Participation in Exit Process</i>)); and b) breach by Pearl II, the Company, Group Company or Platinum Equity (as applicable) of their respective obligations under the following provisions: <ul style="list-style-type: none"> (i) "Mandatory Exchange on Full Exit"; (ii) "Distribution on a Partial Exit"; (iii) "Distribution on a Full Exit Transaction"; (iv) "Certain Covenants" (v) "Adjustment Events"; (vi) "Information Undertakings"; and (vii) "Consent Matters", <p>(each, an "Event of Default"),</p> <p>(x) where Pearl II, acting reasonably and in good faith, disputes the existence of an Event of Default, an independent adjudicator (appointed by holders of no less than 25% of the New Perpetual Notes) determines that an Event of Default has occurred, <i>provided that</i> the parties should use their best endeavours to procure that the independent adjudicator makes his/her determination within 60 days of his/her appointment; and</p> <p>(y) where an Event of Default can be remedied, such Event of Default is not remedied: (i) within 30 days of Pearl II being notified, in writing, by the holders of no less than 25% of the New Perpetual Notes that the Event of Default has occurred and is continuing; or (ii) (in the event that an independent adjudicator is appointed) within 14 days of the independent adjudicator determining that an Event of Default has occurred, provided that such remedy shall be on a restitutionary basis to put the Noteholders in the position as though such default had not occurred, and provided further that until such dispute is fully resolved, Platinum Equity shall not effect or make any distributions to shareholders of the Company or Pearl II,</p> <p><i>then</i> the mandatory conversion formula of the New Perpetual Notes into Class B Shares on the Designated Exchange Date for a Full Exit Transaction or on the Liquidation Exchange Date shall be adjusted such that the holders of the New Perpetual Notes shall be issued an additional 20,000 Class B Shares (as may be adjusted under "<i>Adjustment Events</i>") so that they will hold 50% of all issued and outstanding Class B Shares on a fully diluted basis on such date and be entitled to 50% of all proceeds that are distributed to holders of Class B Shares. For the avoidance of doubt, Platinum Equity will continue to maintain its board and governance rights.</p>
22. Listing	<ul style="list-style-type: none"> • The New Perpetual Notes will not be listed on any exchange

²² and others to be agreed with the AHC Advisers

23. Transfer Restrictions	<ul style="list-style-type: none"> The New Perpetual Notes will not be registered under US Securities Act, or the securities laws of any state or any other jurisdiction and will be subject to restrictions on transfer. The New Perpetual Notes will be subject to restrictions on transfer (including the requirement that they may only be transferred to a non-US person, a qualified institutional buyer or an institutional accredited investor in transactions exempt from the registration requirements of the Securities Act).
24. Governing Law	<ul style="list-style-type: none"> New York law

6.7 New Equity Investment and New Investor Shares

- (a) In conjunction with the Restructuring, and as one of the Restructuring Conditions (which must be satisfied or waived in order for the Restructuring Effective Date to take place), the Investor will make an equity investment of US\$25,000,000 into the Company (indirectly via Pearl I and/or Pearl II), in exchange for the issuance by Pearl II of the New Investor Shares (described below).
- (b) The New Investor Shares to be issued by Pearl II to Pearl I comprises:
 - (i) 1,000,000 fully paid and non-voting shares of Class A preferred stock in Pearl II ("**Class A Shares**"), which have a par value of US\$25 per share and no dividend preference; and
 - (ii) 30,000 Class B Shares, which are fully paid and non-voting shares in Pearl II, that have US\$0.01 par value per share and carry cumulative dividends at a rate specified in section 6.6 (*Terms of the New Perpetual Notes*) of this Explanatory Statement above in the sub-section 11 (*Distribution on a Full Exit Transaction*).
- (c) The US\$25,000,000 in new equity investment in the Company will be effected as follows:
 - (i) the Investor (through Pearl I) will pay US\$25,000,000 to Pearl II as subscription price for the 1,000,000 Class A shares to be issued by Pearl II to Pearl I; and
 - (ii) Pearl II will then pay US\$25,000,000 to the Company as subscription price for 2,500,000,000 ordinary shares to be issued by the Company to Pearl II.
- (d) In connection with, and conditional upon completion of, the new equity investment in the Company as set out in this section 6.7, the Company shall forgive the intercompany debt owing by Pearl I to the Company (in the amount of US\$11,000,000), which debt will then be extinguished.
- (e) The New Investor Shares will enable Pearl I (and, by extension, the Investor) to receive preferential payments (relative to holders of the New Perpetual Notes), upon completion of an Exit Transaction. Further details of the preferential payments are set out in section 6.6 above (*Terms of the New Perpetual Notes*) of this Explanatory Statement above in the sub-section 10 (*Distribution on a Partial Exit Transaction*) and sub-section 11 (*Distribution on a Full Exit Transaction*).

6.8 Terms of the SSRCF Refinancing

- (a) The SSRCF Agreement will be amended and restated as part of the SSRCF Refinancing to give effect to the following principal changes:

- (i) to make consequential amendments to contemplate and reflect the terms of the Scheme and the issuance of the New Notes; and
 - (ii) to provide greater liquidity support by (A) extending the maturity date of the existing RCF A which is due to mature in November 2022; and (B) making available a new onshore ancillary facility in an amount of up to RMB65,000,000 to ZHYC.
- (b) The SSRCF Agreement (as amended and reinstated) will continue to be secured by the New Security Documents which mirror the Security Documents that are currently in place in respect of the existing SSRCF Agreement.
- (c) In addition, Ying Shing (as seller) will enter into the ARP Agreement. Proceeds from the sale of receivables under the ARP Agreement will be used to repay the facilities made or to be made under the SSRCF Agreement (as amended and reinstated) until such time as the available commitments are equal to or less than US\$5 million.
- (d) The terms of the SSRCF Agreement (as amended and reinstated) will be substantially the same as those in the existing SSRCF Agreement except to the extent amended as necessary or desirable to reflect (i) the terms described above; the terms of the New Notes; and (iii) the following key commercial terms.

Summary of the key changes to the terms of the SSRCF Agreement		
	Existing Terms under the existing SSRCF Agreement	New Terms under the SSRCF Agreement (as amended and reinstated)
1. Borrower	<ul style="list-style-type: none"> The Company as original borrower Ying Shing and Ying Tat as additional borrowers 	<ul style="list-style-type: none"> The Company as original borrower ZHYC as ancillary borrower
2. Facilities	<ul style="list-style-type: none"> RCF A: US\$25,000,000 RCF B: US\$10,000,000 	<ul style="list-style-type: none"> RCF: US\$10,000,000 Ancillary Facility: RMB65,000,000
3. Maturity	RCF A: 6 November 2022 RCF B: already matured	The later of 31 May 2025 and the date falling 3 months prior to the maturity date of the New Notes
4. Clean-down	Not applicable	The ancillary facility is required to be cleaned-down for a period of 5 business days once every 12-months
5. Incremental Facility	As one of the conditions to the incurrence of incremental facilities under the SSRCF Agreement, the aggregate amount of such incremental facilities will not cause the maximum aggregate outstanding principal amount set out in paragraph (1) of Permitted Debt (being the greater of US\$40,000,000 and 100% of the Consolidated EBITDA of the Company) to be exceeded.	The cap for the incremental facilities shall be amended to ensure the aggregate amount of the incremental facilities following such increase will not exceed an aggregate outstanding principal amount equal to the greater of US\$30,000,000 and 100% of the Consolidated EBITDA of the Company.
6. Interest	The applicable margin will be adjusted by reference to the ratio of	The applicable margin will be adjusted by reference to the ratio of

	consolidated total net debt as follows: <table><tr><th>Consolidated Total Net Debt Ratio</th><th>Applicable Margin</th></tr><tr><td>> 3.50x</td><td>4.00%</td></tr><tr><td>≤ 3.50x, > 3.00x</td><td>3.75%</td></tr><tr><td>≤ 3.00x, < 2.50x</td><td>3.50%</td></tr><tr><td>≤ 2.50x, < 2.00x</td><td>3.25%</td></tr><tr><td>≤ 2.00x</td><td>3.00%</td></tr></table>	Consolidated Total Net Debt Ratio	Applicable Margin	> 3.50x	4.00%	≤ 3.50x, > 3.00x	3.75%	≤ 3.00x, < 2.50x	3.50%	≤ 2.50x, < 2.00x	3.25%	≤ 2.00x	3.00%	consolidated total net debt as follows: <table><tr><th rowspan="2">Consolidated Total Net Debt Ratio</th><th>Facility A</th><th>Facility B</th></tr><tr><th colspan="2">Applicable Margin</th></tr><tr><td>> 2.75x</td><td>5.00%</td><td>1.00%</td></tr><tr><td>≤ 2.75x, > 2.00x</td><td>4.00%</td><td>0.75%</td></tr><tr><td>≤ 2.00x</td><td>3.00%</td><td>0.50%</td></tr></table>	Consolidated Total Net Debt Ratio	Facility A	Facility B	Applicable Margin		> 2.75x	5.00%	1.00%	≤ 2.75x, > 2.00x	4.00%	0.75%	≤ 2.00x	3.00%	0.50%
Consolidated Total Net Debt Ratio	Applicable Margin																											
> 3.50x	4.00%																											
≤ 3.50x, > 3.00x	3.75%																											
≤ 3.00x, < 2.50x	3.50%																											
≤ 2.50x, < 2.00x	3.25%																											
≤ 2.00x	3.00%																											
Consolidated Total Net Debt Ratio	Facility A	Facility B																										
	Applicable Margin																											
> 2.75x	5.00%	1.00%																										
≤ 2.75x, > 2.00x	4.00%	0.75%																										
≤ 2.00x	3.00%	0.50%																										
7. Financial Covenant	consolidated total net debt ratio shall not exceed: <ul style="list-style-type: none">If the notes offerings for the Old Notes is equal to or more than US\$200,000,000, 6.25:1.00 (the “Maximum Test Ratio”);If the notes offerings for the Old Notes is equal to or less than US\$175,000,000, 5.50:1.00 (the “Minimum Test Ratio”); orIf the notes offerings for the Old Notes is more than US\$175,000,000 but less than US\$200,000,000, the interpolated rate between the Maximum Test Ratio and the Minimum Test Ratio.	consolidated total net debt ratio shall not exceed: <table><tr><th>For the 12 months ending</th><th>Consolidated Total Net Debt Ratio to remain below</th></tr><tr><td>Dec’ 21</td><td>4.00x</td></tr><tr><td>Mar, Jun, Sep and Dec’22</td><td>3.50x</td></tr><tr><td>Mar’23 and thereafter</td><td>3.25x</td></tr></table>	For the 12 months ending	Consolidated Total Net Debt Ratio to remain below	Dec’ 21	4.00x	Mar, Jun, Sep and Dec’22	3.50x	Mar’23 and thereafter	3.25x																		
For the 12 months ending	Consolidated Total Net Debt Ratio to remain below																											
Dec’ 21	4.00x																											
Mar, Jun, Sep and Dec’22	3.50x																											
Mar’23 and thereafter	3.25x																											
8. Mandatory Prepayment	Customary mandatory prepayment events for change of control and asset sale.	<ul style="list-style-type: none">A new mandatory prepayment provision will be added requiring proceeds from the ARP Agreement to be used to repay the ancillary facility under the SSRCF Agreement (as amended and reinstated) until such time as the available commitments are equal to or less than US\$5 million.Certain conforming and consequential changes will be made to the change of control and asset sale related mandatory prepayment events to reflect the terms of the New Notes as set out in section 6.5 (<i>Terms of the New Notes</i>).																										

6.9 Expenses

- (a) The Company has agreed to be responsible for and shall pay all fees, costs and expenses incurred by the Existing Notes Trustee, the Security Agent, the Information Agent, the Registrar and the Scheme Consideration Trustee in connection with any and/or all actions taken pursuant to the Scheme; *provided* that, with respect to each party, the relevant fees, costs and expenses have been incurred in accordance with the Existing Notes Documents or such other fee arrangement as may have been agreed between the Company and that party.
- (b) In addition, the Company has agreed to pay all professional fees of the AHC Advisers associated with the Restructuring in accordance with the fee letters and fee arrangements as agreed between the Company and the relevant AHC Adviser from time to time. The payment of such professional fees (that have been duly invoiced to the Company by no later than 5 Business Days before the Restructuring Effective Date or such later date as may be agreed by the Company with the relevant party or parties) will be a Restructuring Condition, provided that the Restructuring Effective Date shall not be delayed solely by reason of any non-payment of professional fees (in the nature of success fees or otherwise) to the extent the quantum can only be calculated, or will only become due and payable, at a later date, in accordance with the relevant fee letter.

7. INTRODUCTION TO THE SCHEME

This section contains a brief overview of the Scheme. The summary information contained herein does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by references to, the more detailed information presented elsewhere in this Explanatory Statement and by the full text of the Scheme.

7.1 Introduction

- (a) This Explanatory Statement has been prepared by the Company for the purpose of proposing the Scheme.
- (b) The Scheme is set out in Appendix 6 (*Scheme*).
- (c) This Explanatory Statement should not be relied upon as a substitute for reading the Scheme itself. If there is any inconsistency between the terms of the Scheme or any Restructuring Document and this Explanatory Statement, the terms of the Scheme and/or the Restructuring Documents (as applicable) shall prevail.

7.2 What is required for a scheme of arrangement to be effective?

- (a) In the Cayman Islands, a scheme of arrangement requires the following to occur in order for it to become legally binding:
 - (i) the convening of a meeting of the Company's creditors or meetings of classes of its creditors in accordance with directions given by the Cayman Court;
 - (ii) at each such meeting, the approval of a majority in number representing at least 75% in value of the relevant creditors of the Company present in person or by proxy and voting at the meeting;
 - (iii) the approval of the Cayman Court by the making of an order sanctioning the scheme of arrangement; and
 - (iv) the delivery of a sealed copy of the Cayman Court Order sanctioning the scheme of arrangement to the Companies Registrar in the Cayman Islands.
- (v) A scheme of arrangement will not be sanctioned by the Cayman Court unless the relevant court is satisfied, among other things, that:
 - (A) the meeting of Scheme Creditors was summoned and held in accordance with the directions of the Cayman Court;
 - (B) the scheme of arrangement was approved by the requisite majority of those who voted at the Scheme Meeting in person or by proxy;
 - (C) the scheme of arrangement is such as an intelligent and honest man, a member of the class concerned and acting in respect of his interest, might reasonably approve,

and, in addition, the Cayman Court is likely to have regard to the fact that (i) the classes of creditors voting in respect of the Scheme have been properly constituted, (ii) the provisions of the applicable statute have been complied with, and (iii) each class was fairly represented by those who attended the meeting and the statutory majority are acting bona fide and are not coercing the minority in order to promote interests adverse to those of the class whom they purport to represent.

- (vi) If the Scheme is approved by the requisite majorities of creditors and sanctioned by the Cayman Court, and the Cayman Court Order is delivered as set out above, the Scheme will bind all Scheme Creditors, including those creditors who voted in

favour of the Scheme, those creditors who voted against it, and those creditors who did not vote at all.

7.3 Structure and objectives of the Scheme

- (a) The Scheme is proposed in order to restructure the Company's indebtedness under the Existing Notes. In conjunction with the Restructuring, the Company is also refinancing the Senior Secured Revolving Credit Facilities. Execution of the SSRCF Refinancing Documents will be one of the Restructuring Conditions.
- (b) The principal compromise and arrangement to be given effect by the Scheme is the release in full of the Scheme Creditors' Scheme Claims and Ancillary Claims in consideration for the issue by the Company of the Scheme Consideration to the Scheme Creditors in accordance with the terms of the Scheme.
- (c) Scheme Claims are any Claim of a Scheme Creditor in respect of a Liability of the Company or any Existing Notes Subsidiary Guarantor arising directly or indirectly from, pursuant to, under or in connection with the Existing Notes Documents on or before the Record Time or which may arise after the Record Time as a result of an obligation or Liability of the Company or any Existing Notes Subsidiary Guarantor incurred or as a result of an event occurring or an act done on or before the Record Time (including, for the avoidance of doubt, any interest accruing on, or accretions arising in respect of, such Claims before, on or after the Record Time), but excluding any Excluded Liabilities.
- (d) Ancillary Claims are any Claim of a Scheme Creditor in respect of a Liability of any Ancillary Released Party (that is, any Group Company (other than the Company and the Existing Notes Subsidiary Guarantors) and the shareholders, officers, directors, advisers, representatives and office-holders of each Group Company (including the Company and the Existing Notes Subsidiary Guarantors)), arising directly or indirectly from, pursuant to, under or in connection with the Existing Notes Documents (including any guarantee and security therein) on or before the Record Time or which may arise after the Record Time as a result of an obligation or Liability of any Ancillary Released Party or as a result of an event occurring or an act done on or before the Record Time, but excluding any Excluded Liabilities.
- (e) The Scheme will give effect to the Restructuring, which has the following objectives:
 - (i) to avoid the Company and other members of the Group entering into insolvent liquidation (or other appropriate Insolvency Proceedings) at some point in the near future, as a result of which the anticipated recoveries for Scheme Creditors could be significantly less than if the Restructuring were to be completed successfully;
 - (ii) to reduce the total indebtedness of the Group, thereby creating a more stable capital structure for the Group and allowing the Company and its subsidiaries to comply with their post-restructuring obligations and liabilities and to trade on a going concern basis;
 - (iii) to issue the New Perpetual Notes to Scheme Creditors that will allow them to participate in any future increase in the value of the Company and the Group; and
 - (iv) to increase the prospect of generating long-term value for Scheme Creditors and other stakeholders.

7.4 **Effective implementation of the Restructuring**

- (a) In order to ensure that the Restructuring is given substantial effect, the Company may need to ensure that the terms of the Scheme are binding, and that the Company and the Existing Notes Subsidiary Guarantors will be protected against hostile creditor actions, not only in the Cayman Islands, but also in Singapore and/or the United States.
- (b) If the Company acting reasonably and in good faith determines, on or before the Scheme Effective Date and after consultation with the AHC Advisers, that it is necessary or desirable to obtain court orders for the recognition and enforcement of the Scheme in New York, Singapore and/or any other jurisdiction(s), then it may take one or more of the following processes in order to achieve the above objectives:
 - (i) make the Recognition Filings in the US Bankruptcy Court for the Recognition Orders in respect of the Scheme. This will be a petition made under Chapter 15 of the US Bankruptcy Code seeking recognition of certain aspects of the Scheme by the US Bankruptcy Court and a request for the US Bankruptcy Court to grant Recognition Orders;
 - (ii) make the Recognition Filings in the Singapore Court for the Recognition Orders in respect of the Scheme. This will be an application made under the Third Schedule of the Singapore IRDA, seeking recognition of certain aspects of the Scheme by the Singapore Court and a request for the Singapore Court to grant Recognition Orders; and/or
 - (iii) make the Recognition Filings in the relevant court of such other jurisdiction(s) for the Recognition Orders in respect of the Scheme.
- (c) If the Company does determine, on or before the Scheme Effective Date, to make the Recognition Filings, then the Scheme will be conditional upon the US Bankruptcy Court, the Singapore Court and/or such other court(s) in the relevant jurisdiction(s) (as applicable) granting the Recognition Orders in respect of the Scheme.
- (d) Finally:
 - (i) as stated above, execution of the SSRCF Refinancing Documents will be one of the Restructuring Conditions, and occurrence of the Restructuring Effective Date will be a condition for completion of the SSRCF Refinancing; and
 - (ii) if the Restructuring Effective Date has not occurred on or before the Longstop Date, the terms of, and obligations on the parties under or pursuant to, the Scheme will lapse and all compromises and arrangements provided by the Scheme shall have no force or effect.

7.5 **Are you a “Scheme Creditor” for the purposes of the Scheme Meeting?**

- (a) Information on which persons constitute Scheme Creditors and on the actions that Scheme Creditors are required to take under the Scheme is set out in the following sections:
 - (i) section 9 (*Scheme Creditors and Actions to be Taken*) of this Explanatory Statement; and
 - (ii) Appendix 8 (*Solicitation Packet*) to this Explanatory Statement.

7.6 **Determination of Scheme Claims**

- (a) All Scheme Claims will be determined as at the Record Time by the Information Agent.

- (b) For the purposes of tabulating votes cast at the Scheme Meeting only, each Scheme Creditor who validly casts a vote will be deemed to have voted only the principal amount related to its Scheme Claim.
- (c) Pursuant to the Scheme:
 - (i) Scheme Creditors will acknowledge and agree that the Information Agent shall use the Account Holder Letter submitted by or on behalf of each Scheme Creditor, as verified against the books and records of the Existing Notes Depositary, to determine the Scheme Claim of each Scheme Creditor and its entitlement to its share of the Scheme Consideration and any such determination shall (in the absence of gross negligence, fraud, dishonesty or wilful misconduct and subject to any Adjudication) be conclusive and binding on the Scheme Creditors and the Company; and
 - (ii) the Information Agent will use reasonable endeavours to (1) review each Account Holder Letter (including any Distribution Confirmation and Designated Recipient Form, if applicable) and all blocking instructions promptly after receipt and (2) inform the relevant Scheme Creditor (or its Account Holder who submitted the Account Holder Letter on behalf of such Scheme Creditor) of any issues with the Account Holder Letter that would affect such Scheme Creditor's entitlement to any purported Scheme Consideration. Notwithstanding the foregoing it is the responsibility of each Scheme Creditor to ensure that any Account Holder Letter (including any Distribution Confirmation and Designated Recipient Form, if applicable) submitted in respect of its Scheme Claim has been validly completed.

7.7 Assignments and transfers of Scheme Claims

- (a) The Company shall be under no obligation to recognise any assignment or transfer of any Scheme Claim after the Record Time and all entitlements of Participating Scheme Creditors under the Scheme shall be determined as at the Record Time, save that where the Company has received after the Record Time, from the relevant parties written notice of an assignment or transfer of a Scheme Claim, the Company may, in its discretion (acting reasonably) and subject to such evidence as it may reasonably require and to any other terms and conditions which the Company may consider necessary or desirable, agree to recognise such assignment or transfer for the purposes of determining entitlements under the Scheme. Any assignee or transferee of Scheme Claims so recognised by the Company shall be bound by the terms of the Scheme as if it were a Scheme Creditor and shall produce such evidence as the Company may reasonably require to confirm that it has agreed to be bound by the terms of the Scheme. Neither the Existing Notes Trustee nor the Registrar will be responsible for confirming Noteholders as at the Record Time or for monitoring, acknowledging or processing any assignments that occur after the Record Time.

7.8 Third parties

- (a) Each of the Company (in its capacity as issuer of the New Notes), the Existing Notes Subsidiary Guarantors, the New Notes Subsidiary Guarantors, Pearl II (in its capacity as issuer of the New Perpetual Notes), the Scheme Consideration Trustee and the Information Agent shall, prior to the Scheme Sanction Hearing, enter into a Deed of Undertaking pursuant to which they will:
 - (i) undertake to the Scheme Creditors, the Company and the Cayman Court to be bound by the terms of the Scheme; and
 - (ii) agree, upon instructions by the Company or, if applicable, the Information Agent, to execute and do or procure to be executed and done all such documents, acts or things as may be necessary or desirable to be executed

or done by them for the purposes of giving effect to the terms of the Scheme that apply to them.

7.9 The Scheme Meeting

- (a) The Company has obtained orders from the Cayman Court granting permission to convene the Scheme Meeting for the Scheme Creditors to consider and vote on the Scheme.
- (b) The Scheme Meeting will be chaired by Howard Lam of Latham & Watkins LLP (or, failing that person, a suitable alternative nominated by the Company who must be a professional from either Latham & Watkins LLP or Houlihan Lokey).
- (c) The Scheme Meeting will be held at the offices of Latham & Watkins LLP, 18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong, with any adjournment as may be appropriate, at 10 a.m. Hong Kong/Singapore time on 30 September 2021, the equivalent time being 9 p.m. Cayman Islands time on 29 September 2021 / 10 p.m. New York time on 29 September 2021.
- (d) Scheme Creditors will be able to attend the Scheme Meeting in person or by proxy, and will also be able to join by video conference or by telephone using the dial-in details which will be published on the Scheme Website.
- (e) A formal notice convening the Scheme Meeting is set out in Appendix 7 (*Notice of Scheme Meeting*) to this Explanatory Statement.
- (f) To vote at the Scheme Meeting, Scheme Creditors will be required to submit, or procure that their Account Holders submit, an Account Holder Letter, which is included in Appendix 8 (*Solicitation Packet*) to this Explanatory Statement.
- (g) Scheme Creditors may vote on the Scheme by either:
 - (i) ensuring that an Account Holder Letter is completed (including with respect to proxy voting instructions) and returned in accordance with and by the deadlines set out in the Solicitation Packet at Appendix 8 (*Solicitation Packet*) to this Explanatory Statement; or
 - (ii) attending and voting at the Scheme Meeting in person or arranging for their proxy to attend and vote at the Scheme Meeting in person. Each Scheme Creditor or its proxy intending to vote in person at the Scheme Meeting will be required to register its attendance at the Scheme Meeting at least fifteen minutes prior to its commencement.
- (h) Any Scheme Creditor that wishes to attend the Scheme Meeting should review the information regarding the attending of the Scheme Meeting set out in the Solicitation Packet at Appendix 8 to this Explanatory Statement and in the formal notices convening the Scheme Meeting set out in Appendix 7 (*Notice of Scheme Meeting*).

7.10 Class composition

- (a) The Cayman Court has given permission to for the Company to convene a meeting of a single class of Scheme Creditors to consider and vote on the Scheme. A copy of the orders of the Cayman Court regarding the convening of such meeting of Scheme Creditors are at Appendix 11 (*Scheme Meeting Convening Order*) to this Explanatory Statement.
- (b) A meeting of a single class of Scheme Creditors was proposed by the Company on the basis of legal advice received (in relation to which privilege is not waived) supporting a conclusion that the rights of all Noteholders are not so dissimilar so

as to make it impossible for them to consult together with a view to their common interest.

7.11 Approval of the Scheme at the Scheme Meeting

- (a) The majority required to approve the Scheme is a majority in number representing at least 75 per cent in value of the Scheme Claims of each of the Scheme Creditors present and voting (whether in person or by proxy) at the Scheme Meeting.
- (b) The assessment of Scheme Claims for voting purposes shall be determined by the Chairperson in accordance with section 9.2(a) below and, in doing so, the Chairperson will rely on the Account Holder Letters submitted by the Scheme Creditors, as verified by the Information Agent against the books and records of the Existing Notes Depository.
- (c) The Scheme Claims admitted for voting purposes by the Chairperson will be notified to the Scheme Creditors at the Scheme Meeting, but such notification does not (of itself) constitute an admission of the existence or amount of any liability of the Company or any of the other Group Companies. If a Scheme Creditor disagrees with the value of the Scheme Claim attributed to it, it must notify the Chairperson.
- (d) The Chairperson will be entitled to defer the announcement of the result of the vote.

7.12 Sanction Hearing

- (a) If the requisite majorities of the Scheme Creditors vote to approve the Scheme at the Scheme Meeting, a hearing will be required before the Cayman Court to obtain sanction of the Scheme by that court.
- (b) Any Scheme Creditor is entitled (but not obliged) to attend the Scheme Sanction Hearing, through legal counsel, to support or oppose the sanction of the Scheme.
- (c) The Scheme Sanction Hearing is presently scheduled to take place on 8 October 2021 at 10 a.m. (Cayman Islands time) before the Cayman Court.
- (d) Upon the delivery of a sealed copy of the Cayman Court Order sanctioning the Scheme to the Registrar of Companies, the Scheme will take effect in accordance with its terms and become binding on all Scheme Creditors, wherever they are and regardless of whether they have voted for or against the Scheme or whether they have voted at all.

7.13 Scheme Effective Date

- (a) The “**Scheme Effective Date**” is the date specified by the Company in a notice to the Scheme Creditors, the Existing Notes Trustee, the Security Agent, the New Notes Trustee and the New Perpetual Notes Trustee:
 - (i) which date:
 - (A) must be a Business Day;
 - (B) cannot occur after the Longstop Date; and
 - (C) may only occur following the date on which all of the Scheme Conditions are satisfied or waived by the Cayman Court; and
 - (ii) which notice shall:
 - (A) enclose a copy of the Cayman Court Order;
 - (B) specify the Initial Deadline and the Record Time; and

- (C) state whether the Company will make or file any application for any Recognition Order and, if so, the jurisdiction(s) in which such application(s) will be made or filed.
- (b) The Scheme Conditions are:
 - (i) the approval of the Scheme (with or without modification) by the requisite majorities of Scheme Creditors described in section 7.12(a) above;
 - (ii) the sanction of the Scheme by the Cayman Court pursuant to the Cayman Court Order; and
 - (iii) the filing of the Cayman Court Order with the Registrar of Companies in the Cayman Islands.
- (c) Notice of the Scheme Effective Date will be given to the Scheme Creditors in the following ways:
 - (i) by notice on the Scheme Website;
 - (ii) by notice through the Existing Notes Depositary;
 - (iii) by notice via electronic mail to each person who the Company believes may be a Scheme Creditor, and who has registered as a Scheme Creditor with the Company or the Information Agent or otherwise notified the Company or the Information Agent of its valid email address (including via the submission of a Consenting Notes Designation); and
 - (iv) by the publishing of an announcement on the website of SGX-ST.
- (d) On the Scheme Effective Date, the Scheme will become immediately effective in accordance with its terms. However, the key provisions of the Scheme that serve to compromise the Scheme Creditors' Scheme Claims will not take effect until the occurrence of the Restructuring Effective Date, being the date on which all the Restructuring Conditions have been satisfied or, to the extent permitted by law and the RSA and agreed with the Ad Hoc Committee (or the AHC Advisers), waived by the Company.
- (e) **On and from the Scheme Effective Date, the Existing Notes (even those in respect of which no Blocking Instructions were given) will be blocked from trading by the Clearing Systems.**

7.14 Authority and instructions

- (a) With effect from the Scheme Effective Date, and to the extent necessary for the purposes of giving effect to the terms of the Scheme, each Scheme Creditor irrevocably authorises and instructs the Company to enter into, execute and deliver as a deed (or otherwise) on behalf of that Scheme Creditor, in its capacity as a Scheme Creditor, including any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time (to the extent applicable), sufficient original copies of (as agreed between the parties thereto):
 - (i) the Restructuring Documents to which such Scheme Creditor is a party, each substantially in the Agreed Form attached to the Scheme or the Explanatory Statement (as applicable) or otherwise contemplated by and reasonably ancillary to any of the foregoing documents, subject to any non-material modification approved or imposed by the Cayman Court in accordance with the Scheme; and

- (ii) any and all such other documents that the Company and the Ad Hoc Committee (each acting reasonably) agree are necessary to give effect to the terms of the Scheme,

in each case to be held to the order of the relevant parties thereto (for the avoidance of doubt, to the order of the Company on behalf of each Scheme Creditor) until the Restructuring Effective Date in accordance with the Scheme Steps.

- (b) On or as soon as possible after the Scheme Effective Date, and to the extent necessary for the purposes of giving effect to the terms of the Scheme, the Company shall carry out the steps summarised at section 7.14(a) above acting on the instructions and pursuant to the authority of the Scheme Creditors and the Company, Pearl II, each Existing Notes Subsidiary Guarantor and each New Notes Subsidiary Guarantor shall enter into, execute and deliver as a deed (or otherwise) sufficient original copies of (as agreed between the parties thereto):

- (i) the Restructuring Documents to which the Company, Pearl II, such Existing Notes Subsidiary Guarantor and/or such New Notes Subsidiary Guarantor is a party, each substantially in the Agreed Form attached to the Scheme or the Explanatory Statement (as applicable) or otherwise contemplated by and reasonably ancillary to any of the foregoing documents, subject to any non-material modification approved or imposed by the Cayman Court in accordance with the Scheme; and
- (ii) any and all such other documents that the Company and the Ad Hoc Committee (each acting reasonably) agree are necessary to give effect to the terms of the Scheme,

in each case to be held to the order of the relevant parties thereto until the Restructuring Effective Date in accordance with the Scheme Steps.

- (c) With effect from the Scheme Effective Date, each of the Scheme Creditors irrevocably authorises and instructs the Existing Notes Trustee, the Security Agent (subject to the Security Agent having received the executed but unreleased Security Confirmation Instructions from the Existing Notes Trustee), the New Notes Trustee and the New Perpetual Notes Trustee to enter into, execute and deliver as a deed (or otherwise) sufficient original copies of (as agreed between the parties thereto):

- (i) the Restructuring Documents to which such Existing Notes Trustee, the Security Agent, the New Notes Trustee and/or the New Perpetual Notes Trustee is a party, each substantially in the Agreed Form attached to the Scheme or the Explanatory Statement (as applicable) or otherwise contemplated by and reasonably ancillary to any of the foregoing documents, subject to any non-material modification approved or imposed by the Cayman Court in accordance with the Scheme; and
- (ii) any and all such other documents that the Company and the Ad Hoc Committee (each acting reasonably) agree are necessary to give effect to the terms of the Scheme,

in each case to be held to the order of the relevant parties thereto until the Restructuring Effective Date in accordance with the Scheme Steps for the purposes of giving effect to the terms of the Scheme.

- (d) On and from the Restructuring Effective Date, each Scheme Creditor irrevocably authorises and instructs the Scheme Consideration Trustee to act and rely upon instructions from the Information Agent and the provisions of the Scheme and the Distribution Agreement and to take whatever action is necessary or appropriate to give effect to the terms of this Scheme, without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result

of the gross negligence, fraud, dishonesty or wilful misconduct of the Scheme Consideration Trustee).

(e) On and from the Restructuring Effective Date, each Scheme Creditor hereby irrevocably authorises and instructs:

(i) the Company, the Existing Notes Trustee, the Security Agent, the Existing Notes Depositary, the Information Agent and the Registrar to take all such actions as may be necessary or appropriate to deliver, cancel, mark down and discharge the Global Notes, terminate and discharge the Existing Notes Documents, confirm that the Security Interests over the Collateral that are created by and under the Security Documents no longer secure any Liabilities of the Company and its subsidiaries under or in connection with the Existing Notes, but will instead secure the Liabilities of the Company and its subsidiaries under or in connection with the New Notes, and otherwise give effect to the terms of the Scheme (without prejudice to the foregoing, (1) the Security Agent's protections under clause 16 (*The Security Representative*) of the Intercreditor Agreement, and (2) the Security Agent's indemnities under clause 20 (*Indemnities*) of the Intercreditor Agreement provided by the Debtors (as defined therein), shall be deemed to continue to apply in respect of any actions and/or omissions taken or not taken by the Security Agent pursuant to the Scheme and/or the Security Confirmation Instructions prior to the Restructuring Effective Date, save to the extent necessary to give effect to the terms of the Scheme and the Security Confirmation Instructions), including without limitation;

(A) the delivery by the Company (for and on behalf of the Scheme Creditors) of the Existing Notes Trustee Instruction to the Existing Notes Trustee; and

(B) the delivery by the Existing Notes Trustee of the Security Confirmation Instructions to the Security Agent;

in each case at the time prescribed in the Scheme Steps;

(ii) the Existing Notes Trustee and the Registrar to act and rely upon the Existing Notes Trustee Instruction and the provisions of the Scheme, without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud or wilful misconduct of the Existing Notes Trustee or the Registrar);

(iii) the Security Agent to act and rely upon the Security Confirmation Instructions and the provisions of the Scheme (subject to the Security Agent having received the Security Confirmation Instructions from the Existing Notes Trustee), without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud, dishonesty or wilful misconduct of the Security Agent); and

(iv) the Existing Notes Depositary, the Information Agent and the Scheme Consideration Trustee to rely upon the provisions of the Scheme, without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud, dishonesty or wilful misconduct of the Existing Notes Depositary, the Information Agent or the Scheme Consideration Trustee).

(f) The above authorities shall be treated, for all purposes whatsoever and without limitation, as having been granted by deed.

(g) Each Scheme Creditor (for itself and, if applicable, for its Designated Recipient and any person to whom a Scheme Creditor has transferred its rights in respect of its

Scheme Claim or Ancillary Claim after the Record Time), on and from the Scheme Effective Date and on and from the Restructuring Effective Date, irrevocably ratifies and confirms any act or omission done, caused or purported to be done by the Existing Notes Trustee, the Registrar, the Security Agent, the Existing Notes Depositary, the New Notes Trustee, the New Perpetual Notes Trustee, the New Notes Depositary, the New Perpetual Notes Depositary or any of their respective directors, managers, officers, partners or Affiliates, pursuant to or for the purposes of giving effect to the Scheme, other than any act or omission done or made as a result of gross negligence, fraud, dishonesty or wilful misconduct.

- (h) Each Scheme Creditor (for itself and, if applicable, for its Designated Recipient and any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time), on and from the Scheme Effective Date and on and from the Restructuring Effective Date, irrevocably ratifies and confirms any act or omission done, caused or purported to be done pursuant to the Scheme or any power or authority conferred by the Scheme, and agrees not to challenge:

- (i) the validity of any act done or omitted to be done, as permitted by the terms of the Scheme; or
- (ii) the exercise or omission to exercise of any power or authority conferred in accordance with the terms of the Scheme,

in each case, in good faith by any of the Company, the Existing Notes Subsidiary Guarantors, the New Notes Subsidiary Guarantors, the Information Agent and the Scheme Consideration Trustee, or any of their respective directors, managers, officers, partners or Affiliates.

7.15 Occurrence of the Restructuring Effective Date

- (a) The Restructuring Effective Date shall be the date specified by the Company in a notice to Scheme Creditors, the Existing Notes Trustee, the Security Agent, the New Notes Trustee and the New Perpetual Notes Trustee:

- (i) which date:
 - (A) is a Business Day;
 - (B) cannot occur after the Longstop Date; and
 - (C) may only occur following the date on which all of the Restructuring Conditions are satisfied or, to the extent permitted by law and the RSA and agreed with the Ad Hoc Committee (or the AHC Advisers), waived by the Company; and
- (ii) which notice:
 - (A) shall, if applicable, enclose a copy of any Recognition Order; and
 - (B) shall also specify the Bar Date, the Periodic Distribution Dates, and the Final Distribution Date.

- (b) Notice of the Restructuring Effective Date shall be given to Scheme Creditors in the following ways:

- (i) by notice on the Scheme Website;
- (ii) by notice through the Existing Notes Depositary;

- (iii) by notice via electronic mail to each person who the Company believes may be a Scheme Creditor, and who has registered as a Scheme Creditor with the Company or the Information Agent or otherwise notified the Company or the Information Agent of its valid email address (including via the submission of a Consenting Notes Designation); and
 - (iv) by the publishing of an announcement on the website of the SGX-ST.
- (c) The Company and all members of the Group shall use all reasonable efforts to procure that the Restructuring Effective Date occurs as soon as possible on or after the Scheme Effective Date. As soon as reasonably practicable after the Company has determined a date on which it expects the Restructuring Effective Date to take place, it should also give prior notice of that expected date to the Ad Hoc Committee.
- (d) If the Longstop Date has been extended by agreement between Company and the Ad Hoc Committee, the Company will notify the Scheme Creditors, the Existing Notes Trustee, the Security Agent, the New Notes Trustee and the New Perpetual Notes Trustee in writing and specify the new Longstop Date in that same notice.
- (e) On and following the Restructuring Effective Date, subject to the terms of the Scheme, the Scheme Claims and Ancillary Claims shall be released and discharged fully and absolutely, the Security Interests over the Collateral (constituted by the Security Documents) will cease to secure, for the benefit of any Scheme Creditor, any and all liabilities due under or in connection with the Existing Notes and any documents giving rise to a Scheme Claim or an Ancillary Claim shall be deemed cancelled and surrendered, in each case so as to bind the Scheme Creditors (and any person who acquires any interest in or arising out of a Scheme Claim or an Ancillary Claim after the Record Time) in consideration for which the Company (and Pearl II, as applicable) shall pay or issue the Scheme Consideration to the Participating Scheme Creditors and their Designated Recipients (if any) subject to the restrictions summarised at section 7.20 (*Restrictions*) and the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below.
- (f) For the avoidance of doubt, Non-Participating Scheme Creditors shall have no right or entitlement to receive any Scheme Consideration.

7.16 Scheme Steps

Restructuring Effective Date

- (a) On the Restructuring Effective Date, the following steps shall occur (in the order set out below to the extent possible, and provided that each of the steps outlined in paragraph (vii) may only take place after completion of each of the steps outlined in paragraphs (i) to (vi)):
 - (i) the Restructuring Documents (and, if applicable, each other agreement, document, consent, approval or authorisation referred to in the Restructuring Conditions) shall be released by the relevant parties or otherwise become effective in accordance with their terms;
 - (ii) each Participating Scheme Creditor shall, subject the restrictions summarised at section 7.20 (*Restrictions*) and the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below, become entitled to receive a proportion of the Scheme Consideration;
 - (iii) the Company shall distribute the Initial Cash Payment to the Initial Participating Scheme Creditors (and/or their Designated Recipients, if applicable), and the Consent Fee to the Eligible Consenting Creditors (and/or their Designated Recipients, if applicable), in accordance with their respective entitlements

under the Scheme and the RSA and subject to and in accordance with the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below;

- (iv) the Company shall issue and distribute the Initial New Notes to the Initial Participating Scheme Creditors (and/or their Designated Recipients, if applicable) in each case in accordance with their respective entitlements under the Scheme and subject to and in accordance with the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below;
- (v) Pearl II shall issue and distribute the Initial New Perpetual Notes to the Initial Participating Scheme Creditors (and/or their Designated Recipients, if applicable) in each case in accordance with their respective entitlements under the Scheme and subject to and in accordance with the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below;
- (vi) the Scheme Consideration Trustee shall receive and hold on trust for the Scheme Creditors in accordance with the terms of the Scheme and the Distribution Agreement each of the following:
 - (A) the Surplus Cash Payment;
 - (B) the Surplus New Notes; and
 - (C) the Surplus New Perpetual Notes; and
- (vii) conditional on completion of each of the steps outlined in paragraphs (i) to (vi) above:
 - (A) the Company, acting as agent and attorney for the Scheme Creditors, shall deliver the executed Existing Notes Trustee Instruction to the Existing Notes Trustee and the Company shall execute, and the Information Agent shall deliver, the DTC Instruction to DTC;
 - (B) the Existing Notes Trustee shall, upon receipt of the Existing Notes Trustee Instruction cancel the Global Notes and take such other action as may be required to effect the cancellation, mark down and discharge of the Existing Notes under the Existing Notes Indenture;
 - (C) the Existing Notes Trustee shall, upon receipt of the Existing Notes Trustee Instruction, deliver the executed Security Confirmation Instructions to the Security Agent; and
 - (D) the Security Agent shall, upon receipt of the Security Confirmation Instructions, carry out the steps detailed in the Security Confirmation Instructions.

Periodic Distribution Dates

- (b) Following the Restructuring Effective Date, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus Cash Payment, Surplus New Notes, Surplus New Perpetual Notes and any corresponding Surplus Notes Coupon on a Periodic Distribution Date during the Holding Period to those Participating Scheme Creditors or their Designated Recipients, if any, who **submit a valid Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent** at least 10 Business Days prior to the relevant Periodic Distribution Date (who, for the avoidance of doubt, are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who

have already received their entitlement to the Surplus Cash Payment, Surplus New Notes or Surplus New Perpetual Notes on a prior Periodic Distribution Date) in each case in accordance with their respective entitlements under the Scheme and subject to and in accordance with the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below and the terms of the Distribution Agreement.

Final Distribution Date

- (c) On the Final Distribution Date the following steps shall occur:
- (i) first, the Scheme Consideration Trustee shall distribute the final Periodic Distribution of the following:
 - (A) the Surplus Cash Payment;
 - (B) the Surplus New Notes;
 - (C) the Surplus New Perpetual Notes, and
 - (D) any Surplus Notes Coupon,to those Participating Scheme Creditors or their Designated Recipients, if any, who **submit a valid Account Holder Letter and Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent prior to the Bar Date** (who, for the avoidance of doubt, are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment, the Surplus New Notes and the Surplus New Perpetual Notes) in each case in accordance with their respective entitlements under the Scheme and subject to and in accordance with the terms summarised at section 7.18 (*How will my Scheme Consideration be remitted to me?*) below and the terms of the Distribution Agreement;
 - (ii) second, in the event that there is any Remaining Surplus Cash Payment or Remaining Surplus Notes, as soon as reasonably practicable after the Final Distribution Date, but subject to section 7.16(c)(iii) below: (i) the Scheme Consideration Trustee shall transfer the Remaining Surplus Cash Payment to the Company and the Remaining Surplus Notes Coupon to the Company or Pearl II (as applicable); and (ii) the Company and/or Pearl II (as applicable) shall cancel the Remaining Surplus Notes, and the Scheme Consideration Trustee shall, if necessary, deliver the Remaining Surplus Notes to the Company and/or Pearl II (as applicable) for cancellation; and
 - (iii) in the event that one or more Adjudications remain outstanding as at the Final Distribution Date, the Company or Pearl II (as applicable), upon receiving the Remaining Surplus Cash Payment, Remaining Surplus Notes Coupon and the Remaining Surplus Notes from the Scheme Consideration Trustee, shall hold such portion of the Remaining Surplus Cash Payment, Remaining Surplus Notes Coupon and Remaining Surplus Notes as is related to the Disputed Scheme Claim on trust for the Applicant(s) until the completion of the Adjudication(s) and thereafter deal with the same in accordance with the Adjudicator's decision and the other applicable terms of the Scheme and the Distribution Agreement.

7.17 What is the significance of the Bar Date?

- (a) The Bar Date will be a time to be specified on the date falling 5 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date). The Bar Date shall be notified to Scheme Creditors in the notice of the occurrence of the Restructuring Effective Date as set out at

section 7.15 (*Occurrence of the Restructuring Effective Date*) of this Explanatory Statement.

- (b) In order to be entitled to receive any Scheme Consideration, a Scheme Creditor must ensure that a duly completed and executed Account Holder Letter, Distribution Confirmation and, if applicable, Designated Recipient Form are submitted to the Information Agent by no later than the Bar Date in accordance with the instructions set out therein.
- (c) **ANY SCHEME CREDITOR THAT FAILS TO ENSURE THAT A DULY COMPLETED AND EXECUTED ACCOUNT HOLDER LETTER, DISTRIBUTION CONFIRMATION AND DESIGNATED RECIPIENT FORM (IF APPLICABLE) ARE SUBMITTED TO THE INFORMATION AGENT BY NO LATER THAN THE BAR DATE IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN SHALL BE A NON-PARTICIPATING SCHEME CREDITOR AND SHALL NOT RECEIVE ANY SCHEME CONSIDERATION OR ANY OTHER BENEFITS UNDER THE TERMS OF THE SCHEME BUT SHALL HAVE ITS SCHEME CLAIMS AND ANCILLARY CLAIMS RELEASED IN ACCORDANCE WITH THE TERMS OF THE SCHEME. THE SCHEME CONSIDERATION TO WHICH THAT NON-PARTICIPATING SCHEME CREDITOR WOULD OTHERWISE HAVE BEEN ENTITLED SHALL FORM PART OF THE REMAINING SURPLUS CASH OR THE REMAINING SURPLUS NOTES COUPON TO BE TRANSFERRED BY THE SCHEME CONSIDERATION TRUSTEE TO THE COMPANY OR PEARL II (AS APPLICABLE), OR THE REMAINING SURPLUS NOTES TO BE CANCELLED BY THE COMPANY OR PEARL II (AS APPLICABLE), AS SOON AS REASONABLY PRACTICABLE AFTER THE FINAL DISTRIBUTION DATE.**

7.18 How will my Scheme Consideration be remitted to me?

This section explains how Scheme Consideration will be remitted to a Scheme Creditor on or from the Restructuring Effective Date.

Cash Payment

- (a) On the Restructuring Effective Date, the Company will pay the Cash Payment in accordance with the terms of the Scheme and the Distribution Agreement.
- (b) Each Participating Scheme Creditor shall be entitled to receive a share of the Cash Payment calculated in accordance with the formula set out at section 6.2(a) (*Allocation of Scheme Consideration*) of this Explanatory Statement above.
- (c) On the Restructuring Effective Date, the Cash Payment will be allocated as follows:
 - (i) the Initial Cash Payment to the cash accounts linked to the Euroclear or Clearstream accounts of the Initial Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters, in the aggregate principal amount of the Cash Payment to which they are entitled, as calculated in accordance with the formula set out above; and
 - (ii) Surplus Cash Payment to the Scheme Consideration Trustee to be held on trust for the Participating Scheme Creditors during the Holding Period in accordance with the terms of the Distribution Agreement.
- (d) During the Holding Period, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus Cash Payment to those Participating Scheme Creditors (or their Designated Recipients, if any) who satisfy the relevant requirements as to submission of Account Holder Letters and Distribution Confirmations and Designated Recipient Forms (if applicable) as described above and who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment on a prior Periodic Distribution Date, if applicable, in the total amount of the Surplus Cash

Payment to which they are entitled, as calculated in accordance with the formula set out at section 6.2(a) (*Allocation of Scheme Consideration*) of this Explanatory Statement above and pursuant to the terms of the Distribution Agreement.

- (e) On the Final Distribution Date, the Scheme Consideration Trustee shall distribute the Surplus Cash Payment as follows:
 - (i) first, by way of the final Periodic Distribution, to those Participating Scheme Creditors or their Designated Recipients, if any, who satisfy the relevant requirements as to submission of Account Holder Letters and Distribution Confirmations and Designated Recipient Forms (if applicable) as described above and who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment on a prior Periodic Distribution Date, in the total amount of the Surplus Cash Payment to which they are entitled, as calculated in accordance the provisions set out above and pursuant to the terms of the Distribution Agreement; and
 - (ii) second, in the event that there is any Remaining Surplus Cash Payment, the Scheme Consideration Trustee shall transfer the Remaining Surplus Cash Payment as soon as reasonably practicable after the Final Distribution Date to the Company. In the event of any ongoing Adjudication as at the Final Distribution Date, the Company shall hold the relevant portion of the Remaining Surplus Cash Payment on trust for the Applicant in respect of such Adjudication until completion of the Adjudication and thereafter deal with the same in accordance with the Adjudicator's decision and the other applicable terms of the Scheme and the Distribution Agreement.
- (f) The obligations of the Company to pay the Cash Payment to each Participating Scheme Creditor entitled to receive it under the Scheme shall be satisfied by the Company transferring the Cash Payment to the nominee banks of Euroclear and Clearstream (to be allocated to cash accounts linked to the Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

New Notes

- (g) On the Restructuring Effective Date, the Company shall issue the New Notes in accordance with the terms of the Scheme, the New Notes Indenture and the Distribution Agreement.
- (h) Each Participating Scheme Creditor shall be entitled to receive a share of the New Notes calculated in accordance with the formula set out at section 6.2(c) (*Allocation of Scheme Consideration*) of this Explanatory Statement above.
- (i) On the Restructuring Effective Date, the Company shall issue the New Notes in global registered form in the name of the New Notes Depositary or its nominee.
- (j) On the Restructuring Effective Date, the New Notes will be allocated as follows:
 - (i) the Initial New Notes to the Euroclear or Clearstream accounts of the Initial Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters, in the aggregate principal amount of the New Notes to which they are entitled, as calculated in accordance with the formula set out above; and
 - (ii) the Surplus New Notes to the Scheme Consideration Trustee to be held on trust for the Participating Scheme Creditors during the Holding Period in accordance with the terms of the Distribution Agreement.

- (k) During the Holding Period, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus New Notes (including any Surplus Notes Coupon in respect thereof) to those Participating Scheme Creditors (or their Designated Recipients, if any) who satisfy the relevant requirements as to submission of Account Holder Letters and Distribution Confirmations and Designated Recipient Forms (if applicable) as described above and who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Notes on a prior Periodic Distribution Date, if applicable, in the aggregate principal amount of the Surplus New Notes to which they are entitled, as calculated in accordance with the formula set out at section 6.2(c) (*Allocation of Scheme Consideration*) of this Explanatory Statement above and pursuant to the terms of the Distribution Agreement.
- (l) On the Final Distribution Date, the Scheme Consideration Trustee shall distribute the Surplus New Notes (including any Surplus Notes Coupon in respect thereof) as follows:
 - (i) first, by way of the final Periodic Distribution, to those Participating Scheme Creditors or their Designated Recipients, if any, who satisfy the relevant requirements as to submission of Account Holder Letters and Distribution Confirmations and Designated Recipient Forms (if applicable) as described above and who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Notes on a prior Periodic Distribution Date, in the aggregate principal amount of the Surplus New Notes to which they are entitled, as calculated in accordance the provisions set out above and pursuant to the terms of the Distribution Agreement; and
 - (ii) second, in the event that there is any Remaining Surplus New Notes: (i) the Company shall cancel the Remaining Surplus New Notes, and the Scheme Consideration Trustee shall, if necessary, deliver the Remaining Surplus New Notes to the Company for cancellation, as soon as reasonably practicable after the Final Distribution Date; and (ii) the Scheme Consideration Trustee shall transfer the Remaining Surplus Notes Coupon (in respect of the Remaining Surplus New Notes) to the Company as soon as reasonably practicable after the Final Distribution Date. However, in the event of any ongoing Adjudication as at the Final Distribution Date, the Company shall hold the relevant portion of the Remaining Surplus New Notes and Remaining Surplus Notes Coupon in respect thereof on trust for the Applicant of such Adjudication until completion of the Adjudication and thereafter deal with the same in accordance with the Adjudicator's decision and the other applicable terms of the Scheme and the Distribution Agreement.
- (m) The holders of the New Notes shall have the benefit of the New Notes Security.
- (n) The obligations of the Company to issue and allot the New Notes to each Participating Scheme Creditor entitled to receive them under the Scheme shall be satisfied by the Company depositing the New Notes in global registered form with the New Notes Depositary or its nominee for the accounts of the Clearing Systems (to be allocated to Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

New Perpetual Notes

- (o) On the Restructuring Effective Date, Pearl II shall issue the New Perpetual Notes in accordance with the terms of the Scheme, the New Perpetual Notes Indenture and the Distribution Agreement.
- (p) Each Participating Scheme Creditor shall be entitled to receive a share of the New Perpetual Notes calculated in accordance with the formula set out at section 6.2(d) (*Allocation of Scheme Consideration*) of this Explanatory Statement above.

- (q) On the Restructuring Effective Date, Pearl II shall issue the New Perpetual Notes in global registered form in the name of the New Perpetual Notes Depository or its nominee.
- (r) On the Restructuring Effective Date, the New Perpetual Notes will be allocated as follows:
 - (i) the Initial New Perpetual Notes to the Euroclear or Clearstream accounts of the Initial Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters, in the aggregate principal amount of the New Perpetual Notes to which they are entitled, as calculated in accordance with the formula set out above; and
 - (ii) the Surplus New Perpetual Notes to the Scheme Consideration Trustee to be held on trust for the Participating Scheme Creditors during the Holding Period in accordance with the terms of the Distribution Agreement.
- (s) During the Holding Period, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus New Perpetual Notes (including any Surplus Notes Coupon in respect thereof) to those Participating Scheme Creditors (or their Designated Recipients, if any) who satisfy the relevant requirements as to submission of Account Holder Letters and Distribution Confirmations and Designated Recipient Forms (if applicable) as described above and who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Perpetual Notes on a prior Periodic Distribution Date, if applicable, in the aggregate principal amount of the Surplus New Perpetual Notes to which they are entitled, as calculated in accordance with the formula set out at section 6.2(d) (*Allocation of Scheme Consideration*) of this Explanatory Statement above and pursuant to the terms of the Distribution Agreement.
- (t) On the Final Distribution Date, the Scheme Consideration Trustee shall distribute the Surplus New Perpetual Notes (including any Surplus Notes Coupon in respect thereof) as follows:
 - (i) first, by way of the final Periodic Distribution to those Participating Scheme Creditors or their Designated Recipients, if any, who satisfy the relevant requirements as to submission of Account Holder Letters and Distribution Confirmations and Designated Recipient Forms (if applicable) as described above and who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Perpetual Notes on a prior Periodic Distribution Date, in the aggregate principal amount of the Surplus New Perpetual Notes to which they are entitled, as calculated in accordance with the above provisions and pursuant to the terms of the Distribution Agreement; and
 - (ii) second, in the event that there is any Remaining Surplus New Perpetual Notes: (i) Pearl II shall cancel the Remaining Surplus New Perpetual Notes, and the Scheme Consideration Trustee shall, if necessary, deliver the Remaining Surplus Perpetual Notes to Pearl II for cancellation, as soon as reasonably practicable after the Final Distribution Date; and (ii) the Scheme Consideration Trustee shall transfer the Remaining Surplus Notes Coupon (in respect of Remaining Surplus New Perpetual Notes) to Pearl II as soon as reasonably practicable after the Final Distribution Date. However, in the event of any ongoing Adjudication as at the Final Distribution Date, the Company shall hold the relevant portion of the Remaining Surplus New Perpetual Notes and Remaining Surplus Notes Coupon in respect thereof on trust for the Applicant of such Adjudication until completion of the Adjudication and thereafter deal with the same in accordance with the Adjudicator's decision and the other applicable terms of the Scheme and the Distribution Agreement.

- (u) The obligations of Pearl II to issue and allot the New Perpetual Notes to each Participating Scheme Creditor entitled to receive them under the Scheme shall be satisfied by the Company or Pearl II depositing the New Perpetual Notes in global registered form with the New Perpetual Notes Depositary or its nominee for the accounts of the Clearing Systems (to be allocated to Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

Consent Fee

- (v) On the Restructuring Effective Date, the Company will pay the Consent Fee in accordance with the terms of the Scheme and the RSA.
- (w) Subject to the terms of the RSA, each Eligible Consenting Creditor shall be entitled to receive a share of the Consent Fee calculated in accordance with clause 7 (*Consent Fee*) of the RSA such that each Eligible Consenting Creditor shall receive a Pro Rata Share (as defined under the RSA) of the total amount of the Consent Fee.
- (x) On the Restructuring Effective Date, the Consent Fee will be allocated to the cash accounts linked to the Euroclear and Clearstream accounts of the Eligible Consenting Creditors or their Designated Recipients (if any), as specified in their Account Holder Letters.
- (y) The obligations of the Company to pay the Consent Fee to each Eligible Consenting Creditor entitled to receive it under the Scheme and the RSA shall be satisfied by the Company transferring the Consent Fee to the nominee banks of Euroclear and Clearstream respectively for the account of the relevant Eligible Consenting Creditors (to be allocated to cash accounts linked to the Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

7.19 Status of the Scheme Consideration Trustee

- (a) The Surplus Scheme Consideration (including the Surplus Cash Payment and book entry interests in respect of the Surplus New Notes and the Surplus New Perpetual Notes) and any Surplus Notes Coupon paid, allotted or issued, or acknowledged as indebtedness owed, to the Scheme Consideration Trustee or its nominee, shall be held by the Scheme Consideration Trustee on separate trusts, one for each element of the Surplus Scheme Consideration, absolutely as to both capital and interest (if any) paid in respect of the Surplus New Notes and Surplus New Perpetual Notes for the relevant Participating Scheme Creditors entitled to receive such Surplus Scheme Consideration, in accordance with their respective entitlements under the Scheme and shall be distributed to the Participating Scheme Creditors in accordance with the terms of the Scheme, the Distribution Agreement and the Account Holder Letters lodged pursuant to the Scheme. Distribution by the Scheme Consideration Trustee of the Surplus Scheme Consideration (including the Surplus Cash Payment and book entry interests in the Surplus New Notes and the Surplus New Perpetual Notes) and any Surplus Notes Coupon shall be in accordance with the terms of the Scheme and the Distribution Agreement and, subject to any Adjudication, shall be binding on the Participating Scheme Creditors and any Designated Recipients. Thereafter, neither the Scheme Consideration Trustee nor any person other than Participating Scheme Creditors (or their Designated Recipients, as applicable) shall at any time whatsoever, either present or future, have any beneficial interest in any of the Surplus Scheme Consideration (including the Surplus Cash Payment and book entry interests in the Surplus New Notes or the Surplus New Perpetual Notes) or the Surplus Notes Coupon so distributed.
- (b) The Scheme Consideration Trustee shall not exercise any rights attaching to any of the Surplus Scheme Consideration held by it (including rights attaching to book entry interests in the Surplus New Notes or the Surplus New Perpetual Notes),

other than receiving or collecting any Surplus Note Coupon to be held in trust in accordance with the terms of the Scheme and the Distribution Agreement.

7.20 Restrictions

- (a) The Company or Pearl II (as applicable) will not pay or issue any Scheme Consideration to a Scheme Creditor (or its Designated Recipient, as applicable) unless that Scheme Creditor (or its Designated Recipient, as applicable) has provided a duly completed Distribution Confirmation (and Designated Recipient Form, if applicable) to the Information Agent by the Bar Date within which it has confirmed that it is not a Disqualified Person or a Prohibited Transferee.
- (b) If a Scheme Creditor, being a Disqualified Person or a Prohibited Transferee, has failed to nominate on or before the Bar Date a Designated Recipient that is not a Disqualified Person or a Prohibited Transferee, the New Notes and New Perpetual Notes to which that Scheme Creditor would otherwise be entitled shall form part of the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date, and the Remaining Surplus Notes Coupon (if any) in respect of such New Notes and New Perpetual Notes will be paid by the Scheme Consideration Trustee as soon as reasonably practicable after the Final Distribution Date to the Company and/or Pearl II (as applicable).
- (c) Any Scheme Creditor may decline its entitlement to any or all Scheme Consideration and such entitlement shall form part of: (i) the Remaining Surplus Cash Payment and the Remaining Surplus Notes Coupon to be transferred by the Scheme Consideration Trustee as soon as reasonably practicable after the Final Distribution Date to the Company and/or Pearl II (as applicable) and (ii) the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date.

7.21 Fractional Scheme Consideration

- (a) The New Notes and the New Perpetual Notes are indebtedness in principal amounts which are in integral multiples of US\$1.00 and US\$1.00 respectively. Notwithstanding any other provision of the Scheme, Participating Scheme Creditors' entitlements to the New Notes will be rounded down to the nearest US\$1.00 and in the case of the New Perpetual Notes, will be rounded down to the nearest US\$1.00, subject in each case to a minimum denomination of US\$50,000 with integral multiples of US\$1.00 in excess of US\$50,000. All entitlements which would have arisen, but for this paragraph, shall be disregarded and shall form part of the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable.

7.22 Distribution Agreement

- (a) A copy of the agreed-form Distribution Agreement will be made available on the Scheme Website.

7.23 Modifications of the rights attaching to the New Notes and the New Perpetual Notes

- (a) On and after the Restructuring Effective Date, nothing in the Scheme will prevent the modification of any of the New Notes or the New Perpetual Notes in accordance with their respective terms.

7.24 Releases

- (a) With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in clauses 5.3.1 to 5.3.6 of the Scheme, each of the Scheme Creditors on behalf of itself and each of its predecessors, successors and assigns (including any person to whom a Scheme Creditor has transferred its rights

in respect of its Scheme Claim or Ancillary Claim after the Record Time) (collectively, the “**Scheme Creditor Releasing Parties**”) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

- (i) the Company, the Company Advisers and their respective Personnel and Affiliates;
- (ii) the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates;
- (iii) the Existing Notes Subsidiary Guarantors and other members of the Group, and their respective Personnel and Affiliates; and
- (iv) the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates,

and each of their predecessors, successors and assigns, and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, including any and all Scheme Claims and Ancillary Claims, arising prior to the Restructuring Effective Date or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date (or in respect of the persons specified in subparagraph (ii) only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their Personnel and Affiliates pursuant to the Scheme, whether before or after the Restructuring Effective Date), except for:

- (v) any and all claims or causes of action arising from or relating to gross negligence, fraud, dishonesty or wilful misconduct;
- (vi) any Liability of any Company Adviser or their Personnel and Affiliates arising under a duty of care to their client;
- (vii) any and all Claims or Liabilities that any Scheme Creditor Releasing Party may have against the Company, any Existing Notes Subsidiary Guarantor and/or any other Group Company, or any of their respective Personnel and Affiliates, which do not arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;
- (viii) any Claims against or Liabilities of any Company Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing;
- (ix) any Claims against or Liabilities of Ad Hoc Committee, the AHC Advisers and their respective Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing; and/or
- (x) in the case of the Existing Notes Trustee, the Security Agent, the Information Agent, the Registrar and the Existing Notes Depositary and their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents,

provided that the foregoing shall not prejudice or impair any right of any Scheme Creditor Releasing Party in respect of any Excluded Liabilities.

- (b) With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in clauses 5.3.1 to 5.3.6 of the Scheme, each of the Company and the Existing Notes Subsidiary Guarantors on behalf of itself and each of its predecessors, successors and assigns (collectively, the “**Group Releasing Parties**”) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

- (i) the Scheme Creditors, their Personnel and Affiliates;
- (ii) the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates;
- (iii) the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates; and
- (iv) the Group Releasing Parties’ Personnel,

and each of their predecessors, successors and assigns and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, arising prior to the Restructuring Effective Date (or in respect of the persons specified in subparagraph (iii) only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates pursuant to the Scheme, whether before or after the Restructuring Effective Date), or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date, except for:

- (v) any and all claims or causes of action arising from or relating to gross negligence, fraud, dishonesty or wilful misconduct;
- (vi) any and all Claims or Liabilities which do not arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;
- (vii) any Claims against or Liabilities of any AHC Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing; and
- (viii) in the case of the Existing Notes Trustee, the Security Agent, the Registrar and the Existing Notes Depositary and their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes or the Existing Notes Documents,

provided that the foregoing shall not prejudice or impair any right of any Group Releasing Party created under the Scheme and/or any Restructuring Documents.

- (b) Each of the Scheme Creditors will authorise the Company from the Restructuring Effective Date to enter into, execute and deliver as a deed on behalf of each Scheme Creditor and any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time or who acquires any interest in or arising out of a Scheme Claim or Ancillary Claim after the Record Time, a Deed of Release whereby any and all Claims and Liabilities referred to in Sections 7.24(a) and 7.24(b) above shall be waived and released fully and absolutely from the Restructuring Effective Date.

- (c) Any Deed of Release to be executed pursuant to the authority conferred by the release provisions of the Scheme shall be substantially in the Agreed Form attached at Schedule 5 (*Form of Deed of Release*) of the Scheme subject to any modifications required or approved by the Cayman Court and shall take effect in relation to such Claims and Liabilities as the Cayman Court considers appropriate, provided only that the effect of any such modification is not such as would effect the release of a claim or the imposition of any obligation that is not referred to above (and that any other change which may have a material and adverse impact on the Scheme Creditors as a whole (or any of the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates) shall be agreed with the AHC Advisers).
- (d) Each Released Beneficiary shall be fully entitled under the Scheme to enforce the releases summarised in this Section 7.24 in its own name (whether by way of Proceedings or by way of defence or estoppel (or similar) in any jurisdiction whatsoever) and enjoy the benefit of and have full rights thereunder in each case, as if it were a party to the Scheme, pursuant to any applicable law which so permits.
- (e) The releases, waivers and undertakings summarised in this Section 7.24 shall:
 - (i) not prejudice or impair any rights of any Scheme Creditor created under this Scheme, any Restructuring Document or the Deed of Undertaking and/or which arise as a result of a failure by the Company or any party to this Scheme to comply with any terms of this Scheme, any Restructuring Document or the Deed of Undertaking, and all such rights shall remain in full force and effect;
 - (ii) not prejudice or impair any claims or causes of action of any Scheme Creditor, arising from or relating to the gross negligence, fraud, dishonesty or wilful misconduct of any other party which is seeking to rely on such releases, waivers or undertakings; and
 - (iii) not require a Scheme Creditor to procure any undertaking or acknowledgement from, or action by, any entity from which such Scheme Creditor acquired its rights in respect of any Scheme Claim or Ancillary Claim and/or to whom such Scheme Creditor has transferred or transfers its rights in respect of any Scheme Claim or Ancillary Claim.

7.25 **No right to commence or continue Proceedings**

- (a) The Scheme will provide that:
 - (i) with effect from the Restructuring Effective Date, no Scheme Creditor Releasing Party shall be entitled to, and each Scheme Creditor Releasing Party covenants not to, commence or continue, or instruct, procure, direct or authorise any other person to commence or continue, any Proceeding in respect of any Scheme Claim, Ancillary Claim or any other Claims or Liabilities that are released in accordance with the Scheme.
 - (ii) each Released Beneficiary shall be fully entitled to enforce the above covenant not to sue, in its own name (whether by way of Proceedings or by way of defence or estoppel (or similar) in any jurisdiction whatsoever) and enjoy the benefit of and have full rights thereunder in each case, as if it were a party to the Scheme, pursuant to any applicable law which so permits.
 - (iii) each Scheme Creditor is deemed to acknowledge that if it, or any person claiming through it, takes any Proceedings against any of the Released Beneficiaries in breach of the above covenant not to sue and the Deed of Release, such Released Beneficiary shall be entitled to obtain an order as of right staying those Proceedings and providing for payment, by the Scheme Creditor concerned or the person claiming through it (as applicable), of any reasonable costs, charges or other expenses incurred

by such Released Beneficiary as a result of the Scheme Creditor or the person claiming through it (as applicable) taking such Proceedings; and

- (iv) subject to any existing contractual restrictions, a Scheme Creditor may commence a Proceeding against the Company after the Restructuring Effective Date in respect of Claims or Liabilities that are not to be released in accordance with the Scheme.
- (b) For the avoidance of doubt, nothing in the Scheme or this Explanatory Statement shall prevent or prohibit any Scheme Creditor from commencing, continuing, instructing, procuring, directing or authorising an Allowed Proceeding.

7.26 Future Liquidation

- (a) The Scheme will be unaffected by any future liquidation of the Company (including, for the avoidance of doubt, any provisional liquidation of the Company) and shall in those circumstances remain in force according to its terms.

7.27 Costs and fees

- (a) Pursuant to the Scheme:
 - (i) the Company agrees to be responsible for and shall pay all fees, costs and expenses incurred by the Existing Notes Trustee, the Security Agent, the New Notes Trustee, the New Perpetual Notes Trustee, the Information Agent, the Registrar and the Scheme Consideration Trustee in connection with any and/or all actions taken pursuant to the Scheme, including (without limitation) any and/or all actions taken pursuant to the Existing Notes Trustee Instruction and/or the Security Confirmation Instructions, the execution, delivery, and filing of any releases of security or other documents pursuant thereto, and the distribution of the Scheme Consideration, (*provided* that, with respect to each party, the relevant fees, costs and expenses have been incurred and are payable in accordance with the Existing Notes Documents or such other arrangement as may have been agreed between the Company and that party);
 - (i) the Company shall pay all professional fees of the AHC Advisers associated with the Restructuring in accordance with the fee letters or fee arrangements as agreed between the Company and the relevant AHC Adviser from time to time.

7.28 Modifications to the Scheme

- (a) The Company may, at any hearing before the Cayman Court to sanction the Scheme, consent on behalf of all Scheme Creditors to any modifications of the Scheme and/or the Restructuring Documents or any additional terms or conditions which the Cayman Court may think fit to approve or impose which would not directly or indirectly have a material adverse effect on the rights or interests of the Scheme Creditors.

7.29 Exercise of discretion and Adjudication

- (a) Where under any provision of the Scheme, a matter is to be determined by the Company, the Information Agent or the Scheme Consideration Trustee, as the case may be, it shall be determined by them in their discretion in such manner as they may consider fair and reasonable.
- (b) Following the Scheme Effective Date, after being notified (for the first time, or where the office of Adjudicator is otherwise vacant) that a Scheme Creditor disputes the determination of its Scheme Claim for the purposes of distributions under this Scheme, the Company shall, as soon as reasonably practicable and in any event within three (3)

Business Days after the Disputed Claim Resolution Deadline (defined below) in respect of that Disputed Scheme Claim (defined below), appoint an Adjudicator based on certain criteria as set out in the Scheme.

- (c) Such Adjudicator is responsible for adjudicating all matters referred to him under the terms of the Scheme. If a Scheme Creditor disputes any determination of its Scheme Claim (including any determination as to the existence, amount or any other aspect of any purported Scheme Claim) for the purposes of distributions under the Scheme (the “**Disputed Scheme Claim**”), the Scheme Creditor and the Company shall discuss in good faith with the view to reaching any agreement in respect of the dispute. If no agreement can be reached between the Company and the Scheme Creditor by the date falling five (5) Business Days from the date on which the Scheme Creditor first, by written notice to the Company and the Information Agent, raises objections in respect of the Disputed Scheme Claim (the “**Disputed Claim Resolution Deadline**”), the Scheme Creditor is entitled to apply in writing to the Company and the Adjudicator to review its Disputed Scheme Claim within twenty-one (21) calendar days of the Disputed Claim Resolution Deadline. The relevant Scheme Creditor (or person who purports to be a Scheme Creditor) (the “**Applicant**”) is required to undertake that its application for Adjudication is in good faith and that it will facilitate the Adjudication by delivering such documents and performing such acts promptly without undue delay as may reasonably be requested by the Adjudicator. The Scheme Creditor also needs to comply with the relevant timeframe in respect of application for Adjudication which is set out in detail under the Scheme, failure to do so shall result in the deemed waiver of its right to dispute the Company’s and/or the Information Agent’s determination of its Scheme Claim via an Adjudication.
- (d) Upon valid application for adjudicating the Disputed Scheme Claim by the Applicant in accordance with the terms under the Scheme, the Adjudicator will review the application, including the Disputed Scheme Claim and any relevant evidence and determine, on the balance of probabilities, whether all or part of that Disputed Scheme Claim would be admissible as a proof in the Company’s winding up in the Cayman Islands and the outstanding principal amount of the Existing Notes the subject of such admissible proof (if any) which should be accepted under the Scheme for the purposes of calculating Scheme Consideration. The Adjudicator will make such determination in accordance with the timetable as set out in details under the Scheme (subject to extension by the sole discretion of the Adjudicator). In the Adjudication process, the Adjudicator has certain discretions for the purpose of providing a fair, efficient and expeditious means for the final resolution of the Disputed Scheme Claim. The Adjudicator shall notify the Company and the Applicant in writing of his decision and such decision will be final and binding on the Company and the Applicant, insofar as the law allows. As a result, on the making of a decision by the Adjudicator, the Scheme Creditor’s Account Holder Letter shall be deemed to have been varied in accordance with the Adjudicator’s written decision.
- (e) For the avoidance of doubt, the Company is not required to postpone the Restructuring Effective Date in the event that any Disputed Scheme Claim has not been determined by the Adjudicator prior to the Restructuring Effective Date.

7.30 **Governing Law and Jurisdiction**

- (a) The Scheme and any non-contractual obligations arising out of or in connection with the Scheme shall be governed by, and construed in accordance with, the laws of the Cayman Islands.

- (b) The Company and the Scheme Creditors will agree that the courts of the Cayman Islands shall have exclusive jurisdiction to hear and determine any suit, action or Proceeding arising out of or in connection with the terms of the Scheme or its implementation and/or administration and for such purposes, the Company and the Scheme Creditors irrevocably submit to the jurisdiction of the courts of the Cayman Islands.

8. RESTRUCTURING DOCUMENTS

This section lists the principal Restructuring Documents and directs Scheme Creditors to view copies of the same on the Scheme Website.

8.1 The Restructuring Documents

- (a) The Restructuring Documents comprise all documents, agreements, instruments, board resolutions, shareholder approvals releases, notices and legal opinions necessary to implement or consummate the Restructuring in accordance with the Scheme.
- (b) The Restructuring Documents include, but are not limited to, the following principal documents:
 - (i) the Scheme;
 - (ii) the Explanatory Statement;
 - (iii) Existing Notes Trustee Instruction;
 - (iv) Deed of Release;
 - (v) Distribution Agreement;
 - (vi) New Notes Indenture;
 - (vii) New Notes Agency Agreement;
 - (viii) New Perpetual Notes Indenture;
 - (ix) New Perpetual Notes Agency Agreement;
 - (x) Intercreditor Supplemental Documents;
 - (xi) Security Confirmation Instructions; and
 - (xii) Security Confirmations.
- (c) Copies of all of the above listed principal Restructuring Documents will be available for viewing on the Scheme Website. Scheme Creditors are strongly encouraged to review the detailed terms of the Restructuring Documents in full.

9. SCHEME CREDITORS AND ACTIONS TO BE TAKEN

Scheme Creditors are entitled to take, or direct the taking of, certain actions in respect of the Scheme.

The number of Scheme Creditors voting and the votes cast by them will be taken into account for the purposes of both value and numbers in relation to the Scheme. The Scheme requires the approval of a majority in number representing at least 75% in value of the Scheme Creditors present and voting (in person, by a duly authorised representative, if a corporation, or by proxy) at the Scheme Meeting.

It is important that as many votes as possible are cast at the Scheme Meeting so that the Cayman Court may be satisfied that there is a fair and reasonable representation of opinion of Scheme Creditors at the Scheme Meeting. You are therefore strongly urged to complete and sign, or direct your Account Holder to complete and sign, the relevant parts of your Account Holder Letter.

Scheme Creditors should be aware that (i) the New Notes and the New Perpetual Notes will only be eligible for clearing and settlement through Euroclear and Clearstream, and (ii) that DTC's ATOP (Automated Tender Offer Program) system may not be used. Any Scheme Creditor that is not an Account Holder is highly recommended to instruct its Account Holder to move its Existing Notes from DTC to an account with Euroclear or Clearstream without delay and, in any event, before the Record Time.

It will not be possible for a Scheme Creditor to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account). Further, if a Scheme Creditor provides relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive its entitlements until the first Periodic Distribution Date at the earliest, that is, after the Restructuring Effective Date.

9.1 Are you a person with an interest in the Existing Notes?

(a) The following persons have interests in the Existing Notes:

- (i) **Scheme Creditors:** are those persons with a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems as at the Record Time and which have a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture.
- (ii) **Account Holders:** are those persons who are direct participants in the Clearing Systems with their interests in the Existing Notes being recorded directly in the books or other records maintained by the Clearing Systems. For the avoidance of doubt, an Account Holder may also be a Scheme Creditor.
- (iii) **Intermediaries:** You are an Intermediary if you hold an interest at the Record Time in any Existing Notes on behalf of another person or other persons and you do not hold that interest as an Account Holder. An Intermediary is commonly a bank or a brokerage house which does not have an account with the Clearing Systems.

9.2 Scheme Creditors

- (a) In determining whether (for voting purposes) a particular person is a Beneficial Owner of any Existing Notes, and therefore assessed or admitted as a Scheme Creditor, entitled to a particular principal amount of the Existing Notes and related claims as aforesaid, the Chairperson may rely on such evidence and/or information and/or certification as he or her shall, in his or her absolute discretion, think fit and, if he or she does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error and subject to any Adjudication, be conclusive and binding on all concerned. In the first instance, the Chairperson shall rely on the Account Holder Letter submitted by or on behalf of that Scheme Creditor, as verified by the Information Agent against the books and records of the Existing Notes Depositary.
- (b) **If you are a Scheme Creditor, you should read this Explanatory Statement carefully.**
- (c) **If you are a Scheme Creditor who is not an Account Holder, you should contact your Account Holder (through any Intermediaries, if applicable) to ensure that your Account Holder takes the appropriate action(s) described in the Solicitation Packet.**
- (d) For the avoidance of doubt, all Scheme Creditors are entitled to vote at the Scheme Meeting and to receive Scheme Consideration under the Scheme, whether or not they have acceded to the RSA, *provided* that they comply with the instructions set out in this Explanatory Statement and the Solicitation Packet at Appendix 8 (*Solicitation Packet*) to this Explanatory Statement.
- (e) Any Existing Notes in which the Company or any other member of the Group has a beneficial interest will not be voted at the Scheme Meeting.

9.3 Account Holders

- (a) Account Holders are not Scheme Creditors unless an Account Holder has a beneficial interest as principal in the Existing Notes held in global form through the Clearing Systems as at the Record Time and a right, upon satisfaction of certain conditions, to the issue of definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture, as described above.
- (b) However, as set out in this section 9 (*Scheme Creditors and Actions to be Taken*) of this Explanatory Statement and Appendix 8 (*Solicitation Packet*), the assistance of Account Holders will be required, in accordance with their custodial duties, to attend to a number of tasks as set out in the Solicitation Packet at Appendix 8 to this Explanatory Statement.

9.4 Existing Notes Depositary and Existing Notes Trustee

- (a) The Existing Notes Depositary, in its capacity as depositary for the Existing Notes and on behalf of its nominee as registered holder of the Existing Notes, has been directed by the Cayman Court not to vote in respect of the Existing Notes at the Scheme Meeting.
- (b) The Existing Notes Trustee is not a Scheme Creditor and will not vote at the Scheme Meeting.

9.5 Summary of actions to be taken by Scheme Creditors and any person with an interest in the Existing Notes

- (a) Preliminary:

- (i) The Solicitation Packet at Appendix 8 (*Solicitation Packet*) to this Explanatory Statement contains detailed guidance as to actions to be taken by Scheme Creditors and any person with an interest in the Existing Notes.
- (ii) The Solicitation Packet performs a number of important functions:
 - (A) firstly, the Company is soliciting votes from the Scheme Creditors in respect of the Scheme. The Solicitation Packet sets out instructions and guidance for voting at the Scheme Meeting; and
 - (B) secondly, in order to receive any Scheme Consideration if the Scheme becomes effective in accordance with its terms, Scheme Creditors are required to ensure that a duly completed Account Holder Letter and Distribution Confirmation is submitted to the Information Agent. The Solicitation Packet includes the forms of those documents, as well as instructions and guidance for how to complete them.
- (iii) Please therefore:
 - (A) read this Explanatory Statement (including the Solicitation Packet) and the Scheme and follow the instructions contained therein before completing your Account Holder Letter.
 - (B) check the appropriate boxes on the Account Holder Letter to indicate your acceptance or rejection of the Scheme or, alternatively, indicate your desire to attend and vote at the Scheme Meeting in person or by proxy.

(b) Summary of specific required actions:

Action	Documents²³ / blocking instructions²⁴ to submit	Deadline
To vote at the Scheme Meeting	<ul style="list-style-type: none"> • Relevant blocking instructions 	<ul style="list-style-type: none"> • Prior to submission of the Account Holder Letter; and, in any event, before the Blocking Instructions Deadline (of 11 a.m. New York time on 23 September 2021 / 10 a.m. Cayman Islands time on 23 September 2021 / 11 p.m. Hong Kong/ Singapore time on 23 September 2021) (or, if earlier, the relevant deadline imposed by the Clearing Systems))

²³ All documents must be submitted to the Information Agent.

²⁴ Blocking Instructions to block the Existing Notes in the Clearing Systems must be submitted by Account Holders to the Clearing Systems, save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream the Existing Notes must be blocked in accordance with the relevant instructions set out in the Solicitation Packet at Appendix 8 to this Explanatory Statement.

		(Please also check relevant deadlines with your custodian and/or Clearing System)
	<ul style="list-style-type: none"> Account Holder Letter (to include Blocking Reference Number and, if available in the case of a Consenting Creditor, its Accession Code)²⁵ 	<ul style="list-style-type: none"> <u>Initial Deadline (11 a.m. New York time on 27 September 2021/ 10 a.m. Cayman Islands time on 27 September 2021/ 11 p.m. Hong Kong/ Singapore time on 27 September 2021)</u>
To receive Scheme Consideration	<ul style="list-style-type: none"> Relevant blocking instructions 	<ul style="list-style-type: none"> Prior to submission of the Account Holder Letter; and (where an Account Holder Letter is being submitted prior to the Initial Deadline) <u>before the Blocking Instructions Deadline</u> (Check relevant deadlines with custodian and Clearing System)
	<ul style="list-style-type: none"> Account Holder Letter (to include Blocking Reference Number and, if available in the case of a Consenting Creditor, its Accession Code)²⁶ Distribution Confirmation 	<ul style="list-style-type: none"> <u>Initial Deadline (11 a.m. New York time on 27 September 2021/ 10 a.m. Cayman Islands time on 27 September 2021/ 11 p.m. Hong Kong/ Singapore time on 27 September 2021)</u> <u>(to receive Scheme Consideration on the Restructuring Effective Date)</u> No later than the <u>Bar Date</u>²⁷ (to receive Scheme Consideration)

²⁵ Save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, the Account Holder Letter must be affixed with a signature medallion guarantee stamp in accordance with the instructions set out in the Solicitation Packet at Appendix 8 to this Explanatory Statement.

²⁶ Save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, the Account Holder Letter must be affixed with a signature medallion guarantee stamp in accordance with the instructions set out in the Solicitation Packet at Appendix 8 to this Explanatory Statement.

²⁷ **Being a time to be specified on the date falling five (5) months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Scheme.**

		by the <u>Final Distribution Date</u> ²⁸
To appoint a Designated Recipient to receive Scheme Consideration on your behalf	<ul style="list-style-type: none"> Designated Recipient Form 	To be submitted <u>together with the Account Holder Letter and the Distribution Confirmation</u>

(c) Noteholders and Account Holders should note that:

- (i) any Scheme Creditor that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) must block its Existing Notes by ensuring that its Account Holder, prior to delivering the Account Holder Letter to the Information Agent takes the action set out in the Solicitation Packet at Appendix 8 of this Explanatory Statement with regard to the submission of Blocking Instructions and inclusion of a Blocking Reference Number and an Accession Code (if available in the case of a Consenting Creditor) in such Account Holder Letter, save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, in order to block its Existing Notes the Scheme Creditor must confirm the instructions contained in the Account Holder Letter (which among other things confirms to the Company and the Information Agent that the Scheme Creditor holds the Existing Notes as at the Record Time and will not trade the Existing Notes) and arrange for the Existing Notes referred to in the Account Holder Letter to be signature medallion guarantee stamped by the Account Holder;
- (ii) the Account Holder Letter will not be valid and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Blocking Reference Number (if the Existing Notes are held through Euroclear and Clearstream as at the Record Time) or affix a signature medallion guarantee stamp (if the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time); and
- (iii) the Clearing System in which you hold your Existing Notes (or your custodian) may impose an earlier deadline for the submission of the relevant blocking instructions and/or Account Holder Letter. To ensure timely submission of your relevant blocking instructions and Account Holder Letter, please ask your custodian to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your relevant blocking instructions and/or Account Holder Letter are received before any applicable deadline. This is particularly important if you wish to submit an Account Holder Letter by the Initial Deadline and receive Scheme Consideration on the Restructuring Effective Date.

²⁸ There will be a Holding Period from the Restructuring Effective Date up to and including the Final Distribution Date during which the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors in accordance with the terms of the Distribution Agreement. Periodic Distributions of the Surplus Scheme Consideration will be made during the Holding Period (including on the Final Distribution Date) to settle Surplus Scheme Consideration in respect of Account Holder Letters, Distribution Confirmations and Designated Recipient Forms (if applicable) which are received after the Initial Deadline and by the Bar Date (but note that Scheme Claims will be determined as at the Record Time).

- (d) For the avoidance of doubt, Part 2 of the Account Holder Letter need not be completed, if the Account Holder Letter is submitted after the date of the Scheme Meeting.

9.6 Undertaking not to trade

- (a) **Additionally, by completing the Account Holder Letter, the Scheme Creditor undertakes that it will not from the date of delivery of its Account Holder Letter sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Existing Notes.**
- (b) **Such undertaking and any Blocking Instruction (or confirmation in lieu of a Blocking Instruction contained in the Account Holder Letter, in the case of Existing Notes held through DTC) will terminate immediately upon the earliest of the following circumstances:**
 - (i) **the Restructuring Effective Date (at which time the Existing Notes will be cancelled);**
 - (ii) **the Scheme not being approved by the requisite majorities of the Scheme Creditors at a Scheme Meeting;**
 - (iii) **the Scheme not being sanctioned by a final and unappealable order of the Cayman Court;**
 - (iv) **the Longstop Date; and**
 - (v) **the Company giving Scheme Creditors written notice of an intention not to proceed with the Scheme.**
- (c) The Company has provided an irrevocable instruction to the Information Agent to immediately cause the Existing Notes to be unblocked if one of the circumstances set out in section 9.6(b) above occurs (save in circumstances in which the Existing Notes are cancelled as set out in section 9.6(b)(i) above).
- (d) For the avoidance of doubt, all Existing Notes (even those in respect of which no Blocking Instructions were given) will be blocked from trading by the Clearing Systems on and from the Scheme Effective Date.

9.7 Important notices

- (a) **IF A DULY COMPLETED ACCOUNT HOLDER LETTER IS NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT BY THE INITIAL DEADLINE, BEING 11 A.M. NEW YORK TIME ON 27 SEPTEMBER 2021, THE EQUIVALENT BEING 10 A.M. CAYMAN ISLANDS TIME ON 27 SEPTEMBER 2021 AND 11 P.M. HONG KONG / SINGAPORE TIME ON 27 SEPTEMBER 2021, THAT SCHEME CREDITOR WILL NOT BE ELIGIBLE TO VOTE IN RESPECT OF THE SCHEME AT THE SCHEME MEETING.**
- (b) **IF A DULY COMPLETED ACCOUNT HOLDER LETTER AND DISTRIBUTION CONFIRMATION IS NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT BY THE INITIAL DEADLINE, BEING 11 A.M. NEW YORK TIME ON 27 SEPTEMBER 2021, THE EQUIVALENT BEING 10 A.M. CAYMAN ISLANDS TIME ON 27 SEPTEMBER 2021 AND 11 P.M. HONG KONG / SINGAPORE TIME ON 27 SEPTEMBER 2021, THAT SCHEME CREDITOR WILL NOT RECEIVE SCHEME CONSIDERATION ON THE RESTRUCTURING EFFECTIVE DATE.**
- (c) **IF A DULY COMPLETED ACCOUNT HOLDER LETTER (TO THE EXTENT APPLICABLE AFTER THE RESTRUCTURING EFFECTIVE DATE),**

DISTRIBUTION CONFIRMATION AND DESIGNATED RECIPIENT FORM (IF APPLICABLE) ARE NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT BY THE BAR DATE THAT SCHEME CREDITOR WILL NOT RECEIVE SCHEME CONSIDERATION ON THE FINAL DISTRIBUTION DATE AND WILL RECEIVE ZERO SCHEME CONSIDERATION. THE BAR DATE WILL BE A TIME TO BE SPECIFIED ON THE DATE FALLING 5 MONTHS AFTER THE RESTRUCTURING EFFECTIVE DATE (OR IF SUCH DATE IS NOT A BUSINESS DAY, THE NEXT BUSINESS DAY AFTER THAT DATE) AS NOTIFIED BY THE COMPANY PURSUANT TO THE PROVISIONS OF THE SCHEME.

9.8 Return of documents

All completed documents should be completed / submitted online via the Scheme AHL Portal (at <https://portal.morrowsodali.com/Pearl>) to the Information Agent before the important deadlines set out above and detailed in the Solicitation Packet.

9.9 Assistance

- (a) **If you are in any doubt as to what action you should take in connection with this Explanatory Statement, the proposals contained in it or the documents that accompany it, you are recommended to contact:**
- (i) the Information Agent using the contact details specified above; and
 - (ii) and seek your own independent advice immediately from your legal, financial, tax or other independent adviser.

10. RISK FACTORS

The following summarises some of the principal risks and uncertainties that may arise in connection with the Scheme. It should be read in conjunction with all of the other information contained in this Explanatory Statement. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may become material and have a material adverse effect on the business, financial condition or results of operations of the Group. This Explanatory Statement also contains forward-looking statements, which involve risks and uncertainties of their own. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors and circumstances, including the risks and uncertainties described in this Explanatory Statement.

For ease of reference only, the risk factors set out below have been grouped into the following three categories:

- (a) risks relating to the implementation of the Restructuring;
- (b) risks relating to a failure to implement or a delay in implementing the Restructuring; and
- (c) risks following the implementation of the Restructuring.

In addition, Scheme Creditors are liable for any taxes that may arise as a result of the Scheme and the Restructuring, and shall have no recourse to the Company, Pearl II, the Existing Notes Subsidiary Guarantors, the New Notes Subsidiary Guarantors, the New Notes Trustee, the Information Agent or any other person in respect of such taxes or any filing obligation with respect thereto.

10.1 Risks relating to the implementation of the Restructuring

Scheme Creditors may not approve the Scheme

- (a) In order for the Scheme to become effective, the Scheme must be approved by at least a majority in number representing at least 75 per cent (by value) of the Scheme Claims of each of the Scheme Creditors present and voting (whether in person or by proxy) at the Scheme Meeting. If the requisite majority of Scheme Creditors do not vote in favour of the Scheme at the Scheme Meeting, then the Restructuring will not be undertaken pursuant to the Scheme or possibly at all.
- (b) Under the RSA, some Scheme Creditors have given undertakings to vote in favour of the Scheme; however, such undertakings may cease to be binding in certain circumstances under the terms of the RSA or if the RSA is terminated.

Even if the Scheme Creditors approve the Scheme, the Scheme may not be approved by the Cayman Court

- (c) In order for the Scheme to become effective under Cayman Islands law, the Cayman Court must sanction the Scheme. The Cayman Court has discretion whether or not to sanction the Scheme and will need to be satisfied that (i) the meeting of Scheme Creditors was summoned and held in accordance with the directions of the Cayman Court, (ii) the Scheme was approved by the requisite majority of those who voted at the Scheme Meeting in person or by proxy, and (iii) the Scheme is such as an intelligent and honest man, a member of the class concerned and acting in respect of his interest, might reasonably approve. In addition, the Cayman Court is likely to have regard to the fact that (i) the classes of creditors voting in respect of the scheme of arrangement have been properly constituted, (ii) the provisions of the applicable statute have been complied with, and (iii) each class was fairly represented by those who attended the meeting and

the statutory majority are acting bona fide and are not coercing the minority in order to promote interests adverse to those of the class whom they purport to represent.

- (d) Even if the Scheme is approved at the Scheme Meeting, any Scheme Creditor who voted (or gave instructions to someone to vote on their behalf) at the Scheme Meeting may appear by counsel at the sanction hearing for the Scheme in order to make representations that the Scheme should not be approved and to object to the granting of any sanction order by the Cayman Court. The Cayman Court may also be prepared to hear such representations and objections by counsel for any other person whom they are satisfied has a substantial economic interest in the Scheme. Therefore, it is possible that objections will be made at or before the Scheme Sanction Hearing and that any such objections will delay or possibly prevent the Scheme from being sanctioned and becoming effective.
- (e) There can be no assurance that the Cayman Court will approve the Scheme. If the Cayman Court does not approve the Scheme, or approves it subject to conditions or amendments which (i) the Company deems unacceptable or (ii) would have (directly or indirectly) a material adverse effect on the interests of any Scheme Creditors and such conditions and amendments are not approved by the Scheme Creditors, the Scheme will remain ineffective.
- (f) Further, even if the Cayman Court approves the Scheme, it is possible for any person who opposed the sanctioning of the Scheme at a sanction hearing to appeal against the granting of the sanctioning order by the Cayman Court. Any such appeals and/or subsequent litigation could delay the Scheme becoming effective or possibly prevent the Scheme from becoming effective at all.

There is no guarantee that the Recognition Order will be granted in respect of the Scheme

- (g) If the Company acting reasonably and in good faith determines, on or before the Scheme Effective Date and after consultation with the AHC Advisers, that it is necessary or desirable to obtain court orders for the recognition and enforcement of the Scheme in New York and/or Singapore, then it may make the Recognition Filings with the US Bankruptcy Court and/or the Singapore Court and, in those circumstances, the Scheme will be conditional on the granting of the Recognition Order and the failure to obtain a Recognition Order will result in the Scheme not becoming effective. Further, if the Cayman Court grants the sanctioning orders but makes sanction subject to the granting of the Recognition Order, the failure to obtain a Recognition Order will also result in the Scheme not becoming effective.
- (h) There can be no assurance that the US Bankruptcy Court and/or the Singapore Court will grant the Recognition Order in connection with the Scheme. It is subject to a number of considerations by the relevant court under the laws of the relevant jurisdiction(s).

The Restructuring and the SSRF Refinancing are interdependent

- (i) The SSRF Refinancing Documents must be executed before the Restructuring Effective Date can occur. However, the occurrence of the Restructuring Effective Date will, in turn, be a condition to the completion of, or drawdown under, the SSRF Documents. Thus, if either the SSRF Refinancing or Restructuring does not proceed, the other will also fail.

The implementation of the Scheme and the Restructuring may result in adverse and/or complex tax consequences to Scheme Creditors

- (j) The Company is not providing tax advice to any Scheme Creditor in connection with the Scheme and the Restructuring, and each Scheme Creditor should consult its own tax adviser regarding tax consequences of the Scheme and the Restructuring in any relevant jurisdiction.

The Company has short-term funding needs to continue operations till the implementation of the Scheme and the Restructuring

- (k) As at 31 March 2021, the Group had US\$16.8 million in unrestricted cash. While Management believes that this should suffice to continue operations until the implementation of the Scheme and the Restructuring, there may be unforeseen circumstances, including a delay in the implementation of the Scheme, which may cause the Company to require additional short-term funding. If the Company is unable to obtain, at favourable rates or at all, such additional short-term funding, it may be unable to implement the Scheme and the Restructuring.

10.2 Risks relating to a failure to implement or a delay in implementing the Restructuring

The Restructuring may not be completed in accordance with the timeline envisaged by this Explanatory Statement

- (a) Factors unknown to the Company as at the date of this Explanatory Statement may result in delays to the completion of the Restructuring. There is no guarantee that the Restructuring Effective Date will occur by the Longstop Date, at which time those Scheme Creditors who are parties to the RSA will no longer be bound by their obligations under the RSA to support the Restructuring and not to take action against the Company and/or any Group Company, and the Scheme will lapse, respectively.
- (b) The Longstop Date may, however, be extended by agreement between the Company and the Ad Hoc Committee.

June Coupon

- (c) As announced by the Company on or about 11 June 2021, in light of the proposed Restructuring, the Company would not be paying the interest due on the Existing Notes on 11 June 2021 either on the due date or within the applicable grace period. Whilst the interest on the New Notes (if issued, following successful implementation of the Restructuring) will start to accrue on and from 1 July 2021, rather than on the date of issuance, the first payment of interest on the New Notes will be delayed if there is a delay in the implementation of the Restructuring.

Individual creditors actions

- (d) Unless and until the successful implementation of the Scheme, individual Scheme Creditors who have not acceded to the RSA or other creditors of the Company may take legal actions or proceedings against the Company, including but not limited to filing a petition against the Company with the Cayman Court or some other court, seeking the winding up of the Company on the ground of insolvency. In the event that such actions or proceedings are taken against the Company, the Company will apply to the relevant court for a stay of such actions or proceedings, pending implementation of the Scheme. However, there can be no assurance that the relevant court will grant the requested stay and/or reject any winding up petition.
- (e) If the Company is placed into official liquidation, the Scheme Creditors could receive a significantly reduced or no return, than they would have received if the Scheme had been successfully implemented.

Insolvency Proceedings if the Restructuring is not implemented

- (f) The maturity date of the Existing Notes is coming up. As such, the Company will soon be obliged to repay the principal amount under the Existing Notes.
- (g) Should the Restructuring not proceed, and unless the Board is able to satisfy itself that an alternative financial restructuring is likely to be successful (which the Company considers very unlikely given the time and costs of negotiating the Restructuring), there

is a real possibility that the Company may enter into liquidation or other appropriate Insolvency Proceedings.

- (h) If the Company is placed into a formal insolvency procedure, the Scheme Creditors will likely receive a considerably lower recovery than the potential value of the Scheme Consideration they would receive under the Scheme (as per the Liquidation Analysis set out in Appendix 5 (*Liquidation Analysis*)).

10.3 Risks following the implementation of the Scheme

The New Notes and New Perpetual Notes received by Scheme Creditors is subject to certain risks

- (a) There may be no market for the New Notes or the New Perpetual or any securities issued in exchange thereof. To the extent any such securities become tradable, the price and trading volume thereof may be highly volatile. Factors such as variations in the Group's revenues, earnings and cashflows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to the Group's industry and general economic conditions nationally or internationally could cause the price of such securities to change. Any such developments may result in large and sudden changes in the trading volume and price of such securities. There can be no assurance that these developments will not occur in the future. Each Scheme Creditor should conduct its own due diligence and consider the appropriateness of the information in this Explanatory Statement having regard to its own objectives, financial situations and needs. Scheme Creditors are also recommended to consult their own professional advisers as to legal, tax, financial or other aspects relevant to any action Scheme Creditors might take in relation to the Scheme and the Restructuring, or the implications/consequences of such action.

The business, operations, financial condition and prospects of the Company and other Group Companies are subject to a number of risks

- (a) The business, operations, financial condition and prospects of the Company and other Group Companies are subject to numerous risks including, among other things, supply and demand changes; volatility of and changes in prices; any difference between actual market prices the relevant company obtains for sales of its products and market prices generally; the Group's production capabilities; the relationship of the Company with its customers; risks inherent in manufacturing; competition; inflationary trends; interest rate changes; changes in currency exchange rates; environmental laws and regulations; political, economic, legal and social conditions in Singapore, Thailand and the PRC; the implementation of specific projects; and global economic conditions.

10.4 Risks Relating to the New Notes

The Company is a holding company and payments with respect to the New Notes are structurally subordinated to liabilities, contingent liabilities and obligations of the Company's subsidiaries which are not providing guarantees under the New Notes

- (a) The Company is a holding company with no material operations. The Company conducts its operations primarily through its subsidiaries. The New Notes will not be guaranteed by certain non-guarantor subsidiaries. The Company's primary assets are ownership interests in its subsidiaries, which are held through certain of the New Notes Subsidiary Guarantors. Accordingly, the Company's ability to pay principal and interest on the New Notes and the ability of the New Notes Subsidiary Guarantors to satisfy their obligations under the Guarantees (as defined in the New Notes Indenture) will depend upon their receipt of principal and interest payments on the intercompany loans and/or distributions of dividends from the Company's other subsidiaries. If the Company or New Notes Subsidiary Guarantors experience

difficulties in receiving funds from the subsidiaries, due to regulatory or other reasons, the Company may in turn experience difficulties in servicing the New Notes.

- (b) Creditors, including trade creditors of the non-guarantor subsidiaries and any holders of preferred shares in such entities, would have a claim on such subsidiaries' assets that would be prior to the claims of holders of the New Notes. As a result, the Company's payment obligations under the New Notes will be effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of the non-guarantor subsidiaries will have priority as to the assets of such entities over the Company's claims and those of the Company's creditors, including holders of the New Notes. The New Notes and the New Notes Indenture permit the Company, the New Notes Subsidiary Guarantors and the non-guarantor subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations.
- (c) As at the Restructuring Effective Date, only the Initial Guarantors will be providing guarantees in respect of the New Notes. Unless and until the Additional Guarantor obtains a license (permitting it to enter into the New Notes Indenture as a Guarantor) from the Department of Business Development of the Ministry of Commerce of Thailand (or another responsible governmental entity) pursuant the *Foreign Business Act* B.E. 2442 (1999), it will not be able to provide any guarantee in respect of the New Notes. There is no guarantee that such a license can be obtained.

The Company's secured creditors or those of any guarantor under the New Notes would have priority as to the Company's assets or the assets of such guarantor securing the related obligations over claims of holders of the New Notes (other than to the extent of the Collateral securing the New Notes)

- (d) The New Notes and the New Notes Guarantees provided by the New Notes Subsidiary Guarantors will constitute unsubordinated obligations and will rank *pari passu* in right of payment with all other existing and future unsubordinated indebtedness and senior in right of payment to all subordinated indebtedness, if any, of the Company and the New Notes Subsidiary Guarantors, as applicable. The New Notes and each New Notes Guarantee will be issued as a general obligation of the relevant company. However, the New Notes and the New Notes Guarantees will be effectively subordinated to any of the Company's or the New Notes Subsidiary Guarantors' secured obligations to the extent of the assets serving as security for such secured obligations (other than to the extent of the Collateral securing the New Notes). In bankruptcy, the holder of a security interest with respect to any assets of the Company or the New Notes Subsidiary Guarantors (other than to the extent of the Collateral securing the New Notes) would be entitled to have the proceeds of such assets applied to the payment of such holder's claim before the remaining proceeds, if any, are applied to the claims of the holders of the New Notes. The Company or the New Notes Subsidiary Guarantors may pledge additional collateral in the future.

The holders of the New Notes may not be able to recover the full amounts owed to them under the New Notes by enforcing the Collateral.

- (e) The New Notes and the SSRCF are both secured by the Collateral. Under the Intercreditor Agreement, any amount received from enforcing the Collateral will be first applied to repay Super Senior Debts under the Intercreditor Agreement which includes the SSRCF. Therefore, if the recoveries from the enforcement of the Collateral are insufficient to repay all Super Senior Debt and the New Notes, the holders of the New Notes will not receive full repayment of the New Notes.
- (f) The value which can be realised from enforcing the Collateral and used towards repayment of the New Notes may be adversely affected by the following factors:

- (i) liens may be created over the Collateral after the issuance of the New Notes in accordance with the terms of the New Notes Indenture and the SSRCF Agreement;
 - (ii) there may be future indebtedness and other obligations of the Company on a superior or *pari passu* basis which are also secured by the Collateral pursuant to the terms of the New Notes Indenture and the Security Documents;
 - (iii) the procedure of enforcing Collateral in the form of real property is subject to the law of the jurisdiction where such real property is located and such procedure can be complicated there may be practical difficulties in the enforcement;
 - (iv) the value of the Collateral in the form of real property may be adversely affected by potential liabilities in connection with such real property such as liabilities under environmental laws;
 - (v) the Collateral constitutes substantially all of the assets of the Company and the New Notes Subsidiary Guarantors, the value of which, upon enforcement, will depend on market and economic conditions, the availability of buyers and similar factors; and
 - (vi) the Collateral are secured by insurance policy according to the terms of the SSRCF Agreement. However, some losses may not be insurable in whole or in part, such as losses resulting from terrorist acts and there is no guarantee that the insurance proceeds will fully compensate the losses incurred to the Collateral.
- (g) The Collateral can be released without the consent of the holders of the New Notes under certain circumstances, including release of certain Collateral for the purpose of enabling the sale, transfer or other disposal of such Collateral in a transaction not prohibited under the New Notes Indenture and the SSRCF Agreement, release of certain Collateral held by a New Notes Subsidiary Guarantor upon its release from the New Notes Guarantee and release of any Collateral pursuant to the terms of the Security Documents.
- (h) Certain assets are excluded from the Collateral, such as assets held by subsidiaries which are not New Notes Subsidiary Guarantors and joint ventures and certain real properties. The value of such excluded assets is significant and in certain circumstances may be pledged to other lenders.
- (i) The right of the Security Agent to repossess and dispose of the Collateral following the occurrence of any event of default under the New Notes Indenture is likely to be significantly impaired by the applicable bankruptcy law if a bankruptcy case has been commenced against the Company before the Security Agent repossessed and disposed of the Collateral.
- (j) The enforcement of the Collateral is subject to the enforcement procedures and perfection requirements under the law in the jurisdiction where the New Notes Subsidiary Guarantors are incorporated and/or where the Collateral is located. It follows that upon enforcement of the Collateral, proceedings need to be initiated in various jurisdictions which may bring onerous and complex practical issues. In addition, the ability of the Security Agent to enforce the Collateral also depends on whether the Security Interests have been perfected in accordance with the requirements under the applicable laws of the relevant jurisdictions where the New Notes Subsidiary Guarantors are incorporated and/or where the Collateral is located.

The Group has substantial indebtedness and may incur substantial additional indebtedness in the future, which could adversely affect the financial health of Pearl II and

the Company and the Company's ability to generate sufficient cash to satisfy its outstanding and future debt obligations.

- (k) The Group now has incurred, and will continue to incur after the Restructuring, a substantial amount of indebtedness. The Group's substantial indebtedness could have important consequences to a holder of the New Notes. For example, it could:
 - (i) limit the Company's ability to satisfy its obligations under the New Notes and other debt;
 - (ii) increase its vulnerability to adverse general economic and industry conditions;
 - (iii) require it to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and for other general corporate purposes;
 - (iv) limit its flexibility in planning for or reacting to changes in its businesses and the industry in which it operates;
 - (v) limit, along with the financial and other restrictive covenants of its indebtedness, its ability to borrow additional funds; and
 - (vi) increase the cost of additional financing.
- (l) The Group may from time to time incur additional indebtedness and contingent liabilities. Although the New Notes Indenture restricts the Company and the Restricted Subsidiaries (as defined in the New Notes Indenture) from incurring additional debt and contingent liabilities, these restrictions are subject to important exceptions and qualifications. If the Group incurs additional debt, the risks that it faces as a result of its existing indebtedness and leverage could intensify.
- (m) The Group's ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond the Group's control. If the Group is unable to service its indebtedness, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all, including due to restrictions placed upon the Company and its Restricted Subsidiaries in the New Notes Indenture and the SSRCF Agreement.
- (n) In addition, the New Notes Indenture and the SSRCF Agreement prohibit the Company and the Restricted Subsidiaries from incurring additional indebtedness unless they are able to meet certain applicable restrictions. Their ability to meet such applicable restrictions may be affected by events beyond their control. Such restrictions in the New Notes, the Senior Secured Revolving Credit Facilities and the other financing arrangements may impair the Group's ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, obtain future financing, fund required capital expenditures or withstand a continuing or future downturn in its business. Any of these factors could materially and adversely affect the Company's ability to satisfy its obligations under the New Notes and other debt.

Servicing the Group's indebtedness will require a significant amount of cash and its ability to generate cash depends on many factors beyond its control.

- (o) The Group's ability to make payments on and to refinance its indebtedness, including these New Notes, and to fund planned capital expenditures and project

development will depend on its ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control.

- (p) The Group's business might not generate cash flow from operations in an amount sufficient to enable it to pay its indebtedness, including the New Notes, or to fund its other liquidity needs. The Group may need to refinance all or a portion of its indebtedness (some of which matures prior to the New Notes), including the New Notes, on or before maturity. The Group might not be able to refinance any of its indebtedness on commercially reasonable terms or at all.
- (q) If the Company or a Restricted Subsidiary is unable to comply with the terms of the New Notes Indenture or any of their existing or future debt agreements, there could be a default under those agreements, which could cause repayment of such debt or the New Notes to be accelerated.
- (r) If the Company or a Restricted Subsidiary is unable to comply with the terms in the New Notes Indenture or its existing or future debt obligations and other agreements, there could be a default under those agreements. If that occurs, the holders of the debt could accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the New Notes Indenture contains, and the Group's future debt agreements are likely to contain, cross-acceleration and cross-default provisions. As a result, the default of the Company or any of the Restricted Subsidiaries under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the New Notes, or result in a default under the Group's other debt agreements, including the New Notes Indenture. If any of these events occur, the Group's assets and cash flow might not be sufficient to repay in full all of its indebtedness that has been accelerated and it might not be able to find alternative financing to repay such indebtedness on commercially reasonable terms or at all.

The Group's operations are restricted by the terms of the New Notes, which could limit its ability to plan for or to react to market conditions or meet its capital needs, which could increase the credit risk of a holder of the New Notes.

- (s) The New Notes Indenture includes a number of significant restrictive covenants. These covenants restrict, among other things, the Company's ability and/or the ability of the Restricted Subsidiaries, to:
 - (i) incur or guarantee additional indebtedness, including, with respect to the New Notes Subsidiary Guarantors, layering of debt;
 - (ii) make investments, make capital expenditures, use cash generated from operations or make other specified restricted payments;
 - (iii) declare dividends on capital stock or purchase or redeem capital stock;
 - (iv) issue or sell capital stock of Restricted Subsidiaries;
 - (v) guarantee indebtedness of members of the Group;
 - (vi) prepay or redeem subordinated debt or equity;
 - (vii) sell, lease or transfer assets;
 - (viii) create liens;
 - (ix) enter into sale and leaseback transactions;
 - (x) engage in any business other than permitted business;

- (xi) enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
 - (xii) enter into transactions with shareholders or affiliates; and
 - (xiii) effect a consolidation or merger.
- (t) These covenants could limit the Group's ability to plan for or react to market conditions or to meet its capital needs. The Group's ability to comply with these covenants may be affected by events beyond its control, and it may have to curtail some of its operations and growth plans to maintain compliance.

The Company may be able to redeem all or any part of the New Notes prior to maturity.

- (a) The Company may be able to redeem all or any part of the New Notes at its option on a date prior to the maturity date. The optional redemption feature of the New Notes may limit the market value of such New Notes. During any period when the Company may elect to redeem the New Notes, the market value of the New Notes may not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.
- (b) The Company may also be expected to redeem the New Notes with optional redemption feature when its cost of borrowing is lower than the interest rate on the New Notes. At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the New Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Company may not be able to repurchase the New Notes upon a change of control.

- (u) Upon the occurrence of certain events relating to a "Change of Control" (as defined in the New Notes Indenture), each holder of the Notes will, subject to terms of the New Notes Indenture (including those applicable to a Partial Sale scenario), have the right to require the Company to repurchase all or any portion of its New Notes at a purchase price equal to 103%, 102%, 101% or 100% of the outstanding principal amount (depending on the applicable purchase date) plus any accrued and unpaid interest and additional amounts, if any, to (but not including) the Change of Control Payment Date (as defined in the New Notes Indenture). The source of funds for any such purchase would be the Company' available cash or third-party financing. However, the Company may not have enough available funds at the time of the occurrence of such Change of Control to make purchases of outstanding New Notes. The Company' failure to make the offer to purchase or purchase the outstanding New Notes would constitute an Event of Default (as defined in the New Notes Indenture) under the New Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Company' other debt were to be accelerated, the Company may not have sufficient funds to purchase the New Notes and repay such debt.
- (v) In addition, the definition of Change of Control for purposes of the New Notes Indenture does not necessarily afford protection for the holders of the New Notes in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase the Group's indebtedness or otherwise affect its capital structure. The definition of change of control for purposes of the New Notes Indenture also includes a phrase relating to the sale, lease or transfer of "all or substantially all" of the properties or assets of the Company and its subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition under applicable law. Accordingly, the Company' obligation to make an offer to purchase the New

Notes and the ability of a holder of the New Notes to require the Company to purchase its New Notes pursuant to the offer as a result of a highly-leveraged transaction or a sale of less than all of the Company and the Restricted Subsidiaries' assets may be uncertain.

The liquidity and price of the New Notes following the Restructuring may be volatile.

- (w) The price and trading volume of the New Notes may be highly volatile. Factors such as variations in the Group's revenues, earnings and cash flows and proposals for new investments, strategic alliances and acquisitions, interest rates, the general state of the securities market and fluctuations in price for comparable companies could cause the price of the New Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the New Notes. There is no assurance that that these developments will not occur in the future.

A trading market for the New Notes may not develop, and there are restrictions on the resale of some of the New Notes.

- (x) The New Notes are a new issue of securities for which there is currently no trading market. While the New Notes are expected to be listed on the SGX-ST, there is no assurance that the Company will be able to obtain or maintain a listing on the SGX-ST or other stock exchange and, even if listed, a liquid trading market might not develop. If no active trading market develops, a holder of the New Notes may not be able to resell its New Notes at their fair market value or at all. Future trading prices of the New Notes will depend on many factors, including prevailing interest rates, the Group's operating results and the market for similar securities, which may be beyond the Group's control. In addition, the New Notes are being offered pursuant to exemptions from registration under the US Securities Act and, as a result, a holder of the New Notes will only be able to resell its New Notes in transactions that have been registered under the US Securities Act (except with respect to the New Notes distributed to the Scheme Creditors) or in transactions not subject to or exempt from registration under the US Securities Act. It cannot be predicted whether an active trading market for the New Notes will develop or be sustained. If an active trading market for the New Notes does not develop or is not sustained, the market price and liquidity of the New Notes may be adversely affected.

The transfer of the New Notes may be restricted, which may adversely affect their liquidity and the price at which they may be sold.

- (y) The New Notes have not been registered under, and the Company is not obligated to register the New Notes under the US Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act or the SFA and any other applicable laws. See "Important Securities Law Notices". The Group has not agreed to or otherwise undertaken to register the New Notes with the SEC or the Monetary Authority of Singapore or the securities regulatory authority of any other jurisdiction, and the Group has no intention of doing so.

The New Notes will initially be held in book-entry form, and therefore a holder of the New Notes must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

- (z) The New Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in one or more global notes representing the New Notes will trade in book-entry form only, and New Notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the New Notes for purposes of the New Notes Indenture. The

nominee for the Common Depositary (as defined in the New Notes Indenture) will be the sole registered holder of the global notes representing the New Notes. Accordingly, a holder of the New Notes must rely on the procedures of Euroclear or Clearstream, and if the holder is not a participant in Euroclear or Clearstream, on the procedures of the participant through which it owns its interest to exercise any rights and obligations of a holder of the New Notes under the New Notes Indenture. Upon the occurrence of an event of default under the New Notes Indenture, unless and until definitive registered New Notes are issued with respect to all book-entry interests, if a holder of the New Notes owns a book-entry interest, it will be restricted to acting through Euroclear or Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the New Notes.

The Company will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to debt securities

- (aa) The Company will be subject to reporting obligations in respect of the New Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries such as the United States or Hong Kong. As a result, the level of information that is available may not correspond to what investors in the New Notes are accustomed to.

Disclosure standards that apply to the Group may differ from those in the United States or other jurisdictions.

- (bb) The Group's consolidated financial information is prepared in accordance with IFRS, which differs in certain respects from U.S. GAAP. As a result, the Group's consolidated financial information and reported earnings could be significantly different if they were prepared in accordance with U.S. GAAP. No attempt has been made to quantify the impact of those differences. This Explanatory Statement does not contain reconciliation of the Group's consolidated financial information to U.S. GAAP, and there is no assurance that such reconciliation would not reveal material differences. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and U.S. GAAP, and how these differences might affect the financial information herein.

An investment in the New Notes is subject to exchange rate risks, and exchange controls may result in a Holder receiving less interest or principal than expected.

- (cc) The Company will pay principal and interest on the New Notes in US dollars. This presents certain risks relating to currency conversions if a holder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than US dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the US dollar would decrease (i) the Investor's Currency equivalent yield on the New Notes; (ii) the Investor's Currency equivalent value of the principal payable on the New Notes; and (iii) the Investor's Currency equivalent market value of the New Notes. Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a holder of the New Notes may receive less interest or principal than expected, or no interest or principal.

1.2 Risks Relating to the New Perpetual Notes

The New Perpetual Notes are perpetual securities and holders have no right to require redemption.

- (a) The New Perpetual Notes are perpetual and have no maturity date. Pearl II, as the issuer of the New Perpetual Notes, is under no obligation to redeem or repurchase the New Perpetual Notes at any time (including in an event of default), and the New Perpetual Notes can only be disposed of by sale. Holders of the New Perpetual Notes who wish to sell their New Perpetual Notes may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the New Perpetual Notes. Therefore, holders of the New Perpetual Notes should be aware that they may be required to bear the financial risks of an investment in the New Perpetual Notes for an indefinite period of time.

The New Perpetual Notes are unsecured quasi-equity instruments convertible into equity in Pearl II

- (b) Because the New Perpetual Notes are unsecured quasi-equity instruments that may be converted into equity in Pearl II, the payments on the New Perpetual Notes may be compromised if, amongst other things:
 - (i) Pearl II or the Company enters into bankruptcy, liquidation, reorganization or other winding-up proceedings; or
 - (ii) there is an acceleration or a default in payment under the indebtedness (whether secured or unsecured) of Pearl II or the Company.

Holders of the New Perpetual Notes may not receive distribution payments if Pearl II elects to defer a distribution payment.

- (c) Pearl II may, at its sole discretion, elect to defer any scheduled payment of Distribution (as defined in the New Perpetual Notes Indenture) (including any Arrears of Distribution and any Additional Distribution Amount (each as defined in the New Perpetual Notes Indenture)) on the New Perpetual Notes for any period of time. Pearl II is not subject to any limits as to the number of times Distribution (including any Arrears of Distribution and any Additional Distribution Amount) can or must be deferred, subject to Section 2.05 (*Distribution Deferral*) of the New Perpetual Notes Indenture. Although Arrears of Distribution are cumulative following a deferral, subject to the New Perpetual Notes Indenture, Pearl II may defer their payment for an indefinite period of time. Such holders may therefore not receive any cash distribution payments.
- (d) Any such deferral of Distribution payments will not constitute a default for any purpose.
- (e) Any deferral of Distribution payments will likely have an adverse effect on the market price of the New Perpetual Notes. In addition, as a result of the distribution deferral provision of the New Perpetual Notes, the market price of the New Perpetual Notes may be more volatile than the market prices of other debt securities on which there was an original issue discount or in respect of which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Group's business and/or financial condition.

The New Perpetual Notes may be redeemed at Pearl II's option at any time on the occurrence of certain other events.

- (f) The New Perpetual Notes Indenture provides that the New Perpetual Notes are redeemable at Pearl II's option, in whole or in part, at any time at the Redemption Amount (as defined in the New Perpetual Notes Indenture).
- (g) Pearl II may elect not to redeem the New Perpetual Notes at all, in which case Pearl II will never be obliged to repay the principal amount of the New Perpetual Notes to the holders.

- (h) If Pearl II does elect to redeem the New Perpetual Notes, the date on which Pearl II elects to do so may not accord with the preference of individual holders of the New Perpetual Notes. This may be disadvantageous to holders in light of market conditions or the individual circumstances of such holders. A holder's ability to realise value at a certain time may be limited to selling the New Perpetual Notes into the secondary market. In addition, a holder of New Perpetual Notes may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the New Perpetual Notes.

There are limited remedies for default under the New Perpetual Notes

- (i) Any scheduled Distribution payment will not be due if Pearl II elects not to pay that Distribution pursuant to the New Perpetual Notes Indenture. The right to institute a Winding-Up (as defined in the New Perpetual Notes Indenture) in respect of Pearl II is limited to circumstances where payment has become due and Pearl II fails to make the payment when due. The only remedy against Pearl II available to any Noteholder for recovery of amounts in respect of the New Perpetual Notes, after any sum becomes due in respect of the New Perpetual Notes and following the occurrence of a payment default, will be to institute proceedings for the Winding-Up of Pearl II and/or prove in the Winding-Up of Pearl II for such payment.
- (j) In addition, an Event of Default under the New Perpetual Notes Indentures does not include a payment default under the New Perpetual Notes.
- (k) The only remedy that Noteholders will have upon the occurrence of an Event of Default under the New Perpetual Notes (if it remains uncured within the prescribed period) is the issuance of a fixed amount of additional NPN Conversion Stock to the New Perpetual Notes Trustee on the Conversion Date (each as defined in the New Perpetual Notes Indenture).

The New Perpetual Notes are complex financial instruments.

- (l) The New Perpetual Notes are complex financial instruments and may be held in a portfolio as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to overall portfolios. A potential investor should not invest in the New Perpetual Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the New Perpetual Notes will perform under changing conditions, the resulting effects on the value of such New Perpetual Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor in the New Perpetual Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:
 - (i) have sufficient knowledge and experience to make a meaningful evaluation of the New Perpetual Notes, the merits and risks of investing in the New Perpetual Notes and the information contained in this Explanatory Statement or any applicable supplement;
 - (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the New Perpetual Notes and the impact such investment will have on its overall investment portfolio;
 - (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Perpetual Notes;
 - (iv) understand thoroughly the terms of the New Perpetual Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.
- (m) The price and trading volume of the New Perpetual Notes may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the New Perpetual Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the New Perpetual Notes will trade. There can be no assurance that these developments will not occur in the future.
- (n) Furthermore, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the New Perpetual Notes are legal investments for it, (ii) the New Perpetual Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any New Perpetual Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the New Perpetual Notes under any applicable risk-based capital or similar rules.

A trading market for the New Perpetual Notes may not develop, and there are restrictions on resales of the New Perpetual Notes.

- (o) The New Perpetual Notes are a new issue of securities for which there is currently no trading market, and the New Perpetual Notes are not expected to be listed on the SGX-ST or any other stock exchange. Hence, the New Perpetual Notes may not be liquid and an active trading market may not develop. In the context of private sales, the New Perpetual Notes could be sold at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Company's operations and the market for similar securities. In addition, the New Perpetual Notes are being offered pursuant to exemptions from registration under the US Securities Act and, as a result, the holders of the New Perpetual Notes will only be able to resell the New Perpetual Notes in transactions that have been registered under the US Securities Act (except with respect to the New Perpetual Notes distributed to the Scheme Creditors) or in transactions not subject to or exempt from registration under the US Securities Act. It cannot be predicted whether an active trading market for the New Perpetual Notes will develop or be sustained.

The New Perpetual Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

- (p) The New Perpetual Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in one or more global certificates initially representing the New Perpetual Notes will trade in book-entry form only, and New Perpetual Notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of New Perpetual Notes for the purposes of the New Perpetual Notes Indenture. Payments of principal, distribution and other amounts (if any) owing on or in respect of the global certificates representing the New Perpetual Notes will be made to the paying agent which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the global certificates representing the New Perpetual Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, the Company will have no responsibility or liability for the payment of

principal, distribution or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of New Perpetual Notes under the New Perpetual Notes Indenture. Unlike the holders of the New Perpetual Notes themselves, owners of book-entry interests will not have the direct right to act upon the Company's solicitations for consents, requests for waivers or other actions from holders of the New Perpetual Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

- (q) Similarly, upon the occurrence of a payment default under the New Perpetual Notes Indenture, unless and until definitive registered New Perpetual Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the New Perpetual Notes.

Distribution on NPN Conversion Stock highly uncertain and dependent on equity value of Pearl II on exit

- (r) If Pearl II, at its sole discretion, elects to defer all scheduled Distribution payment and to never redeem the New Perpetual Notes, then holders of the New Perpetual Notes might only be able to derive value (if any) on their New Perpetual Notes if a Full Exit Transaction occurs. Upon completion of a Full Exit Transaction, the New Perpetual Notes will be mandatorily converted into the NPN Conversion Stock (comprising Class B Shares and Ordinary Shares in Pearl II) and Pearl II will become obliged to apply the net cash proceeds of the Exit Transaction(s) in accordance with the Distribution Waterfall (which will include distributions to the New Perpetual Notes Trustee as the holder of NPN Conversion Stock). However, there can be no assurance as to whether or when a Full Exit Transaction will occur, and there are great uncertainties around the distributable value that may be available to Pearl II for payments to its equity holders (including the Trustee as the holder of the NPN Conversion Stock) in accordance with the Distribution Waterfall. Since payments in respect of the NPN Conversion Stock rank behind the redemption of the Class A Shares in the Distribution Waterfall, and because there is another holder of Class B Shares and Ordinary Shares who will share in the distribution, there can be no assurance that the net cash proceeds of the Exit Transaction(s) will be sufficient to enable a meaningful payment (or any payment) in respect of the NPN Conversion Stock.

The NPN Conversion Stock will be held by New Perpetual Notes Trustee; and holders will have limited rights as beneficiaries of the Post-Conversion Trust

- (a) Following mandatory conversion of the New Perpetual Notes, the NPN Conversion Stock will be issued to, and held by, the New Perpetual Notes Trustee, rather than individual holders of the New Perpetual Notes. The New Perpetual Notes Trustee will hold the NPN Conversion Stock (and all distributions received from Pearl II in respect of the NPN Conversion Stock) on trust for persons who previously held book-entry interests in the New Perpetual Notes. Such persons will be beneficiaries of the Post-Conversion Trust (as defined in the New Perpetual Notes Indenture).
- (b) Beneficiaries of the Post-Conversion Trust are not shareholders of Pearl II and will have limited rights and recourse against Pearl II. Moreover, the New Perpetual Notes Trustee (as trustee for the Post-Conversion Trust) will not exercise any voting rights attached to the NPN Conversion Stock.

- (c) Beneficial interests in the Post-Conversion Trust will not be held within or through Euroclear and Clearstream. Hence, such beneficial interests may not be liquid and an active trading market may not develop.

An investment in the New Perpetual Notes is subject to exchange rate risks, and exchange controls may result in a Holder receiving less payment than expected.

- (d) Pearl II will pay all amounts payable on or in respect of the New Perpetual Notes and the NPN Conversion Stock in US dollars. This presents certain risks relating to currency conversions if a holder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than US dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the US dollar would decrease (i) Investor's Currency equivalent value of the amounts payable on or in respect of the New Perpetual Notes; and (ii) the Investor's Currency equivalent market value of the New Perpetual Notes. Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, to the extent that any payment is made by Pearl II on or in respect of the New Perpetual Notes and the NPN Conversion Stock, a holder of the New Perpetual Notes (and, following conversion, beneficiary of the Post-Conversion Trust) may receive less distribution or payment than expected, or no distribution or payment at all.

Decisions that may be made on behalf of all holders of New Perpetual Notes may be adverse to the interests of individual holders.

- (e) The Conditions contain provisions for calling meetings of holders of New Perpetual Notes (and, following conversion, beneficiaries of the Post-Conversion Trust) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all such holders/beneficiaries including holders/beneficiaries who did not attend and vote at the relevant meeting and holder/beneficiaries who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders/beneficiaries may be adverse to the interests of individual holders/beneficiaries.

2. TAXATION

2.1 Overview

The Company has not analysed, and this Explanatory Statement does not discuss, the tax consequences to any Scheme Creditor of the Restructuring. Such tax consequences may be complex and each Scheme Creditor is urged to consult its own tax adviser with respect to the tax consequences of the Restructuring in light of such person's particular circumstances, including the tax consequences in any jurisdiction of the exchange of interests in the Existing Notes for any Scheme Consideration, and the receipt, ownership and disposition of such Scheme Consideration. Scheme Creditors are liable for any taxes that may arise as a result of the Scheme and the Restructuring, and shall have no recourse to the Company, Pearl II, the Existing Notes Subsidiary Guarantors, the New Notes Subsidiary Guarantors, the New Notes Trustee, the Information Agent or any other person in respect of such taxes or any filing obligation with respect thereto.

Appendix 1

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this Explanatory Statement:

“2020 Annual Report”	means the Company's audited consolidated financial statements for the twelve months ending 31 December 2020).
“Accession Code”	means the unique code provided by the Information Agent to a Consenting Creditor following its valid execution of, or its accession to, the RSA.
“Accession Deed”	means a letter substantially in the Agreed Form set out in Schedule 4 (<i>Accession Deed</i>) to the RSA.
“Account Holder”	means persons who are direct participants in the Clearing Systems with their interests in the Existing Notes being recorded directly in the books or other records maintained by the Clearing Systems.
“Account Holder Letter”	means the form of account holder letter set out in Appendix 8 (<i>Solicitation Packet</i>) of this Explanatory Statement.
“Ad Hoc Committee”	means the holders of the Existing Notes which have formed an ad hoc committee (that is advised and represented by the AHC Advisers) each in their capacity as members of such ad hoc committee.
“Adjudication”	means the procedure for the resolution of Disputed Scheme Claims as set out in clause 27 of the Scheme.
“Adjudicator”	means the person (and any suitably qualified replacement) appointed by the Company, in accordance with and subject to the requirements in clause 26 of the Scheme, to act as an adjudicator in respect of any Disputed Scheme Claim in accordance with the process for an Adjudication
“Additional Consenting Creditor”	means a Noteholder who has agreed to be bound by the terms of the RSA as a Consenting Creditor in accordance with clause 10 (<i>Accession</i>) of the RSA.
“Additional Guarantor”	means Fischer Tech (Thailand) Co., Ltd.
“AHC Advisers”	means (i) Milbank LLP; (ii) Rothschild & Co Hong Kong Limited; and (iii) Walkers (Singapore) Limited Liability Partnership.
“Affiliates”	means, with respect to a person, any other person who, directly or indirectly, is in control of, or is controlled by, or is under common control with, such person and, for the purposes of this definition, “control” shall mean the power, direct or indirect, to (a) vote on more than 50 percent of the securities having ordinary voting power for the election of directors of such person, or (b) direct or

	cause the direction of the management and policies of such person whether by contract or otherwise.
“Affiliate Transaction”	(i) for the purposes of the New Notes, has the meaning given to it in sub-section 18 (<i>Transactions with Affiliate</i>) in section 6.5 (<i>Terms of the New Notes</i>) of this Explanatory Statement; and (ii) for the purposes of the New Perpetual Notes, has the meaning given to it in sub-section 15 (<i>Certain Covenants</i>) in section 6.6 (<i>Terms of the New Perpetual Notes</i>) of this Explanatory Statement.
“Allowed Proceeding”	means any Proceeding by a Scheme Creditor to enforce its rights under the Scheme and/or to compel the Company or any other Person or entity to comply with its obligations under the Scheme and any Proceeding by a Scheme Creditor pursuant to or in connection with any Excluded Liability.
“Agreed Form”	means in a form reasonably agreed between: (a) the Company (or the Company Advisers); and (b) the Ad Hoc Committee (or the AHC Advisers).
“Ancillary Claim”	means any Claim of a Scheme Creditor in respect of a Liability of any Ancillary Released Party, arising directly or indirectly from, pursuant to, under or in connection with the Existing Notes Documents (including any guarantee and security therein), but, excluding any Excluded Liabilities.
“Ancillary Released Party”	means any Group Company (other than the Company and the Existing Notes Subsidiary Guarantors) and the shareholders, officers, directors, advisers, representatives and office-holders of each Group Company (including the Company and the Existing Notes Subsidiary Guarantors).
“Applicant”	has the meaning given to it in Section 7.29(c) of this Explanatory Statement.
“Bar Date”	means a time to be specified on the date falling 5 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date), as notified by the Company pursuant to the provisions of the Scheme, being the last date for submission of a duly completed Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable).
“Beneficial Owner”	means, with respect to any Existing Notes, a person who holds the ultimate beneficial economic interest as principal in the Existing Notes held in global form through the Existing Notes Depositary as at the relevant time.
“Blocking Instructions Deadline”	means 11 a.m. New York time on 23 September 2021, the equivalent being 10 a.m. Cayman Islands time on 23 September 2021 and 11 p.m. Hong Kong/ Singapore time on 23 September 2021 (or, if earlier, the relevant deadline imposed by the Clearing Systems).

“Board”	means the Board of Directors of the Company.
“Business Day”	means any day (other than a Saturday or a Sunday) on which banks are open for business generally in all of New York, Hong Kong, Singapore and the Cayman Islands.
“Cash Payment”	means an upfront cash payment of US\$23,250,000.
“Cayman Court”	means the Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom.
“Cayman Court Order”	means the sealed copy of the order of the Cayman Court sanctioning the Scheme.
“Cayman Islands”	means the Cayman Islands.
“Cayman Registrar of Companies”	means the Registrar of Companies (including any deputy registrar and/or assistant registrar or similar) appointed under the Companies Act in the Cayman Islands.
“Chairperson”	means the chairperson of the Scheme Meeting being Howard Lam of Latham & Watkins LLP, or failing him, a suitable alternative nominated by the Company who must be a professional from either Latham & Watkins LLP or Houlihan Lokey.
“Change of Control”	<p>means, subject to certain qualifications and exceptions as agreed with the AHC Advisers, the occurrence of any of the following:</p> <ul style="list-style-type: none"> (1) any sale or transfer by Platinum Equity of any shares in the Company, whether held directly or indirectly by Platinum Equity; (2) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to any person; or (3) the approval of any plan for the winding up or liquidation of the Company.
“Change of Control Offer”	means the right of each holder of the New Notes to require the Company to repurchase some or all of such holder’s New Notes, upon the occurrence of a Change of Control, subject to, and in accordance with, the terms of the New Notes Indenture.
“Claim”	means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, contribution, indemnification, damages, judgments, executions, demands or rights whatsoever or howsoever arising, whether past, present, future or prospective, fixed or contingent, known or unknown, direct or indirect, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation or any failure to

	perform any obligation or any omission, whether arising at common law, in equity or by statute in or under the laws of the Cayman Islands, Hong Kong, New York, the PRC, Singapore or Thailand or under any other law or in any other jurisdiction howsoever arising and “Claims” shall be construed accordingly.
“Class A Shares”	fully paid and non-voting shares of Class A preferred stock in Pearl II.
“Class B Shares”	fully paid and non-voting Class B preferred stock in Pearl II.
“Clearing Systems”	means DTC, Euroclear and Clearstream.
“Clearstream”	means Clearstream Banking S.A.
“CoC Offer Amount”	means the aggregate amount of cash proceeds and cash equivalents received by Platinum Equity, whether directly or indirectly, in respect of the Partial Sale, net of (i) costs relating to the Partial Sale and the disposition of any non-cash consideration, (ii) taxes paid or payable as a result of the Partial Sale, (iii) amounts applied to the repayment of principal, premium (if any) and interest on indebtedness that is secured by the shares that are the subject of such Partial Sale and which amounts are, by virtue of such security or otherwise, required (other than pursuant to this Change of Control Offer provision) to be paid or repaid as a result of the Partial Sale; and (iv) any deduction of appropriate amounts that are reserved and retained against any liabilities associated with the shares disposed of in such Partial Sale and retained after such transaction (such amounts and timeline for retention and release to be clearly set out and evidenced to Noteholders at the time of the Change of Control Offer), provided always that upon release of such retained amounts from reserve, Platinum Equity shall procure that the Company will commence a further Change of Control Offer at the premium applicable to the original Change of Control transaction to which such reserved amounts were retained. Platinum Equity shall not distribute such retained amounts to its investors or any other person.
“Collateral”	means the assets from time to time subject, or expressed to be subject, to the Security Interests under the Security Documents.
“Companies Act”	means the Companies Act (2021 Revision) of the Cayman Islands.
“Company”	means Pearl Holding III Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands with company number 297460 with its registered office address situated at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands, acting by the Company’s board of directors.

“Company Advisers”	means (i) Latham & Watkins LLP; (ii) Houlihan Lokey; (iii) Harneys; (iv) Oon & Bazul LLP.
“Consent Fee”	means a consent fee in the aggregate amount of US\$1,750,000 (representing 1% of the aggregate outstanding principal amount of the Existing Notes).
“Consent Fee Cut-Off Time”	means 5 p.m. (Hong Kong time) on 16 June 2021.
“Consenting Creditor”	means a Noteholder who is an Initial Consenting Creditor or an Additional Consenting Creditor.
“Consenting Creditors Majority”	means, at any time, those Consenting Creditors who hold or control an aggregate outstanding principal amount of more than fifty percent (50%) of the outstanding principal amount of the Consenting Notes held or controlled in aggregate by all the Consenting Creditors at the time.
“Consenting Notes”	<p>means, at any time, with respect to a Consenting Creditor, the aggregate amount of its Claims against the Company, with respect to:</p> <ul style="list-style-type: none"> (a) the Existing Notes held or controlled by that Consenting Creditor and specified in its Consenting Notes Designation(s); (b) <i>plus</i> any other Existing Notes, including any additional Existing Notes purchased or otherwise acquired by the Consenting Creditor after the date of its initial Consenting Notes Designation or Accession Deed (as applicable), in respect of which a valid Consenting Notes Designation has been delivered to the Company in accordance with the RSA; (c) <i>less</i> the aggregate amount of any Notes sold, transferred, assigned or otherwise disposed of by that Consenting Creditor in accordance with the RSA, <p>which shall include Existing Notes held or controlled by that Consenting Creditor or otherwise acquired by that Consenting Creditor’s broker dealer business unit on its own account, but shall exclude: (i) any Existing Notes held in custody for a third party; and (ii) any other Existing Notes held or controlled by it, including any Existing Notes purchased or otherwise acquired by it after the date of its initial Consenting Notes Designation or Accession Deed (as applicable), in respect of which it does not deliver a Consenting Notes Designation to the Company.</p>
“Consenting Notes Designation”	means a notice substantially in the form scheduled to the RSA.
“Cumulative Dividend”	means, in respect of each Class B Share, the cumulative dividend payable in the US dollar amount calculated based on the formula set out in sub-section 11

(*Distribution on a Full Exit Transaction*) in section 6.6 (*New Perpetual Notes*).

“DBS China”	means DBS Bank (China) Ltd.
“DBS HK”	means DBS Bank (Hong Kong) Limited.
“Deed of Release”	means the New York law governed deed of release to be executed pursuant to the authority conferred by the Scheme in respect of the Scheme Creditors substantially in the Agreed Form set out in Schedule 5 (<i>Form of Deed of Release</i>) of the Scheme subject to any modifications required or approved in accordance with the Scheme.
“Deed of Undertaking”	means a deed of undertaking substantially in the Agreed Form set out in Schedule 2 (<i>Form of Deed of Undertaking</i>) to the Scheme.
“Designated Exchange Date”	means the date of mandatory exchange in respect of the New Perpetual Notes designated by Pearl II (which shall be the date of completion of the Exit Transaction) as notified, by written notice, to the New Perpetual Notes Trustee.
“Designated Recipient”	means any single entity that is designated as such by a Participating Scheme Creditor in accordance with a valid Designated Recipient Form as the recipient of all or some of the Scheme Consideration otherwise to be issued to such Participating Scheme Creditor, subject to limitations in accordance with applicable securities laws and <i>provided</i> that (i) the Designated Recipient shall only be validly designated if it has submitted its Distribution Confirmation; (ii) a Participating Scheme Creditor may designate only one such entity and if such entity is a nominee holder it may only hold on behalf of one beneficial holder; and (iii) the Designated Recipient is not a Disqualified Person or a Prohibited Transferee.
“Designated Recipient Form”	means the form attached to the Account Holder Letter and available on the Scheme Website by which a Participating Scheme Creditor may appoint a Designated Recipient to be the recipient of all of the Scheme Consideration that would otherwise be issued or paid to that Participating Scheme Creditor.
“Directors”	means the directors of the Company from time to time.
“Disputed Scheme Claim”	has the meaning given to it in Section 7.29(c) of this Explanatory Statement.
“Disputed Claim Resolution Deadline”	has the meaning given to it in Section 7.29(c) of this Explanatory Statement.
“Disqualified Person”	means a person who is disqualified from holding, receiving or handling any Scheme Consideration pursuant to any applicable laws or regulations.
“Distribution Agreement”	means the escrow and distribution agreement to be entered into by or before the Scheme Effective Date

	by, amongst other parties, the Company, Pearl II, the Scheme Consideration Trustee and the Information Agent pursuant to which, amongst other things, the Scheme Consideration Trustee will distribute the Surplus Scheme Consideration to the Participating Scheme Creditors during the Holding Period, substantially in the Agreed Form which is made available on the Scheme Website.
“Distribution Confirmation”	means the form attached to the Account Holder Letter and available on the Scheme Website confirming amongst other things that the Scheme Creditor or its Designated Recipient (if any) may lawfully be issued the Scheme Consideration.
“Distribution Waterfall”	means the distribution waterfall according to which Pearl II is to pay the Net Cash Proceeds (received by Pearl II as a result of the Full Exit Transaction and in respect of its equity interest in the Company) and the Escrowed Sale Proceeds, to the shareholders of Pearl II, as set out in sub-section 11 (<i>Distribution on a Full Exit Transaction</i>) in section 6.6 (<i>Terms of the New Perpetual Notes</i>).
“DTC”	means The Depository Trust Company in its capacity as the common depository and one of the clearing systems in respect of the Existing Notes.
“DTC Instruction”	means a written instruction to DTC to mark down the Existing Notes.
“Early Consenting Creditor”	means a Noteholders who becomes a Consenting Creditors under the RSA before the Consent Fee Cut-off Time.
“Eligible Consenting Creditors”	means the Scheme Creditors who are eligible to receive a portion of the Consent Fee in accordance with the terms of the RSA.
“Escrowed Sale Proceeds”	means all remaining Net Cash Proceeds not used to redeem the Redemption Percentage of Class A Shares, following a Partial Exit Transaction, which shall be retained in an escrow account for the benefit of the holders of the New Perpetual Notes and the Investor.
“Euroclear”	means Euroclear Bank SA/ NV, an operator of the Euroclear clearing system.
“Event of Default”	means an Event of Default (as that term is defined in the New Notes Indenture) and/or an Event of Default (as that terms is defined in the New Perpetual Notes Indenture);.
“Excluded Liabilities”	means (a) all Claims in respect of rights created under the Scheme, any Restructuring Document and/or the Deed of Undertaking or which arise as a result of a failure by the Company, any Existing Notes Subsidiary Guarantor or any other Group Company (and the shareholders, officers, directors, advisers, representatives and office-holders of each Group Company) to comply with any terms of the Scheme, any Restructuring Document and/or the Deed of Undertaking

from and after the Scheme Effective Date, (b) all Claims in respect of any Liability of the Company, any Existing Notes Subsidiary Guarantor or any other Group Company (and the shareholders, officers, directors, advisers, representatives and office-holders of each Group Company) which, in each case, arise as result of gross negligence, fraud, dishonesty or wilful misconduct and (c) all fees, costs and expenses of the AHC Advisers, the Existing Notes Trustee, the Security Agent, Information Agent, the Scheme Consideration Trustee, the Registrar, the New Notes Trustee and the New Perpetual Notes Trustee that are payable in accordance with the terms of the Scheme.

“Existing Notes”

means the US\$175,000,000 9.50% Senior Secured Notes due 11 December 2022 issued by the Company pursuant to the Existing Notes Indenture (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A); Common Code: 173236778 (Reg S) and 173236743 (144A)).

“Existing Notes Depositary”

means DTC, in respect of the Existing Notes.

“Existing Notes Documents”

means the Existing Notes Indenture, the Existing Notes and any other documents entered into by the Company and/or any other person for the purposes of guaranteeing or securing liabilities due under or in respect of the Existing Notes Indenture, including, without limitation, the Security Documents.

“Existing Notes Indenture”

means the indenture dated 11 December 2017 made between the Company (as issuer), the Existing Notes Trustee and the Existing Notes Subsidiary Guarantors in relation to the Existing Notes as amended or varied from time to time.

“Existing Notes Subsidiary Guarantors”

means (i) Ying Shing; (ii) Ying Tat Investment; (iii) PES and (iv) FTI, which are guarantors of Company's obligations in respect of the Existing Notes pursuant to the Existing Notes Indenture.

“Existing Notes Trustee Instruction”

means an instruction to the Existing Notes Trustee substantially in the Agreed Form set out in Schedule 4 (*Form of Existing Notes Trustee Instruction*) of the Scheme.

“Existing Notes Trustee”

means The Bank of New York Mellon solely in its capacity as trustee under the Existing Notes Indenture.

“Exit Transaction”

means each transaction or a series of related transactions resulting in, or with the objective of effecting:

- a) a Change of Control; or
- b) an initial public offering in respect of the Company,

until such time that Platinum Equity has disposed of 100% of its equity interests in the Company.

“FAT”	Fischer Advanced Technology (Suzhou) Co., Ltd.
“Final Distribution Date”	means the date falling 10 Business Days after the Bar Date, as notified by the Company.
“FTI”	means Fischer Tech International Pte Ltd..
“FTS”	Fischer Tech (Suzhou) Co., Ltd.
“FTT”	means Fischer Tech (Thailand) Co., Ltd..
“Full Exit Transaction”	means the Exit Transaction which results in the disposal of all of Platinum Equity’s equity interests in the Company (whether held directly or indirectly).
“Global Notes”	means the global notes evidencing the Existing Notes (Restricted Global Note: CUSIP No. 70477NAA4, Common Code 173236743; Regulation S Global Note: CUSIP No. G44527AA0, Common Code 173236778).
“Group”	means Pearl I, Pearl II, the Company and the Company’s subsidiaries from time to time.
“Group Company”	means any company that is a member of the Group.
“Group Releasing Parties”	has the meaning given to such term in section 7.24(b) (<i>Releases</i>) of this Explanatory Statement.
“Guarantors”	means the New Notes Subsidiary Guarantors.
“Harneys”	means Harney Westwood & Riegels LP
“Holding Period”	means the holding period from the time immediately following the initial distribution of the Scheme Consideration on the Restructuring Effective Date up to and including the Final Distribution Date during which time the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors for distribution in Periodic Distributions in accordance with the terms of the Scheme and the Distribution Agreement.
“Houlihan Lokey”	Houlihan Lokey (Singapore) Private Limited
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“Individual Appointee”	means the individual (who may be replaced from time to time) nominated and appointed by holders of the New Perpetual Notes, under and in accordance with the terms of the New Perpetual Notes Indenture, to be consulted and to receive information in respect of a proposed Exit Transaction.
“Information Agent”	means Morrow Sodali established under the laws of England and Wales (company number 5934575) whose registered office is at Nations House, 9th floor, 103 Wigmore Street, W1U 1QS, London in its capacity as the Company’s information agent.

“Initial Cash Payment”	means the amount of Cash Payment to be paid to the Initial Participating Scheme Creditors on the Restructuring Effective Date in accordance with the process set out at section 7 (<i>Introduction to the Scheme</i>) of this Explanatory Statement.
“Initial Consenting Creditor”	means the Noteholders listed in Schedule 2 (<i>Initial Consenting Creditors</i>) to the RSA and who are named on the signature pages to the RSA as Initial Consenting Creditors and who have executed the RSA.
“Initial Deadline”	means 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman Islands time on 27 September 2021 and 11 p.m. Hong Kong/Singapore time on 27 September 2021.
“Initial Guarantors”	means Ying Shing, Ying Tat, PES and FTI.
“Initial New Notes”	means the number of New Notes to be issued and allotted to the Initial Participating Scheme Creditors on the Restructuring Effective Date in accordance with the process set out at section 7 (<i>Introduction to the Scheme</i>) of this Explanatory Statement.
“Initial New Perpetual Notes”	means the number of New Perpetual Notes to be issued and distributed to the Initial Participating Scheme Creditors on the Restructuring Effective Date in accordance with the process set out at section 7.18 (<i>How will my Scheme Consideration be remitted to me?</i>) of this Explanatory Statement.
“Initial Participating Scheme Creditor”	means a Participating Scheme Creditor in respect of whom a duly completed Account Holder Letter and Distribution Confirmation (and Designated Recipient Form, if applicable) have been submitted to the Information Agent on or before the Initial Deadline.
“Insolvency Proceedings”	means, in respect of any person: <ul style="list-style-type: none"> (a) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, liquidation, provisional liquidation, dissolution, administration, receivership, administrative receivership, judicial composition, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement, or otherwise) of that person; (b) a composition or arrangement with any creditor of that person, or an assignment for the benefit of that person’s creditors generally 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 that person or any of its assets;

- (d) enforcement of any security over any assets of that person; or
- (e) any procedure or step in any jurisdiction analogous to those set out in paragraphs (a) to (d) above.

“Intercreditor Agreement”

means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, restated, modified or supplemented from time to time).

“Intercreditor Supplemental Documents”

means the amendment agreements or deeds, accession deeds or undertakings, facility designations or other designation notices and/or other documents (as applicable) in respect of the Intercreditor Agreement to be entered into or given in the Agreed Form, as are necessary to give effect to: (i) the Restructuring (including, without limitation, to recognise the New Notes as Senior Secured Notes for the purposes of the Intercreditor Agreement); and (ii) the SSRCF Refinancing, including (without limitation) the Designation Notice (substantially in the form at Annex 1 to the Security Confirmation Instructions at Schedule 3 to the Scheme) and the Creditor/Agent Accession Undertaking (substantially in the form at Annex 2 to the Security Confirmation Instructions at Schedule 3 to the Scheme).

“Intermediary”

means a person (other than an Account Holder) who holds an interest in Existing Notes on behalf of another person or other persons.

“Investor”

means Platinum Equity Capital Partners International III (Cayman) L.P and/or one or more of its Affiliates.

“Liability”

means any debt, liability or obligation whatsoever, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation, and whether arising at common law, in equity or by statute in or under the laws of the Cayman Islands, Hong Kong, New York, the PRC, Singapore, Thailand or under any other law or in any other jurisdiction howsoever arising and “Liabilities” shall be construed accordingly.

“Liquidation Analysis”

means the liquidation analysis prepared by AMC as set out in Appendix 5 (*Liquidation Analysis*) to this Explanatory Statement.

“Liquidation Exchange Date”

date of commencement of any liquidation or winding up of the Company.

“Longstop Date”

means 31 October 2021 (or such later date as may be agreed in writing by the Company and the Ad Hoc Committee).

“Majority Noteholders”	holders of no less than 51% of the outstanding principal of the New Perpetual Notes.
“Management”	means the key management personnel of the Group, including the Board.
“MFT”	M-Fischer Tech Sdn Bhd.
“Net Cash Proceeds”	means all proceeds of, or resulting from, an Exit Transaction, when received in cash by Pearl II as the sole shareholder of the Company, net of all fees, expenses and taxes payable by one or more Group Companies in connection with the Exit Transaction, and after repayment in full of the SSRCF, the New Notes and other credit facilities of the operating companies within the Group (as applicable), in accordance with their respective terms and any applicable intercreditor agreement(s).
“New Notes”	means the new senior secured notes to be issued by the Company as part of the Restructuring pursuant to the New Notes Indenture.
“New Investor Shares”	means: <ul style="list-style-type: none"> (a) 1,000,000 fully paid and non-voting shares of class A preferred stock in Pearl II, with a par value of US\$25.0 per share and no dividend preference; and (b) 30,000 fully paid and non-voting shares of class B preferred stock in Pearl II, with a US\$0.01 par value per share and which will carry cumulative dividends in accordance with the terms of New Perpetual Notes and the New Perpetual Notes Indenture.
“New Notes Agency Agreement”	means the agency agreement in relation to the New Notes in the Agreed Form available on the Scheme Website.
“New Notes Depositary”	means Elavon Financial Services DAC as depositary in respect of the New Notes.
“New Notes Guarantees”	means the guarantees provided by the New Notes Subsidiary Guarantors in respect of the New Notes.
“New Notes Indenture”	means the indenture under which the New Notes will be issued in the Agreed Form available on the Scheme Website.
“New Notes Subsidiary Guarantors”	means such persons who will guarantee the Company’s obligations in respect of the New Notes pursuant to the New Notes Indenture, which comprise: (a) as at the Restructuring Effective Date, the Initial Guarantors; and (b) only after its entry into a supplemental indenture with respect to the New Notes Indenture, the Additional Guarantor.

“New Notes Trustee”	means Madison Pacific Trust Limited in its capacity as trustee under and as defined in the New Notes Indenture.
“New Perpetual Notes”	means the perpetual notes to be issued by Pearl II as part of the Restructuring pursuant to the New Perpetual Notes Indenture.
“New Perpetual Notes Agency Agreement”	means the agency agreement in relation to the New Perpetual Notes in the Agreed Form available on the Scheme Website.
“New Perpetual Notes Depositary”	means Elavon Financial Services DAC as depositary in respect of the New Perpetual Notes.
“New Perpetual Notes Indenture”	means the indenture under which the New Perpetual Notes are issued in the Agreed Form available on the Scheme Website.
“New Perpetual Notes Trustee”	means Madison Pacific Trust Limited in its capacity as trustee under and as defined in the New Perpetual Notes Indenture.
“New Security Documents”	means the Security Documents, as amended, modified, supplemented, replaced and/or confirmed by the Security Confirmations.
“Non-Participating Scheme Creditor”	means a Scheme Creditor that has not submitted a duly completed Account Holder Letter, a Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent prior to the Bar Date and is therefore not entitled to receive any Scheme Consideration. For the avoidance of doubt, Part 2 of the Account Holder Letter need not be completed, if the Account Holder Letter is submitted after the date of the Scheme Meeting.
“Noteholders”	means holders of the Existing Notes, from time to time.
“NPN Conversion Stock”	<p>the following shares to be issued, subject to any applicable adjustments provided for by the terms of the New Perpetual Notes Indenture, on a Designated Exchange Date for the Full Exit Transaction (provided that such transaction successfully completes) or on a Liquidation Exchange Date:</p> <ol style="list-style-type: none"> 1. 10,000 Class B Shares, which will represent 25% of all the Class B Shares on issue, have US\$0.01 par value per share and will carry the Cumulative Dividend; and 2. 30,001 Ordinary Shares.
“Ordinary Shares”	fully paid common stock in Pearl II.
“Partial Exit Transaction”	means any Exit Transaction which results in the sale or disposal by Platinum Equity of less than 100% of its equity interests in the Company (whether held directly or indirectly).
“Partial Sale”	a partial sale or transfer by Platinum Equity of shares in the Company (that is, where less than 100% of such

shares, whether held directly or indirectly by Platinum Equity, are being sold or transferred).

“Participating Scheme Creditor”

means a Scheme Creditor that has submitted a duly completed Account Holder Letter and Distribution Confirmation and Designated Recipient Form (as applicable) to the Information Agent on or before the Bar Date (and for the avoidance of doubt, such term includes the Initial Participating Scheme Creditors).

“Pearl I”

means Pearl Holding I Limited, an exempted company incorporated with limited liability in the Cayman Islands with company number 297458 and having its registered office at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, the Cayman Islands.

“Pearl II”

means Pearl Holding II Limited, an exempted company incorporated with limited liability in the Cayman Islands with company number 297459 and having its registered office at the offices of Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, the Cayman Islands.

“Periodic Distribution”

means a distribution by the Scheme Consideration Trustee during the Holding Period of Surplus Scheme Consideration to be made on the Periodic Distribution Dates to those Participating Scheme Creditors or their Designated Recipients, if any, who submit a valid Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent at least 10 Business Days prior to the relevant Periodic Distribution Date (who, for the avoidance of doubt, are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the relevant Surplus Scheme Consideration on a prior Periodic Distribution Date), in each case, in accordance with the terms of the Scheme and the Distribution Agreement. For the avoidance of doubt, the third and final Periodic Distribution will be made on the Final Distribution Date.

“Periodic Distribution Date”

means the dates that are:

- (a) 1 month plus 10 Business Days after the Restructuring Effective Date;
- (b) 3 months plus 10 Business Days after the Restructuring Effective Date; and
- (c) 5 months plus 10 Business Days after the Restructuring Effective Date,

in each case, on which a Periodic Distribution is to be made during the Holding Period in accordance with the terms of the Scheme and the Distribution Agreement, including, for the avoidance of doubt, the

	Final Distribution Date being the third and final Periodic Distribution Date.
“Personnel”	means, in relation to any person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.
“PES”	Pearl Engineered Solutions Pte Ltd., formerly known as Fischer Tech Pte. Ltd.
“Platinum Equity”	Platinum Equity Capital Partners International III (Cayman) L.P. and its Affiliates, including Platinum Equity Advisors, LLC, but excluding any portfolio company of the foregoing.
“PRC”	means the People’s Republic of China.
“Proceedings”	means any process, suit, action, legal or other legal proceeding including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, statutory demand, execution, forfeiture, re-entry, seizure, lien, enforcement of judgment, enforcement of any security or Insolvency Proceedings in any jurisdiction.
“Prospectus Directive”	means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) and includes any relevant implementing measure in each member state.
“Prohibited Transferee”	means a person who is prohibited from being allotted, issued with, holding, receiving or handling any Scheme Consideration pursuant to any laws or regulations that apply to it in any place in which it accepts, holds, receives or handles any of the Scheme Consideration or so prohibited except after compliance with conditions or requirements that the Company acting reasonably and in good faith considers to be disproportionate to the value of the relevant Scheme Consideration.
“Q1 & Q2 2021 Financial Results”	means the Company’s condensed consolidated interim financial information for: (a) the three (3) months ended 31 March 2021; and (b) the three (3) months and six (6) months ended 30 June 2021.
“RCF A”	has the meaning set out in section 5.6(a)(ii) of this Explanatory Statement.
“RCF B”	has the meaning set out in section 5.6(a)(ii) of this Explanatory Statement.
“Recognition Filings”	means an application or a petition (and any related filings) filed or made by the Company with a court seeking the Recognition Orders.
“Recognition Orders”	means any order of a court made on application or petition by the Company, recognising the Scheme as a foreign main proceeding (or, in the alternative, a foreign non-main proceeding), and enforcing and/or giving effect to the terms of the Scheme, in the relevant jurisdiction in which the court is situated, pursuant to the applicable

	laws or legislation of that jurisdiction from time to time, which may include, without limitation, an order or orders of the US Bankruptcy Court pursuant to Chapter 15 of the US Bankruptcy Code.
“Record Time”	means 5 p.m. New York time on 27 September 2021, the equivalent being 4 p.m. Cayman Islands time on 27 September 2021 and 5 a.m. Hong Kong/Singapore time on 28 September 2021.
“Redemption Percentage”	the percentage of Platinum Equity’s equity interest (on a number of shares basis) in the Company (whether held directly or indirectly) that is being sold or disposed of in a Partial Exit Transaction, relative to Platinum Equity’s equity interest (on a number of shares basis) in the Company (whether held directly or indirectly) as at the date of issuance of the New Perpetual Notes.
“Registrar”	means The Bank of New York Mellon in its capacity as registrar under the Existing Notes Indenture.
“Released Beneficiary”	means each person referred to in Clauses 19.1.1 to 19.1.4 of the Scheme, being a beneficiary of the releases given by the Scheme Creditor Releasing Party in Clause 19 of the Scheme.
“Relevant Persons”	has the meaning given to it in section 3 (<i>Important Securities Law Notices</i>) of this Explanatory Statement.
“Remaining Surplus Cash Payment”	means the remaining surplus amount of Cash Payment available after the final Periodic Distribution has been made to Participating Scheme Creditors (if any), plus any interest accrued thereon.
“Remaining Surplus New Notes”	means the remaining surplus amount of the New Notes available after the final Periodic Distribution has been made to Participating Scheme Creditors (if any).
“Remaining Surplus New Perpetual Notes”	means the remaining surplus amount of New Perpetual Notes available after the final Periodic Distribution has been made to Participating Scheme Creditors (if any).
“Remaining Surplus Notes”	means the Remaining Surplus New Notes and the Remaining Surplus New Perpetual Notes.
“Remaining Surplus Notes Coupon”	means any and all interest, coupon or distribution paid by the Company or Pearl II (as applicable) to the Scheme Consideration Trustee in respect of the Remaining Surplus Notes.
“Remaining Surplus Scheme Consideration”	means the Remaining Surplus Cash Payments, the Remaining Surplus New Perpetual Notes and the Remaining Surplus New Notes.
“Restructuring”	means the restructuring of the financial indebtedness of the Company and the Existing Notes Subsidiary Guarantors under the terms of the Existing Notes

Documents as contemplated by the Restructuring Documents and the Scheme.

“Restructuring Conditions”

means:

- (a) the Scheme Effective Date having occurred;
- (b) all necessary consents, approvals or authorisations in connection with the Restructuring having been obtained, including, without limitation, all necessary consents, approvals or authorisations from SGX-ST, the Cayman Court and any and all other relevant governmental bodies;
- (c) the obtaining of approval in principle for the listing and quotation of the New Notes on the Official List of SGX-ST;
- (d) (if the Company acting reasonably and in good faith determines, on or before the Scheme Effective Date and after consultation with the AHC Advisers, that it is necessary or desirable to obtain court orders for the recognition and enforcement of the Scheme in Singapore, New York and/or any other jurisdiction) the Recognition Orders having been granted;
- (e) the Investor having made an equity investment of US\$25,000,000 in the Company (indirectly via Pearl I and/or Pearl II), in exchange for the issuance and allotment of the New Investor Shares;
- (f) all requisite documents and instruments being executed and released by the relevant parties (including DBS Bank Ltd as the lender in respect of the SSRCF) to give effect to the SSRCF Refinancing;
- (g) each of the Restructuring Documents and the Deed of Undertaking having been executed by or on behalf of each of the parties thereto;
- (h) the Restructuring Documents becoming effective subject only to the satisfaction of all other Restructuring Conditions and release of the Restructuring Documents on the Restructuring Effective Date; and
- (i) the Company having paid all fees, costs and expenses of the AHC Advisers, the Existing Notes Trustee, the Security Agent, Information Agent, the Scheme Consideration Trustee, the Registrar, the New Notes Trustee and the New Perpetual Notes Trustee that have been duly invoiced to the Company by no later than 5 Business Days before the Restructuring Effective Date or such later date as may be agreed by the Company with the relevant party or parties, provided that the Restructuring Effective Date shall not be delayed solely by reason of any non-payment of professional fees (in the nature of success fees or otherwise) to the extent the quantum can only be calculated, or will only become due and payable, at a later date, in accordance with the relevant fee letter.

“Restructuring Documents”	means the documents to be entered into by the Company and other parties to implement the Restructuring, including, but not limited to, those documents listed in Schedule 1 (<i>Restructuring Documents</i>) to the Scheme, and for the avoidance of doubt excluding the Deed of Undertaking.
“Restructuring Effective Date”	has the meaning given to such term in section 7.15 (<i>Occurrence of the Restructuring Effective Date</i>) of this Explanatory Statement.
“RMB”	means the lawful currency for the time being of the PRC
“RSA”	means the restructuring support agreement (together with all exhibits, schedules and attachments, including the Term Sheet) dated 26 May 2021 between, among others, the Company, the Existing Notes Subsidiary Guarantors and the Initial Consenting Creditors (as defined therein), as amended or varied from time to time, including by the accession or cessation of parties thereto.
“Scheme”	means the scheme of arrangement between the Company and the Scheme Creditors under section 86 of the Companies Act in its present form or with or subject to any non-material modifications, additions or conditions that the Cayman Court may approve or impose.
“Scheme AHL Portal”	means the world wide web (www) pages linked to the universal resource locator (url): https://portal.morrowsodali.com/pearl .
“Scheme Application”	means, in respect of the Scheme, an application or a petition made or filed by the Company to or with the Cayman Court seeking orders for the convening of a Scheme Meeting and the sanctioning, confirmation and/or approval of the Scheme (and any related filings by the Company, including, without limitation, any application to the Cayman Court seeking moratorium on claims).
“Scheme Claim”	<p>means any Claim of a Scheme Creditor in respect of a Liability of the Company or any Existing Notes Subsidiary Guarantor arising directly or indirectly from, pursuant to, under or in connection with the Existing Notes Documents on or before the Record Time or which may arise after the Record Time as a result of an obligation or Liability of the Company or any Existing Notes Subsidiary Guarantor incurred or as a result of an event occurring or an act done on or before the Record Time, including without limitation, all Claims in respect of:</p> <ul style="list-style-type: none"> a) the outstanding principal on the Existing Notes as at the Record Time; b) any payable but unpaid interest on the Existing Notes, including (but not limited to) interest due on 11 June 2021;

- c) all future interest payable on the Existing Notes; and
- d) any other amounts that are, or may in the future become, payable on the Existing Notes,

and including, for the avoidance of doubt, any interest accruing on, or accretions arising in respect of, such Claims before, on or after the Record Time; but, excluding any Excluded Liabilities.

“Scheme Conditions”

means:

- a) the approval of the Scheme (with or without modification) by a simple majority in number of the Scheme Creditors present and voting at the Scheme Meeting either in person or by proxy representing at least 75 percent in value of the aggregate Scheme Claims of the Scheme Creditors present and voting at the Scheme Meeting either in person or by proxy;
- b) the sanction of the Scheme by the Cayman Court pursuant to the Cayman Court Order; and
- c) the filing of the Cayman Court Order with the Registrar of Companies in the Cayman Islands.

“Scheme Consideration”

means the relevant portion of the rights and interests in the Cash Payment, the Consent Fee (if applicable), the New Notes and the New Perpetual Notes to be distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) under and pursuant to the terms of the Scheme and the Distribution Agreement.

“Scheme Consideration Trustee”

means Madison Pacific Trust Limited in its capacity as the scheme consideration trustee.

“Scheme Convening Hearing”

means the hearing before the Cayman Court following which the Cayman Court issued the Scheme Convening Order.

“Scheme Convening Order”

means the order of the Cayman Court dated 6 September 2021 ordering, amongst other things, that the Company be at liberty to convene a single meeting of Scheme Creditors for the purpose of considering and, if thought fit, approving the Scheme.

“Scheme Creditor”

means a person with a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems as at the Record Time and which has a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture.

“Scheme Creditor Releasing Parties”

has the meaning given to it in section 7.24 (*Releases*) of this Explanatory Statement.

“Scheme Effective Date”	has the meaning given to it in section 7.13 (<i>Scheme Effective Date</i>) of this Explanatory Statement.
“Scheme Meeting”	means a meeting of the Scheme Creditors as convened by an order of the Cayman Court for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme, and any adjourned meeting thereof.
“Scheme Sanction Hearing”	means the hearing at the Cayman Court of the petition in respect of the sanctioning of the Scheme.
“Scheme Steps”	means the steps set out in section 7.16 (<i>Scheme Steps</i>) of this Explanatory Statement.
“Scheme Website”	means the world wide web (www) pages linked to the universal resource locator (url): https://bonds.morrowsodali.com/pearl
“SEC”	means the United States Securities and Exchange Commission.
“Security Agent”	means Madison Pacific Trust Limited in its capacity as: (i) (before the Restructuring Effective Date) the security agent under the Security Documents; and (ii) (after the Restructuring Effective Date) the security agent under the New Security Documents.
“Security Confirmation Instructions”	means a letter from the Existing Notes Trustee to the Security Agent substantially in the Agreed Form set out in Schedule 3 (Form of Security Confirmation Instructions) of the Scheme.
“Security Confirmations”	means the security confirmations, amendment deeds or agreements, accession deeds or undertakings, security designations, replacement security documents and/or any other documents (as applicable) to be entered into or given in connection with the Restructuring for securing the Liabilities of the Company and its subsidiaries under or in connection with the New Notes over the Collateral.
“Security Documents”	means any documents entered into by the Company or any other person securing liabilities due under or in respect of any Existing Notes Documents, including but not limited to the following documents: <ul style="list-style-type: none"> (a) security assignment of agreement dated 6 November 2017 entered into by Pearl II as assignor and Madison Pacific Trust Limited as security agent; (b) debenture dated 6 November 2017 entered into by the Company as chargor and Madison Pacific Trust Limited as security agent; (c) debenture dated 6 December 2017 entered into by Fischer Tech International Pte Ltd and Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), each as chargor, and Madison Pacific Trust Limited as security agent;

- (d) debenture dated 11 January 2018 entered into by Ying Shing Enterprises Limited (英誠企業有限公司) and Ying Tat Investment (Hong Kong) Limited (英達投資(香港)有限公司), each as chargor, and Madison Pacific Trust Limited as security agent;
- (e) equitable share mortgage dated 6 November 2017 entered into by Pearl II as mortgagor and Madison Pacific Trust Limited as mortgagee;
- (f) share charge dated 6 November 2017 entered into by the Company as chargor and Madison Pacific Trust Limited as security agent;
- (g) pledge of shares dated 6 December 2017 entered into by Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), the financial institutions listed in schedule 1 therein as secured parties and Madison Pacific Trust Limited as security agent;
- (h) equity pledge contract dated 11 January 2018 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Advanced Technology (Suzhou) Co., Ltd (飞讯特精密科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018;
- (i) equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Solution (Suzhou) Co., Ltd (飞讯世通科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018;
- (j) equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Tech (Suzhou) Co., Ltd (飞讯科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent;
- (k) equity pledge contract dated 6 December 2017 entered into by Ying Shing Enterprises Limited as pledgor, Zhuhai Yingcheng Electronics Technology Co., Ltd. (珠海市英诚电子科技有限公司) as PRC company and Madison Pacific Trust Limited as pledgee, as amended and restated on 30 October 2018 and further amended and restated on 29 December 2018 and as supplemented by a supplemental pledge dated 29 December 2018; and
- (l) equity pledge contract dated 6 December 2017 entered into by Ying Tat Investment (Hong Kong)

	Limited as pledgor, Suzhou Yinghao Precision Molding and Tooling Co., Ltd. (苏州英豪精密塑胶模具有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 March 2019.
“Security Interests”	means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
“Senior Secured Revolving Credit Facilities”	means the credit facilities provided to the Company pursuant to the SSRCF Agreement.
“Singapore Court”	means High Court of the Republic of Singapore.
“Singapore IRDA”	means the Insolvency, Restructuring and Dissolution Act 2018 of Singapore.
“SGX-ST”	means Singapore Exchange Securities Trading Limited.
“SSRCF Agreement”	means the Super Senior Revolving Credit Facilities Agreement dated 27 October 2017 made between, amongst others, FT Holding II Limited (which has merged to the Company), FT Holding I Limited (which has merged to Pearl II) and the Security Agent, as amended or varied from time to time.
“SSRCF Lender”	means, as at the date of this Explanatory Statement, DBS Bank Ltd as the lender under the SSRCF Agreement or any bank, financial institution or entity that becomes a lender under the SSRCF Agreement.
“SSRCF Refinancing”	means the proposed refinancing of the Senior Secured Revolving Credit Facilities.
“SSRCF Refinancing Documents”	<p>means any documents entered into by the Company or Group Company in connection with the SSRCF Refinancing, including but not limited to the following documents:</p> <ul style="list-style-type: none"> (a) amendment and restatement agreement relating to the SSRCF Agreement entered into between (among others) the Company, Madison Pacific Trust Limited as facility agent and the SSRCF Lender; (b) designation agreement relating to the SSRCF and the Intercreditor Agreement; and (c) each New Security Document.
“Solicitation Packet”	means the packet of materials, including the Account Holder Letter and accompanying instructions, the Designated Recipient Form and the Distribution Confirmation at Appendix 8 (<i>Solicitation Packet</i>) to this Explanatory Statement.
“Surplus Cash Payment”	means the remaining amount of Cash Payment, after the initial distribution of Cash Payment has been distributed

	to the Initial Participating Scheme Creditors on the Restructuring Effective Date, to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of the Scheme and the Distribution Agreement.
“Surplus New Notes”	means the remaining amount of New Notes, after the initial distribution of New Notes has been distributed to the Initial Participating Scheme Creditors on the Restructuring Effective Date, to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of the Scheme and the Distribution Agreement.
“Surplus New Perpetual Notes”	means the remaining amount of New Perpetual Notes, after the initial distribution of New Perpetual Notes has been distributed to the Initial Participating Scheme Creditors on the Restructuring Effective Date, to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of the Scheme and the Distribution Agreement.
“Surplus Notes Coupon”	means any and all interest, coupon or distribution paid by the Company or Pearl II (as applicable) to the Scheme Consideration Trustee in respect of the Surplus New Notes or the Surplus New Perpetual Notes.
“Surplus Scheme Consideration”	means the Surplus Cash Payment, the Surplus New Notes and the Surplus New Perpetual Notes to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of the Scheme and the Distribution Agreement.
“Term Sheet”	means the term sheet scheduled to the holder RSA.
“United States”	means the United States of America.
“US Bankruptcy Code”	means Title 11 of the United States Code, as in effect on the date of the Recognition Filings.
“US Bankruptcy Court”	means the United States Bankruptcy Court for the Southern District of New York.
“US Securities Act”	means the United States Securities Act of 1933, as amended, including the rules and regulations promulgated by the SEC thereunder.

“US\$” or “USD”	means the lawful currency for the time being of the United States.
“Ying Shing”	means Ying Shing Enterprises Limited.
“Ying Tat”	means Ying Tat Investment (Hong Kong) Limited.
“ZHYC”	means Zhuhai YingCheng Electronics Technology Co., Ltd..

2. INTERPRETATION

2.1 In this Explanatory Statement:

- (a) words denoting the singular number only shall include the plural number also and vice versa;
- (b) words denoting one gender only shall include the other genders;
- (c) words denoting persons only shall include firms and corporations and vice versa;
- (d) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;
- (e) unless expressed otherwise:
 - (i) references to U.S. dollars or US\$ are references to the currency of the United States of America; and
 - (ii) references to Hong Kong dollars or HK\$ are references to the currency of Hong Kong;
 - (iii) references to Singapore dollars or S\$ are references to the currency of Hong Kong;
- (f) any reference in this Appendix 1 (*Definitions and Interpretation*) to any document whose meaning is stated to be the meaning given to a document as defined in the Explanatory Statement shall be construed as a reference to that document as amended, varied, novated, restated, modified, supplemented or re-enacted or replaced from time to time;
- (g) clause, section and schedule headings are for ease of reference only;
- (h) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced, and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto, provided that such amendment, supplement, restatement, verification, replacement and/or novation has, to the extent it relates to a Restructuring Documents or the Scheme, has been made in accordance with the terms of such Restructuring Document and/or the Scheme (as applicable);
- (i) the words “include” and “including” are to be construed without limitation, general words introduced by the word “other” are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things, and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;

- (j) unless otherwise stated, a reference to a time of day shall be construed as a reference to Cayman Islands time;
- (k) a reference to this Explanatory Statement includes a reference to the preliminary sections and appendices of this Explanatory Statement; and
- (l) references to any person shall include references to his or her successors, transferees and assigns and any person deriving title under or through him or her.

Appendix 2
2020 ANNUAL REPORT

PEARL HOLDING III LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Independent Auditor's Report

To the Board of Directors of Pearl Holding III Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Pearl Holding III Limited (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 56, which comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent Auditor's Report

To the Board of Directors of Pearl Holding III Limited (Continued)
(Incorporated in the Cayman Islands with limited liability)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of trade receivables and contract assets</i></p> <p>Refer to Note 3.1(b)(2) (financial risk factors), Note 4(d) (critical accounting estimates and assumptions) and Note 16 (trade and other receivables and contract assets) to the consolidated financial statements.</p> <p>As at 31 December 2020, the Group had gross trade receivables and contract assets of US\$60,983,000 and allowance for impairment losses of US\$975,000. Provision is made for lifetime expected credit losses on trade receivables and contract assets.</p>	<p>Our procedures in relation to management's assessment of the expected credit losses for trade receivables and contract assets included the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the management's internal control and assessment process of impairment assessment of trade receivables and contract assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. - We evaluated and tested the key controls over credit procedures performed by management, including the periodic review of aged receivables and the assessment of the expected credit losses for trade receivables and contract assets, including the identification of trade receivables and contract assets subject to individual and collective assessments. - We obtained management's assessment of the expected credit losses for trade receivables and contract assets and tested the accuracy of the ageing profile of trade receivables and contract assets by checking to the underlying invoices on a sample basis.

Independent Auditor's Report

To the Board of Directors of Pearl Holding III Limited (Continued)
(Incorporated in the Cayman Islands with limited liability)

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of trade receivables and contract assets (Continued)</i></p> <p>Management applied judgement in assessing the expected credit losses. Trade receivables and contract assets relating to customers with known financial difficulties or those not responding to collection activities are assessed individually for allowance for impairment loss. Expected credit losses are then estimated by grouping the trade receivables and contract assets based on shared credit risk characteristics and ageing profile and collectively assessed for likelihood of recovery. The expected credit loss rates are determined based on historical credit losses experienced and adjusted to reflect current and forward-looking information including macroeconomic factors affecting the ability of the customers to settle the receivables.</p> <p>We focused on this area due to the magnitude of the trade receivables and contract assets and the estimation and judgement involved in determining the expected credit losses for the trade receivables and contract assets.</p>	<ul style="list-style-type: none"> - We circulated confirmations to confirm the balances due from customers on a sample basis. - For trade receivables and contract assets subject to individual assessment, we assessed the appropriateness of management's assessment based on supporting documents such as correspondence with the customers, customers' responses to collection activities and relevant public search results relating to the financial circumstances of these customers. On a sample basis, we also tested subsequent settlement of trade receivables and contract assets against bank receipts. - For trade receivables and contract assets subject to collective assessment, we challenged the appropriateness of management's assessment including the credit risk characteristics based on the customers' historical settlement pattern and market research regarding relevant current and forward-looking information including macroeconomic factors affecting the ability of the customers to settle the receivables. - We also tested the calculation of the allowance for impairment losses. <p>Based on the procedures described, we considered management's judgement and estimates, which formed the basis of determining the expected credit losses for the trade receivables and contract assets, were supportable by available evidence.</p>

Independent Auditor's Report

To the Board of Directors of Pearl Holding III Limited (Continued)
(Incorporated in the Cayman Islands with limited liability)

Responsibilities of Directors for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

To the Board of Directors of Pearl Holding III Limited (Continued)
(Incorporated in the Cayman Islands with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



羅兵咸永道

Independent Auditor's Report

To the Board of Directors of Pearl Holding III Limited (Continued)
(Incorporated in the Cayman Islands with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sze, To Wai.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong 30 MAR 2021

PEARL HOLDING III LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 US\$'000	2019 US\$'000
Revenue	5	170,602	196,956
Costs of sales	6	(144,660)	(162,572)
Gross profit		25,942	34,384
Other (expenses)/income, net	8	(2,612)	2,801
Selling and distribution expenses	6	(9,354)	(9,561)
Administrative expenses	6	(21,178)	(26,163)
Operating (loss)/profit		(7,202)	1,461
Finance costs, net	9	(18,915)	(18,593)
Loss before income tax		(26,117)	(17,132)
Income tax credit/(expense)	10	331	(1,186)
Loss for the year		(25,786)	(18,318)
Loss for the year		(25,786)	(18,318)
Other comprehensive income:			
<u>Item that may be subsequently reclassified to profit or loss</u>			
Currency translation differences		4,862	766
Other comprehensive income for the year, net of tax		4,862	766
Total comprehensive loss for the year		(20,924)	(17,552)

The notes on pages 13 to 56 are an integral part of these consolidated financial statements.

PEARL HOLDING III LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

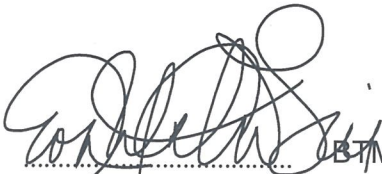
	Note	31 December 2020 US\$'000	31 December 2019 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	51,766	55,614
Intangible assets	13	52,125	55,690
Right-of-use assets	14	12,737	14,965
Deferred income tax assets	22	7,531	3,347
Long-term prepayments	15	2,257	2,090
		<u>126,416</u>	<u>131,706</u>
Current assets			
Inventories	16	31,485	29,495
Trade and other receivables	15	63,615	58,395
Contract assets	15	5,386	4,393
Amount due from intermediate holding companies	25(b)	11,362	11,000
Tax recoverable		201	-
Cash and bank balances	17(a)	14,355	15,570
		<u>126,404</u>	<u>118,853</u>
Total assets		<u><u>252,820</u></u>	<u><u>250,559</u></u>
EQUITY			
Share capital	19	1	1
Share premium	19	29,999	29,999
Exchange reserve		(4,641)	(9,503)
Capital reserve		6,200	6,200
Statutory reserve		3,575	3,530
Accumulated losses		(73,576)	(47,745)
Total deficit		<u><u>(38,442)</u></u>	<u><u>(17,518)</u></u>

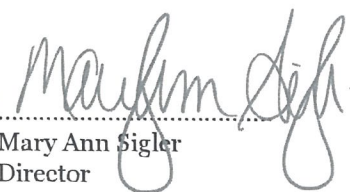
PEARL HOLDING III LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	31 December 2020 US\$'000	31 December 2019 US\$'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	22	9,572	11,203
Accrual and other payables	20	1,505	1,365
Lease liabilities	14	8,882	10,820
Borrowings	21(a)	174,366	173,646
		<u>194,325</u>	<u>197,034</u>
Current liabilities			
Trade and other payables	20	63,836	50,897
Contract liabilities	20	6,519	3,556
Amount due to a related company	25(c)	-	3,000
Lease liabilities	14	2,575	2,523
Current income tax liabilities		3,859	4,777
Borrowings	21(a)	20,148	6,290
		<u>96,937</u>	<u>71,043</u>
Total liabilities		<u>291,262</u>	<u>268,077</u>
Total equity and liabilities		<u>252,820</u>	<u>250,559</u>

The consolidated financial statements on pages 7 to 56 were approved by the Board of Directors on **30 MAR 2021** and were signed on its behalf.


 Eva M. Kalawski
 Director


 Mary Ann Sigler
 Director

The notes on pages 13 to 56 is an integral part of these consolidated financial statements.

PEARL HOLDING III LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficit US\$'000
At 1 January 2019	1	29,999	6,200	(10,269)	3,530	(29,427)	34
Comprehensive loss							
Loss for the year	-	-	-	-	-	(18,318)	(18,318)
Other comprehensive income							
Currency translation differences	-	-	-	766	-	-	766
Total comprehensive loss	-	-	-	766	-	(18,318)	(17,552)
At 31 December 2019	1	29,999	6,200	(9,503)	3,530	(47,745)	(17,518)

The notes on pages 13 to 56 are an integral part of these consolidated financial statements.

PEARL HOLDING III LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficit US\$'000
At 1 January 2020	1	29,999	6,200	(9,503)	3,530	(47,745)	(17,518)
Comprehensive loss							
Loss for the year	-	-	-	-	-	(25,786)	(25,786)
Other comprehensive income							
Currency translation differences	-	-	-	4,862	-	-	4,862
Transactions with owners in their capacity as owners							
Appropriation to statutory reserve	-	-	-	-	45	(45)	-
Total comprehensive loss	-	-	-	4,862	45	(25,831)	(20,924)
At 31 December 2020	1	29,999	6,200	(4,641)	3,575	(73,576)	(38,442)

Note:

- (a) As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), the subsidiaries in the PRC are required to transfer at least 10% of their after-tax profit determined under the relevant accounting regulations in the PRC (after offsetting prior year losses) to the statutory reserve until the balance reaches 50% of the registered capital.

The notes on pages 13 to 56 are an integral part of these consolidated financial statements.

PEARL HOLDING III LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 US\$'000	2019 US\$'000
Cash flows from operating activities			
Cash generated from operations	23	16,308	28,124
Tax paid		(6,614)	(4,173)
Net cash generated from operating activities		<u>9,694</u>	<u>23,951</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,075)	(8,211)
Purchase of intangible assets		(364)	(993)
Proceeds from disposal of property, plant and equipment		294	80
Decrease in restricted cash		-	747
Interest received		54	44
Net cash used in investing activities		<u>(5,091)</u>	<u>(8,333)</u>
Cash flows from financing activities			
Proceeds from borrowings		15,053	1,280
Repayments of borrowings		(1,368)	-
Payment for lease liabilities		(3,901)	(3,300)
Interest paid		(17,207)	(16,711)
Net cash used in from financing activities		<u>(7,423)</u>	<u>(18,731)</u>
Net decrease in cash and cash equivalents		(2,820)	(3,113)
Effect of foreign exchange rate changes		1,605	(571)
Cash and cash equivalents at the beginning of year		<u>15,570</u>	<u>19,254</u>
Cash and cash equivalents at end of the year	17(a)	<u><u>14,355</u></u>	<u><u>15,570</u></u>

The notes on pages 13 to 56 are an integral part of these consolidated financial statements.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Pearl Holding III Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and sale of plastic injection moulds and related products in Hong Kong, The People’s Republic of China (the “PRC”), Singapore, Thailand and Malaysia.

The Company is a limited company incorporated in the Cayman Islands. The address of its registered office and principal place of business is Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The Company is a wholly owned subsidiary of Pearl Holding II Limited, a company incorporated in the Cayman Islands. The directors regard Platinum Equity Capital Partners International III (Cayman) L.P., a limited partnership established in the Cayman Islands, as being the ultimate controlling entity of the Company.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied throughout the years presented, unless otherwise stated. Certain comparative figures have been reclassified to conform to current year’s presentation.

2.1 Basis of preparation

(i) *Compliance with International Financial Reporting Standards (“IFRS”)*

The consolidated financial statements of the Group have been prepared in accordance with IFRS.

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through other comprehensive income, which is measured at fair value.

(iii) *New standards, amendments and interpretations to standards*

The Group has applied the following standards, amendments and interpretations to standards for the first time for their annual reporting period commencing 1 January 2020:

Standards	Subject of amendment	Effective for annual periods beginning on or after
IAS 1 and IAS 8 (amendment)	Definition of Material	1 January 2020
IFRS 3 (amendment)	Definition of a Business	1 January 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020
IFRS 7, IFRS 9 and IAS 39 (amendment)	Property, Plant and Equipment: Proceeds before intended use	1 January 2020

The adoption of amendments and interpretations to standards does not have any significant impact to the results and financial position of the Group.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(iv) *New standards, amendments to existing standards and interpretations not yet adopted*

Certain new accounting standards, amendments to existing standards and interpretations have been published that are not mandatory for 31 December 2020 reporting period and have not been early adopted by the Group:

Standards	Subject of amendment	Effective for annual periods beginning on or after
IFRS 16 (amendment)	Covid-19-related Rent Concessions	1 June 2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2	1 January 2021
IFRS 3 (amendment)	Reference to the Conceptual Framework	1 January 2022
IAS 16 (amendment)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
IAS 37 (amendment)	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements	Annual Improvements to IFRS Standards 2018–2020	1 January 2022
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the financial performance and position of the Group is expected when they become effective.

2.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US\$, which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over estimated useful lives as follows:

– Building	20 years
– Moulds and equipment	5 - 10 years
– Motor vehicles	2 - 7 years
– Office equipment	2 - 10 years
– Leasehold improvements	5 - 10 years, or over lease term, whichever is the shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income, net" in the consolidated statement of comprehensive income.

Construction-in-progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.6 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of a CGU containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.6 Intangible assets (Continued)

Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the trademarks over their estimated useful lives of 12 years.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the customer relationships over their estimated useful lives of 5 to 10 years.

Patents

Patents acquired in a business combination are recognised at fair value at the acquisition date. Patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the patents over their estimated useful lives of 10 years.

Non-compete agreements

Non-compete agreements acquired in a business combination are recognised at fair value at the acquisition date. Non-compete agreements have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the non-compete agreements over their estimated useful lives of 5 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. They have finite useful lives and are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate their costs over their estimated useful life of not exceeding 10 years.

2.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.7 Impairment of non-financial assets (Continued)

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.8 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in consolidated statement of profit or loss as "other income, net" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in "other income, net", in consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (Note 2.11).

2.9 Offsetting financial instrument

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade and other receivables and contract assets

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method (Note 3.1(b)(2)).

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.11 Trade and other receivables and contract assets (Continued)

Contract assets represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment on a regular and individual basis. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank.

2.13 Share capital

Ordinary shares are classified as equity.

2.14 Trade and other payables and contract liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, and the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.18 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.18 Current and deferred income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Employee benefits

(a) *Pension obligations*

Group companies participate in defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

For defined contribution plans, the Group pays contributions to publicly or privately administered trust funds on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the consolidated statement of financial position date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) *Bonus plans*

The Group recognises a liability and an expense for bonuses. It recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.20 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.20 Provisions (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognition

Revenue is recognised to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue is measured at the fair value of the consideration received or receivable, net of business tax and value added tax ("VAT").

The Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good that is distinct or a series of distinct goods that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.21 Revenue recognition (Continued)

Revenue is measured based on the consideration specified in a contract with customer and excludes amounts collected on behalf of third parties. The Group principally earns revenue from sales of moulds and plastic products. Revenue is recognised when control over the goods has been transferred to customers. For sales of moulds and plastic products, revenue is recognised at a point in time because customers do not simultaneously receive and consume the benefits provided by the Group's performance as the Group performs, the Group's performance does not create and enhance an asset that the customer controls as the Group performs and the Group does not have an enforceable right to payment for its performance completed to date.

2.22 Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.23 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.23 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors (the "Board") that makes strategic decisions.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) *Foreign exchange risk*

The Group mainly operates in Hong Kong, PRC, Singapore, Thailand and Malaysia and is exposed to foreign exchange risk from various currency exposures, primarily with respect to Chinese Renminbi ("RMB"), Singapore Dollars ("SGD"), Thai BAHT ("BAHT"), Euro ("EUR"), Ringgit ("RM") and US\$. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Since HK\$ and US\$ are pegged, for the Group's entity which uses HK\$ as functional currency, exposure to US\$ is considered not significant.

At 31 December 2020, if US\$ had strengthened/weakened by 1% against RMB with all other variables unchanged, the Group's loss before tax would have been approximately US\$343,000 lower/higher (2019: US\$164,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of RMB denominated trade and other receivables, contract assets, bank balances and trade and other payables and contract liabilities.

At 31 December 2020, if US\$ had strengthened/weakened by 1% against SGD with all other variables unchanged, the Group's loss before tax would have been approximately US\$4,000 lower/higher (2019: US\$3,900 lower/higher), mainly as a result of foreign exchange gains or losses on translation of SGD denominated trade and other receivables, contract assets, bank balances and trade and other payables and contract liabilities.

At 31 December 2020, if US\$ had strengthened/weakened by 1% against BAHT with all other variables unchanged, the Group's loss before tax would have been approximately US\$28,000 lower/higher (2019: US\$12,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of BAHT denominated trade and other receivables, contract assets, bank balances, trade and other payables and contract liabilities.

At 31 December 2020, if US\$ had strengthened/weakened by 1% against EUR with all other variables unchanged, the Group's loss before tax would have been approximately US\$33,000 lower/higher (2019: US\$29,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of EUR denominated trade and other receivables, contract assets, bank balances, trade and other payables and contract liabilities.

At 31 December 2020, if US\$ had strengthened/weakened by 1% against RM with all other variables unchanged, the Group's loss before tax would have been approximately US\$3,000 lower/higher (2019: US\$13,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of EUR denominated trade and other receivables, contract assets, bank balances, trade and other payables and contract liabilities.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) *Market risk (Continued)*

(ii) *Cash flow and fair value interest rate risk*

The Group is exposed to cash flow interest rate risk mainly arising from bank deposits bearing interest at floating rates. The Group is exposed to fair value interest rate risk arising from borrowings bearing interest at floating rates. The Group will review whether borrowings bearing floating rates should be drawn from time to time with reference to the trend of changes in interest rates.

At 31 December 2020, if interest rates on interest-bearing net financial assets amounting to US\$5,793,000 (2019: US\$9,280,000) had been 100 basis points higher or lower with all other variables held constant, loss before tax would have been US\$579,000 higher/lower (2019: US\$928,000 higher/lower).

(b) *Credit risk*

The Group has credit risks arising from trade and other receivables, contract assets, amount due from intermediate holding companies and bank deposits.

(1) *Risk Management*

To manage credit risk, the Group has considered the underlying security and the long-established business relationship with the counterparty.

The Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Normally the Group does not require collaterals from trade debtors. The existing debtors have no significant defaults in the past. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible receivables, if any, has been made. There are no significant concentrations of credit risk within the Group as the customer base of the Group's trade receivables is widely dispersed in different sectors and industries.

The credit risk of the Group's other financial assets, including restricted bank balances, cash and cash equivalents, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(2) *Impairment of financial assets*

Trade receivables and contract assets

The trade receivables and contract assets of the Group are subject to the expected credit loss model.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure expected credit losses, the Group categorises its trade receivables and contract assets based on the nature of customer accounts and shared credit risk characteristics.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(2) Impairment of financial assets (Continued)

On that basis, the allowance for impairment of trade receivables and contract assets as at 31 December 2020 and 2019 was determined as follows for trade receivables and contract assets:

	Life time expected credit loss rate	Gross carrying amount US\$'000	Lifetime expected credit loss US\$'000	Net carrying amount US\$'000
At 31 December 2020				
Provision on individual basis	100%	198	(198)	-
Provision on collective basis	1%	60,785	(777)	60,008
		<u>60,983</u>	<u>(975)</u>	<u>60,008</u>
At 31 December 2019				
Provision on individual basis	100%	174	(174)	-
Provision on collective basis	1%	56,784	(777)	56,007
		<u>56,958</u>	<u>(951)</u>	<u>56,007</u>

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost include receivables from a related party and other receivables. Management considered that these have a low credit risk and did not make any provision for these other financial assets at amortised cost based on the historical settlement pattern of these other financial assets and the forward-looking recoverability analysis of the counterparties.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

While cash and cash equivalents, time deposits and restricted bank balance are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

At 31 December 2020, cash and cash equivalents totaling US\$5,208,000 and US\$446,000 (2019: US\$7,564,000 and US\$685,000) were maintained by the subsidiaries of the Company in the PRC and Malaysia. The remittances of these funds out of the PRC and Malaysia are subject to the foreign exchange restriction imposed by the respective government.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year or repayable on demand US\$'000	Between 1 and 5 years US\$'000	Total US\$'000
At 31 December 2020			
Trade payables	45,284	-	45,284
Accruals and other payables	11,006	-	11,006
Lease liabilities	3,049	9,648	12,697
Borrowings, including interest payments	37,628	190,882	228,510
	<u>96,967</u>	<u>200,530</u>	<u>297,497</u>
At 31 December 2019			
Trade payables	36,303	-	36,303
Accruals and other payables	5,052	-	5,052
Amount owing to a related company	3,000	-	3,000
Lease liabilities	3,175	12,170	15,345
Borrowings, including interest payments	23,818	207,530	231,348
	<u>71,348</u>	<u>219,700</u>	<u>291,048</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.2 Capital management

The Group regards its total equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

3.3 Fair value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as all of them are short-term in nature: cash and bank balances, trade and other receivables, contract assets, trade and other payables, contract liabilities, obligations under finance leases, current portion of borrowings and amount due from intermediate holding companies.

3.4 Offsetting financial assets and financial liabilities

No disclosure of the offsetting of financial assets and financial liabilities is made as there are no netting arrangements in place during the year.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Income taxes*

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences may impact the current and deferred income tax in the year in which such determination is made.

(b) *Useful lives of property, plant and equipment*

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment with reference to the estimated periods that the Group intends to derive future economic benefits from use of these assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will adjust the depreciation charge where useful lives or residual values are different from previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) *Estimated write-downs of inventories to net realisable value*

The Group writes down inventories to net realisable value based on the consideration of obsolescence of raw material and the assessment of the net realisable value of finished goods. The identification of inventory obsolescence and estimated selling price in the ordinary course of business requires the use of judgement and estimates. Where the estimate is different from the original amount, such difference may impact the carrying value of inventories and net realisable value for the years in which such estimate is changed.

(d) *Estimation of provision for impairment of receivables and contract assets*

The Group makes provision for impairment of receivables and contract assets based on an assessment of the collectability of receivables from third parties, other receivables and contract assets. Provisions for impairment are applied where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of receivables and contract assets requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences may impact the carrying amounts of receivables and contract assets and doubtful debt expenses in the year in which such estimates have been changed.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Critical accounting estimates and assumptions (Continued)

(e) *Estimation of provision for impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 13).

(f) *Estimation of provision for impairment of property, plant and equipment and intangible assets*

Plant and equipment and intangible assets (other than goodwill) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable such as declines in asset's market value and significant increase in interest rates that may affect the discount rate used in calculating the asset's recoverable amount.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) whether a decline in asset's market value, increase in interest rates or other market rates that may affect the discount rate used in calculating the asset's recoverable amount; (iv) whether any assets have become obsolete or any plan to discontinue or restructure; and (v) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

5 Revenue and segment information

Revenue represented income generated from the trading of plastic products and moulds. Revenue recognised during the year are as follows:

	2020 US\$'000	2019 US\$'000
Income from sales of moulds	15,566	21,877
Income from sales of plastic products	155,036	175,079
	<u>170,602</u>	<u>196,956</u>

The Directors have been identified as the CODM. Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 December 2020 will be recognised as revenue during the next reporting period (2020: US\$ 6,519,000; 2019: US\$3,556,000; Note 20).

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (Continued)

The Directors assess the performance of the Group's manufacturing and sales of plastic injection moulds and related products businesses from both geographic and product perspectives. From a product perspective, management takes into consideration of the economic benefits of the abovementioned businesses as a whole when executing a centralised assessment of the performance as the CODM considers they are mutually dependent and inseparable. Geographically, management considers the Group's businesses activities are included in a single reportable segment in accordance with IFRS 8 "Operating segments". As such, no segment information is presented.

6 Expenses by nature

	2020 US\$'000	2019 US\$'000
Cost of inventories sold (Note 16)	60,430	81,144
Employee benefit expenses (Note 7(a))	53,202	57,248
Auditor's remuneration	602	579
Operating lease payments	648	965
Advisory fee (Note 25(a))	3,000	3,000
Processing fee	10,893	6,734
Consultancy fee	630	1,912
Transportation expenses	5,005	3,226
Allowance for impairment of trade receivables and contract assets	24	341
Provision for inventories (Note 16)	161	1,003
Amortisation of intangible assets (Note 13)	4,002	4,826
Depreciation of right-of-use assets (Note 14)	3,089	3,613
Depreciation of property, plant and equipment (Note 12)	11,963	9,188
Consumables	6,116	5,287
Utility expenses	5,265	6,522
Legal and professional expenses	944	957
Travelling expenses	189	735
Repair and maintenance expenses	1,717	2,856
Advertisement and entertainment expenses	240	481
Others	7,072	7,679
	<u>175,192</u>	<u>198,296</u>
Representing:		
Cost of sales	144,660	162,572
Administrative expenses	21,178	26,163
Selling and distribution expenses	9,354	9,561
	<u>175,192</u>	<u>198,296</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Employee benefit expense and directors' emoluments

(a) Employee benefit expenses (including directors' emoluments)

	2020 US\$'000	2019 US\$'000
Wages, salaries and bonus	45,109	48,431
Pension cost – defined contribution plans	2,997	5,802
Other employee benefit expenses	2,394	1,726
Severance payments	2,702	1,289
	<u>53,202</u>	<u>57,248</u>
Representing:		
Cost of sales	42,110	44,739
Administrative expenses	7,950	8,044
Selling and distribution expenses	3,142	4,465
	<u>53,202</u>	<u>57,248</u>

(b) Directors' emoluments (regarded as key management compensation)

No emolument was paid or payable to the Directors during the year ended 31 December 2020 (2019: Nil).

8 Other (expenses)/income, net

Other income and expenses recognised during the year are as follows:

	2020 US\$'000	2019 US\$'000
Foreign exchange loss, net	(2,587)	(110)
Government grants	671	2,913
Loss on misappropriation of funds (Note (i))	(1,500)	-
Others	804	(2)
	<u>(2,612)</u>	<u>2,801</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Other (expenses)/income, net (Continued)

(i) *Loss on misappropriation of funds*

During the year, the Group was under a phishing attack, of which a payment originally intended to be made to a related company of approximately USD1,500,000 was erroneously transferred to the suspected scammer. Consequently, the Group has conducted detailed internal and external reviews of its IT security systems, accounting and banking records, and the associated internal control procedures related to payments, in order to evaluate sufficiency of relevant control procedures. Management considers this to be an one-off event. As a result of this incident the Group recognised a loss on misappropriation of funds of approximately USD1,500,000 in the consolidated statement of comprehensive income for the year. As at the date of approval of this consolidated financial statements, the Group is under the process of recovering the loss through its insurance cover. Considering the uncertainties of recovering such loss from the Group's insurance cover, the expected recovery has not been recognised in the consolidated financial statements.

9 Finance costs, net

	2020 US\$'000	2019 US\$'000
Bank interest income	54	44
Interest on borrowings	(920)	(577)
Interest on lease liabilities	(704)	(843)
Finance cost on debentures	(17,345)	(17,217)
	<u>(18,915)</u>	<u>(18,593)</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Income tax (credit)/expense

Taxation on profits has been calculated on the estimated assessable income for the year at the rates of taxation prevailing in the countries/places in which the Group operates.

Income tax expense charged to the consolidated statement of comprehensive income represents:

	2020 US\$'000	2019 US\$'000
Current income tax	4,667	4,800
Deferred income tax (Note 22)	(4,998)	(3,614)
	<u>(331)</u>	<u>1,186</u>

The tax on the Group's loss before taxation differs from the theoretical amount that would arise using the respective jurisdictions' tax rates as follows:

	2020 US\$'000	2019 US\$'000
Loss before income tax	<u>(26,117)</u>	<u>(17,132)</u>
Tax calculated at applicable tax rates in the respective jurisdictions	(1,252)	1,122
Tax effects of:		
Income not subject to tax	(809)	(792)
Expenses not deductible for tax purposes	546	964
Tax loss not recognised	660	85
Recognition of deferred tax in respect of undistributed earnings	359	430
Under/(Over)-provision in prior years	<u>165</u>	<u>(623)</u>
Tax (credit)/charge	<u>(331)</u>	<u>1,186</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

11 Subsidiaries

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of company	Place of incorporation	Principal activities	Issued/registered share capital	Interest held	Direct/ Indirect
Ying Shing Enterprises Limited ("HKYS")	Hong Kong	Trading of moulds and plastic products	HK\$10,000,000	100%	Direct
Ying Tat Investment (Hong Kong) Limited ("HKYT")	Hong Kong	Trading of moulds and plastic products	HK\$10,000	100%	Direct
Pearl Engineered Solutions Corporation	United States of America	Provision of agency services on business development	US\$10	100%	Direct
Zhuhai Yingcheng Electronics Technology Co., Ltd. ("ZHYC")	PRC	Manufacturing and trading of moulds and plastic products	HK\$50,000,000	100%	Indirect
Suzhou Yinghao Precision Moulding and Tooling Co., Ltd. ("SZYH")	PRC	Manufacturing and trading of moulds and plastic products	US\$5,000,000	100%	Indirect
Pearl Engineered Solutions Pte. Ltd. (f.k.a. Fisher Tech Pte. Ltd. ("FTL")	Singapore	Manufacture and trading of moulds and plastic products	SGD59,506,194	100%	Direct
Fischer Tech International Pte Ltd ("FTI")	Singapore	Investment holding	SGD2,127,035	100%	Indirect
Fischer Medtech Pte Ltd	Singapore	Dormant	SGD2,000,000	100%	Indirect
Fischer Technology Pte Ltd	Singapore	Dormant	SGD300,000	100%	Indirect
Fischer Tech (Thailand) Co., Ltd ("FTT")	Thailand	Manufacturing of high precision moulds and plastic components	BAHT140,000,000	100%	Indirect
M-Fischer Tech Sdn Bhd	Malaysia	Manufacturing of high precision moulds and plastic components	Malaysian ringgit ("RM") 40,191,892	100%	Indirect

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Subsidiaries (Continued)

Name of company	Place of incorporation	Principal activities	Issued/registered share capital	Interest held	Direct/indirect
Fischer Tech (Suzhou) Co., Ltd (“FTS”)	PRC	Manufacturing of high precision moulds and plastic components	US\$8,311,239	100%	Indirect
Fischer Solution (Suzhou) Co., Ltd (“FSS”)	PRC	Manufacturing of high precision plastic components	US\$3,500,000	100%	Indirect
Fischer Advanced Technology (Suzhou) Co., Ltd (“FAT”)	PRC	Manufacturing of high precision moulds and plastic components	US\$15,000,000	100%	Indirect

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

12 Property, plant and equipment

At 1 January 2019		Building US\$'000	Leasehold improvements US\$'000	Office equipment US\$'000	Moulds and equipment US\$'000	Motor vehicles US\$'000	Construction -in-progress US\$'000	Total US\$'000
Cost	-	-	6,508	4,132	47,726	675	16,702	75,743
Accumulated depreciation	-	-	(1,783)	(1,481)	(16,428)	(405)	-	(20,097)
Net book amount	-	-	4,725	2,651	31,298	270	16,702	55,646
Year ended								
31 December 2019								
Opening net book amount	-	-	4,725	2,651	31,298	270	16,702	55,646
Additions	14	14	926	133	5,294	-	2,911	9,278
Disposals	-	-	(17)	(25)	(965)	(2)	-	(1,009)
Transfer	14,149	14,149	2,500	-	43	-	(16,692)	-
Depreciation charge (Note 6)	(215)	(215)	(1,480)	(790)	(6,615)	(88)	-	(9,188)
Currency translation differences	14	14	(30)	241	960	(4)	(294)	887
Closing net book amount	13,962	13,962	6,624	2,210	30,015	176	2,627	55,614
At 31 December 2019								
Cost	14,179	14,179	9,615	4,047	48,590	536	2,627	79,594
Accumulated depreciation	(217)	(217)	(2,991)	(1,837)	(18,575)	(360)	-	(23,980)
Net book amount	13,962	13,962	6,624	2,210	30,015	176	2,627	55,614

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 Property, plant and equipment (Continued)

	Building US\$'000	Leasehold improvements US\$'000	Office equipment US\$'000	Moulds and equipment US\$'000	Motor vehicles US\$'000	Construction -in-progress US\$'000	Total US\$'000
At 1 January 2020							
Cost	14,179	9,615	4,047	48,590	536	2,627	79,594
Accumulated depreciation	(217)	(2,991)	(1,837)	(18,575)	(360)	-	(23,980)
Net book amount	<u>13,962</u>	<u>6,624</u>	<u>2,210</u>	<u>30,015</u>	<u>176</u>	<u>2,627</u>	<u>55,614</u>
Year ended							
31 December 2020							
Opening net book amount	13,962	6,624	2,210	30,015	176	2,627	55,614
Additions	16	521	87	5,007	36	883	6,550
Disposals	-	(119)	(36)	(547)	(4)	-	(706)
Transfer	175	733	-	59	-	(967)	-
Depreciation charge (Note 6)	(719)	(3,237)	(739)	(7,204)	(64)	-	(11,963)
Currency translation differences	930	187	97	1,082	13	(38)	2,271
Closing net book amount	<u>14,364</u>	<u>4,709</u>	<u>1,619</u>	<u>28,412</u>	<u>157</u>	<u>2,505</u>	<u>51,766</u>
At 31 December 2020							
Cost	15,359	10,539	4,285	58,294	507	2,505	91,489
Accumulated depreciation	(995)	(5,830)	(2,666)	(29,882)	(350)	-	(39,723)
Net book amount	<u>14,364</u>	<u>4,709</u>	<u>1,619</u>	<u>28,412</u>	<u>157</u>	<u>2,505</u>	<u>51,766</u>

Depreciation expenses of approximately US\$11,537,000 (2019: US\$8,755,000), US\$ 13,000 (2019: US\$16,000) and US\$ 413,000 (2019: US\$417,000) have been charged to costs of sales, selling and distribution expenses and administrative expenses respectively.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13	Intangible assets								
		Goodwill US\$'000	Trademarks US\$'000	Patents US\$'000	Customer relation -ships US\$'000	Non- compe- te agree- ments US\$'000	Computer Software US\$'000	Total US\$'000	
	At 1 January 2019								
	Cost	28,911	4,453	14,931	17,357	2,109	1,566	69,327	
	Accumulated amortisation	-	(1,362)	(1,718)	(4,817)	(1,559)	(533)	(9,989)	
	Net book amount	28,911	3,091	13,213	12,540	550	1,033	59,338	
	Year ended								
	31 December 2019								
	Opening net book amount	28,911	3,091	13,213	12,540	550	1,033	59,338	
	Additions	-	-	-	-	-	880	880	
	Amortisation (Note 6)	-	(370)	(1,520)	(2,206)	(421)	(309)	(4,826)	
	Currency translation differences	84	(45)	155	124	(3)	(17)	298	
	Closing net book amount	28,995	2,676	11,848	10,458	126	1,587	55,690	
	At 31 December 2019								
	Cost	28,995	4,381	15,107	17,434	2,075	2,400	70,392	
	Accumulated amortisation	-	(1,705)	(3,259)	(6,976)	(1,949)	(813)	(14,702)	
	Net book amount	28,995	2,676	11,848	10,458	126	1,587	55,690	

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Intangible assets (Continued)

	Goodwill US\$'000	Trademarks US\$'000	Patents US\$'000	Customer relation -ships US\$'000	Non- compe- te agreements US\$'000	Computer Software US\$'000	Total US\$'000
At 1 January 2020							
Cost	28,995	4,381	15,107	17,434	2,075	2,400	70,392
Accumulated amortisation	-	(1,705)	(3,259)	(6,976)	(1,949)	(813)	(14,702)
Net book amount	<u>28,995</u>	<u>2,676</u>	<u>11,848</u>	<u>10,458</u>	<u>126</u>	<u>1,587</u>	<u>55,690</u>
Year ended							
31 December 2020							
Opening net book amount	28,995	2,676	11,848	10,458	126	1,587	55,690
Additions	-	-	-	-	-	522	522
Disposal	-	-	-	-	-	(15)	(15)
Amortisation (Note 6)	-	(368)	(1,499)	(1,534)	(126)	(475)	(4,002)
Currency translation differences	24	60	(142)	(146)	-	134	(70)
Closing net book amount	<u>29,019</u>	<u>2,368</u>	<u>10,207</u>	<u>8,778</u>	<u>-</u>	<u>1,753</u>	<u>52,125</u>
At 31 December 2020							
Cost	29,019	4,488	14,960	17,416	2,126	3,004	71,013
Accumulated amortisation	-	(2,120)	(4,753)	(8,638)	(2,126)	(1,251)	(18,888)
Net book amount	<u>29,019</u>	<u>2,368</u>	<u>10,207</u>	<u>8,778</u>	<u>-</u>	<u>1,753</u>	<u>52,125</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Intangible assets (Continued)

Amortisation expenses of approximately US\$217,000 and US\$ 3,785,000 (2019: US\$151,000 and US\$4,675,000) have been charged to costs of sales and administrative expenses.

Notes:

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to operating entities.

The recoverable amount of the CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows were then extrapolated using the estimated growth rates beyond the five-year period. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operates.

Key assumptions used for value-in-use calculations:

	2020	2019
Turnover growth rate	5-11%	4%
Discount rate	14%	14%
Terminal growth rate	0%	0%

Management determined the budgeted turnover growth rate based on past performance and its expectation of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the unit to exceed its recoverable amount.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Leases

(i) Amounts recognised in the consolidated statement of financial position

	2020 US\$'000	2019 US\$'000
Right-of-use assets		
Land use rights	2,301	2,217
Buildings	10,436	12,748
	<u>12,737</u>	<u>14,965</u>
Lease liabilities		
Current	2,575	2,523
Non-current	8,882	10,820
	<u>11,457</u>	<u>13,343</u>

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2020 US\$'000	2019 US\$'000
Depreciation charge of right-of-use assets		
Land use rights	(63)	(63)
Buildings	(3,026)	(3,550)
	<u>(3,089)</u>	<u>(3,613)</u>
Interest expenses (included in finance cost)	(704)	(843)
Expenses relating to short-term lease (included in the cost of sales)	(163)	(389)
Expenses relating to short-term lease (included in the administrative expenses)	(120)	(152)
	<u>(987)</u>	<u>(1,384)</u>

The total cash outflow for leases in 2020 was US\$ 3,901,000 (2019: US\$ 3,300,000).

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Trade and other receivables and contract assets

	2020 US\$'000	2019 US\$'000
Current portion		
Trade receivables	55,597	52,565
Contract assets	5,386	4,393
Less: allowance for impairment	(975)	(951)
	<hr/>	<hr/>
Trade receivables and contract assets – net	60,008	56,007
Other receivables	7,295	5,266
Prepayments	1,698	1,515
	<hr/>	<hr/>
	69,001	62,788
Non-current portion		
Long-term prepayments	2,257	2,090
	<hr/>	<hr/>
	71,258	64,878
	<hr/> <hr/>	<hr/> <hr/>

The carrying amounts of trade and other receivables and contract assets approximate their fair values.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. This resulted in an allowance for impairment of trade receivables and contract assets of US\$975,000 (2019: US\$951,000) for trade receivables and contract assets at 31 December 2020 (Note 3.1(b)(2)).

Trade and other receivables and contract assets are denominated in the following currencies:

	2020 US\$'000	2019 US\$'000
US\$	51,760	36,778
RMB	13,031	22,239
EUR	3,339	2,882
SGD	29	76
RM	-	389
BAHT	3,099	2,149
Others	-	365
	<hr/>	<hr/>
	71,258	64,878
	<hr/> <hr/>	<hr/> <hr/>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Inventories

	2020 US\$'000	2019 US\$'000
Raw materials	5,114	5,577
Work in progress	14,354	13,328
Finished goods	12,017	10,590
	<u>31,485</u>	<u>29,495</u>

The cost of inventories recognised as expense and included in “cost of sales” amounted to US\$60,430,000 (2019: US\$81,144,000).

At 31 December 2020, the provision for inventories was US\$161,000 (2019 the provision for inventories: US\$1,003,000) and has been included in “costs of sales” in the consolidated statement of comprehensive income.

17 Cash and bank balances

(a) Cash and cash equivalents

	2020 US\$'000	2019 US\$'000
Cash at bank and on hand	<u>14,355</u>	<u>15,570</u>

Cash and cash equivalents are denominated in the following currencies:

	2020 US\$'000	2019 US\$'000
US\$	7,058	6,226
RMB	3,946	6,042
SGD	391	736
RM	338	481
BAHT	1,716	1,850
Others	906	235
	<u>14,355</u>	<u>15,570</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 Financial instruments by category

	Assets at Amortised cost US\$'000
Assets as at 31 December 2020	
Trade receivables (Note 15)	54,622
Contract assets (Note 15)	5,386
Other receivables	1,675
Amount due from intermediate holding companies (Note 25(b))	11,362
Cash and cash equivalents (Note 17(a))	14,355
Total	<u>87,400</u>
Assets as at 31 December 2019	
Trade receivables (Note 15)	51,614
Contract assets (Note 15)	4,393
Other receivables	669
Amount due from intermediate holding companies (Note 25(b))	11,000
Cash and cash equivalents (Note 17(a))	15,570
Total	<u>83,246</u>
Financial liabilities at amortised cost US\$'000	
Liabilities as at 31 December 2020	
Trade payables (Note 20)	45,284
Accruals and other payables	11,006
Lease liabilities	11,457
Borrowings (Note 21(a))	194,514
Total	<u>262,261</u>
Liabilities as at 31 December 2019	
Trade payables (Note 20)	36,303
Accruals and other payables	5,052
Amount owing to a related company	3,000
Lease liabilities	13,343
Borrowings (Note 21(a))	179,936
Total	<u>237,634</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 Share capital

	Number of shares	US\$	Nominal value of shares US\$'000	Share premium US\$'000	Total US\$'000
Ordinary shares of US\$0.01 each issued and fully paid at 31 December 2019 and 2020	30,001	300	1	29,999	30,000

20 Trade and other payables and contract liabilities

	2020 US\$'000	2019 US\$'000
Current portion		
Trade payables	45,284	36,303
Contract liabilities	6,519	3,556
Accruals and other payables	18,552	14,594
	<u>70,355</u>	<u>54,453</u>
Non-current portion		
Accruals and other payables	1,505	1,365
	<u>71,860</u>	<u>55,818</u>

The carrying values of trade and other payables and contract liabilities approximate their fair value due to short maturities.

Trade and other payables and contract liabilities above are payable in the following currencies:

	2020 US\$'000	2019 US\$'000
US\$	31,439	26,547
RMB	38,401	28,146
SGD	9	11
BAHT	2,005	1,108
Others	6	6
	<u>71,860</u>	<u>55,818</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Borrowings

(a) Borrowings

	2020 US\$'000	2019 US\$'000
Bank loan due for repayment within one year – secured	18,769	5,000
Bank loan due for repayment within one year – unsecured	1,379	1,290
Debentures due for repayment after one year – secured	174,366	173,646
Total borrowings	194,514	179,936

At 31 December 2020, the debentures were secured by all the assets of the Company, HKYS, HKYT, FTL and FTI and the equity shares of the immediate holding company and equity shares of HKYS, HKYT, ZHYC, SZYH, FTI, FTT, FTS, FSS and FAT directly or indirectly held by the Company.

The principal amount of the debentures is US\$175,000,000 as of 31 December 2020 (31 December 2019: US\$175,000,000)

At 31 December 2020, the Group has US\$24,674,000 (31 December 2019: US\$37,489,000) undrawn revolving loan facility. Interest rate on the facility is floating and interest period can be one, two, three or nine months or any other period agreed between the Group and the lender. Drawn down of revolving loan facilities is subject to the compliance of relevant debts covenant.

An analysis of the carrying amounts of the Group's borrowings by type and currency is as follows:

	2020 US\$'000	2019 US\$'000
US\$ at fixed rates	174,366	173,646
US\$ at floating rates	8,500	5,000
RMB at floating rates	11,648	1,290
	194,514	179,936

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Borrowings (Continued)

(a) Borrowings (Continued)

The effective interest rates per annum at the consolidated statement of financial position date are as follows:

	2020	2019
US\$	5.96% - 10.26%	5.96% - 10.26%
RMB	4.69%	4.87%

The carrying amounts of borrowings approximate their fair values.

22 Deferred income tax

	2020 US\$'000	2019 US\$'000
Deferred tax assets	7,531	3,347
Deferred tax liabilities	(9,572)	(11,203)
Deferred tax liabilities, net	<u>(2,041)</u>	<u>(7,856)</u>

The gross movements on the deferred income tax are as follows:

	2020 US\$'000	2019 US\$'000
At 1 January	(7,856)	(11,912)
Utilisation of deferred tax without impact to consolidated statement of comprehensive income	708	503
Credited to consolidated statement of comprehensive income (Note 10)	4,998	3,614
Currency translation difference	109	(61)
Deferred tax liabilities, net	<u>(2,041)</u>	<u>(7,856)</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Deferred income tax (Continued)

The movement in deferred tax assets/(liabilities), without taking into consideration the offsetting of balances within the same tax jurisdiction, is shown below:

	Deferred tax assets:		Deferred tax liabilities:		Total US\$'000
	Tax losses US\$'000	Provision US\$'000	Fair value adjustments US\$'000	Withholding tax US\$'000	
At 1 January 2019	634	410	(9,976)	(2,980)	(11,912)
Utilisation of deferred tax without impact to consolidated statement of comprehensive income	-	-	-	503	503
Credited/(charged) to consolidated statement of comprehensive income (Note 10)	2,506	140	1,398	(430)	3,614
Currency translation difference	(32)	-	(101)	72	(61)
At 31 December 2019	3,108	550	(8,679)	(2,835)	(7,856)
Utilisation of deferred tax without impact to consolidated statement of comprehensive income	-	-	-	708	708
Credited/(charged) to consolidated statement of comprehensive income (Note 10)	4,052	(156)	1,461	(359)	4,998
Currency translation difference	252	-	(126)	(17)	109
At 31 December 2020	7,412	394	(7,344)	(2,503)	(2,041)

There was no significant unprovided deferred tax as at 31 December 2020 and 2019.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Note to consolidated statement of cash flows

	2020 US\$'000	2019 US\$'000
Cash flows from operating activities		
Loss before taxation	(26,117)	(17,132)
Adjustments for:		
Finance expenses (Note 9)	18,969	18,637
Finance income (Note 9)	(54)	(44)
Depreciation of property, plant and equipment (Note 12)	11,963	9,188
Amortisation of intangible assets (Note 13)	4,002	4,826
Depreciation of right-of-use assets (Note 14)	3,089	3,613
Allowance for impairment of trade receivables and contract assets (Note 6)	24	341
Provision for inventories (Note 6)	161	1,003
Loss on disposal of property, plant and equipment	388	447
Provision for defined benefit plan	96	-
Intangible assets written off	26	-
Property, plant and equipment written off	24	482
Operating profit before working capital changes	12,571	21,361
Changes in working capital:		
Inventories	(2,311)	99
Amount due to a related company	(3,000)	3,000
Amount due from intermediate holding companies	(362)	-
Trade and other receivables and contract assets	(2,884)	1,132
Trade and other payables and contract liabilities	12,294	2,532
Cash generated from operations	16,308	28,124

Note (a) - Proceeds from disposals of property, plant and equipment

	2020 US\$'000	2019 US\$'000
Net book amount of disposals of property, plant and equipment (Note 12)	706	1,009
Property, plant and equipment written off	(24)	(482)
Loss on disposals of property, plant and equipment	(388)	(447)
	294	80

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Note to consolidated statement of cash flows (Continued)

Note (b) - Net debt reconciliation

Sets out is an analysis of net debt and the movements in net debt for each of the years presented.

Net debt

	2020 US\$'000	2019 US\$'000
Cash and cash equivalents	14,355	15,570
Bank loans - floating interest rates	(20,148)	(6,290)
Debentures - fixed interest rate	(174,366)	(173,646)
Lease liabilities	(11,457)	(13,343)
Net debt	<u>(191,616)</u>	<u>(177,709)</u>

	Assets		Liabilities from financing activities		
	Cash and cash equivalents US\$'000	Restricted cash US\$'000	Borrowings US\$'000	Lease liabilities US\$'000	Total US\$'000
Net debt as at					
1 January 2019	19,254	747	(178,054)	-	(158,053)
Cash flows	(3,113)	(747)	-	-	(3,860)
Additions	-	-	-	(15,859)	(15,859)
Proceeds from borrowings	-	-	(1,280)	-	(1,280)
Payment for lease liabilities	-	-	-	3,300	3,300
Other non-cash movements	(571)	-	(602)	(784)	(1,957)
Net debt as at					
31 December 2019	15,570	-	(179,936)	(13,343)	(177,709)
Cash flows	(2,806)	-	-	-	(2,806)
Additions	-	-	-	(700)	(700)
Proceeds from borrowings	-	-	(15,053)	-	(15,053)
Payment for lease liabilities	-	-	-	3,901	3,901
Repayment for borrowings	-	-	1,368	-	1,368
Other non-cash movements	1,591	-	(893)	(1,315)	(617)
Net debt as at					
31 December 2020	<u>14,355</u>	<u>-</u>	<u>(194,514)</u>	<u>(11,457)</u>	<u>(191,616)</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Commitments

Capital Commitments

At 31 December 2020, capital expenditure contracted for but not yet incurred is as follows:

	2020 US\$'000	2019 US\$'000
Intangible assets - software	133	245
Property, plant and equipment	295	1,653
Leasehold improvements for construction-in-progress	65	-
	<u>493</u>	<u>1,898</u>

25 Related party transactions

The Company is a wholly owned subsidiary of Pearl Holding II Limited, a company incorporated in the Cayman Islands. The directors regard Platinum Equity Capital Partners International III (Cayman) L.P., a limited partnership established in the Cayman Islands, as being the ultimate controlling entity of the Company.

Apart from those disclosed elsewhere in these consolidated financial statements, the following significant transactions and balances were carried out with a related company:

(a) Transactions with a related party:

	2020 US\$'000	2019 US\$'000
With a related company for which the Group shares common key management:		
Advisory fee (Note 6)	<u>3,000</u>	<u>3,000</u>

The above transactions were conducted at prices and terms mutually agreed between the parties involved.

PEARL HOLDING III LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Related party transactions (Continued)

(b) Balance with intermediate holding companies:

	2020 US\$'000	2019 US\$'000
Amount due from intermediate holding companies	11,362	11,000

Balance with intermediate holding companies is unsecured, interest-free and is repayable on demand. The carrying amount approximates its fair value and is mainly denominated in US\$.

(c) Balance with a related company:

	2020 US\$'000	2019 US\$'000
Amount due to a related company for which the Group share common key management	-	3,000

Balance with a related company is unsecured, interest-free and is repayable on demand. The carrying amount approximates its fair value and is mainly denominated in US\$.

(d) Key management compensation

No fees or other emoluments are paid or payable to the key management of the Company for the year (2019: Nil).

Appendix 3

Q1 & Q2 2021 Financial Results

PEARL HOLDING III LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED

31 MARCH 2021



羅兵咸永道

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF PEARL HOLDING III LIMITED**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 2 to 18, which comprises the interim condensed consolidated statement of financial position of Pearl Holding III Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 March 2021 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong **04 JUN 2021**

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

		Three months ended 31 March	
	Note	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Revenue	6	43,291	35,400
Cost of sales	7	(36,681)	(33,314)
Gross profit		<u>6,610</u>	<u>2,086</u>
Other expenses, net		(77)	(1,457)
Selling and distribution expenses	7	(2,391)	(1,657)
Administrative expenses	7	(6,098)	(5,794)
Operating loss		<u>(1,956)</u>	<u>(6,822)</u>
Finance costs, net	8	(4,718)	(4,628)
Loss before income tax		<u>(6,674)</u>	<u>(11,450)</u>
Income tax credit	9	561	1,021
Loss for the period		<u>(6,113)</u>	<u>(10,429)</u>
Other comprehensive (loss)/income:			
<u>Item that may be subsequently reclassified to profit or loss</u>			
Currency translation differences		262	(1,839)
Total comprehensive loss for the period		<u>(5,851)</u>	<u>(12,268)</u>

The notes on pages 8 to 18 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

		As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	11	49,737	51,766
Intangible assets	12	52,302	52,125
Right-of-use assets	13	12,301	12,737
Deferred income tax assets		7,901	7,531
Long-term prepayments		1,728	2,257
		<u>123,969</u>	<u>126,416</u>
Current assets			
Inventories		32,416	31,485
Trade and other receivables		53,876	63,615
Contract assets		4,378	5,386
Amount due from an intermediate holding company	17	11,362	11,362
Tax recoverable		-	201
Cash and bank balances		17,759	14,355
		<u>119,791</u>	<u>126,404</u>
Total assets		<u>243,760</u>	<u>252,820</u>
EQUITY			
Share capital		1	1
Share premium		29,999	29,999
Exchange reserve		(4,379)	(4,641)
Capital reserve		6,200	6,200
Statutory reserve		3,575	3,575
Accumulated losses		(79,689)	(73,576)
Total deficit		<u>(44,293)</u>	<u>(38,442)</u>

PEARL HOLDING III LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

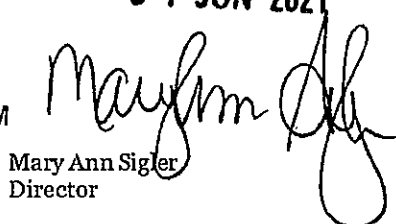
		As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
	Note		
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		9,230	9,572
Accrual and other payables		1,386	1,505
Lease liabilities	13	8,637	8,882
Borrowings	15	178,614	174,366
		<u>197,867</u>	<u>194,325</u>
Current liabilities			
Trade and other payables		55,871	63,836
Contract liabilities		5,792	6,519
Amount due to a related company	17	750	-
Lease liabilities	13	2,524	2,575
Current income tax liabilities		3,205	3,859
Borrowings	15	22,044	20,148
		<u>90,186</u>	<u>96,937</u>
Total liabilities		<u>288,053</u>	<u>291,262</u>
Total equity and liabilities		<u>243,760</u>	<u>252,820</u>

The condensed consolidated interim financial information on pages 2 to 18 was approved by the Board of Directors and was signed on its behalf on

04 JUN 2021


Eva M. Kalawski
Director

BTM


Mary Ann Sigler
Director

CW

The notes on pages 8 to 18 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	(Unaudited)						
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficits US\$'000
At 1 January 2020	1	29,999	6,200	(9,503)	3,530	(47,745)	(17,518)
Comprehensive loss							
Loss for the period	-	-	-	-	-	(10,429)	(10,429)
Other comprehensive loss							
Currency translation differences	-	-	-	(1,839)	-	-	(1,839)
Total comprehensive loss	-	-	-	(1,839)	-	(10,429)	(12,268)
At 31 March 2020	1	29,999	6,200	(11,342)	3,530	(58,174)	(29,786)

PEARL HOLDING III LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2021

	(Unaudited)						
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficits US\$'000
At 1 January 2021	1	29,999	6,200	(4,641)	3,575	(73,576)	(38,442)
Comprehensive loss							
Loss for the period	-	-	-	-	-	(6,113)	(6,113)
Other comprehensive loss							
Currency translation differences	-	-	-	262	-	-	262
Total comprehensive loss	-	-	-	262	-	(6,113)	(5,851)
At 31 March 2021	1	29,999	6,200	(4,379)	3,575	(79,689)	(44,293)

Note:

- (a) As stipulated by the relevant laws and regulations in the People's Republic of China ("PRC"), the subsidiaries in the PRC are required to transfer at least 10% of their after-tax profit determined under the relevant accounting regulations in the PRC (after offsetting prior year losses) to the statutory reserve until the balance reaches 50% of the registered capital.

The notes on pages 8 to 18 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Three months ended 31 March	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	5,244	7,362
Tax paid	(818)	(2,839)
Net cash generated from operating activities	<u>4,426</u>	<u>4,523</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,635)	(1,100)
Purchases of intangible assets	(18)	(344)
Proceeds from disposal of property, plant and equipment	13	35
Interest received	5	6
Net cash used in investing activities	<u>(1,635)</u>	<u>(1,403)</u>
Cash flows from financing activities		
Proceeds from borrowings	2,009	856
Finance lease payments	(1,014)	(913)
Interest paid	(265)	(153)
Net cash generated from/ (used in) financing activities	<u>730</u>	<u>(210)</u>
Net increase in cash and cash equivalents	3,521	2,910
Effect of foreign exchange rate changes	(117)	(172)
Cash and cash equivalents at the beginning of the period	14,355	15,570
Cash and cash equivalents at the end of the period	<u>17,759</u>	<u>18,308</u>

The notes on pages 8 to 18 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

Pearl Holding III Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and selling of plastic injection moulds and related products in Hong Kong, The People’s Republic of China (the “PRC”), Singapore, Thailand and Malaysia.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office and principal place of business is Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The Company is a wholly owned subsidiary of Pearl Holding II Limited, a company incorporated in the Cayman Islands. The directors regard Platinum Equity Capital Partners International III (Cayman) LP, a partnership established in the Cayman Islands, as being the ultimate controlling entity of the Company.

The condensed consolidated interim financial information is presented in United States dollars (“US\$”) unless otherwise stated.

2 Basis of preparation

This condensed consolidated interim financial information for the three months ended 31 March 2021 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The condensed consolidated interim financial information has been prepared on a historical cost basis.

3 Accounting policies

The accounting policies applied are consistent with those of the audited financial statements for the year ended 31 December 2020, as described in those audited financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended IFRSs effective for the financial year ended 31 December 2020 which are relevant to the preparation of the condensed consolidated interim financial information for the three months ended 31 March 2021.

(a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2021 and currently relevant to the Group:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16, “Interest Rate Benchmark Reform”

The adoption of these new and amended standards did not have significant impacts on the Group’s results and financial position and did not require retrospective adjustments.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 Accounting policies (Continued)

- (b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2021 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards. The directors of the Company will adopt the new standards and amendments to standards when they become effective.

4 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the audited financial statements, and should be read in conjunction with the Group's audited financial statements as at 31 December 2020.

There have been no changes in the risk management policies since financial year end.

5.2 Liquidity risk

Compared to financial year ended 31 December 2020, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as all of them are short-term in nature: cash and bank balances, trade and other receivables, contract assets, trade and other payables, current portion of bank borrowings, lease liabilities and amount due to related parties.

6 Revenue and segment information

Revenue represented income generated from the trading of plastic products and moulds. Revenue recognised during the periods is as follows:

	Three months ended 31 March	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Income from sales of moulds	5,832	3,479
Income from sales of plastic products	37,459	31,921
Total	43,291	35,400

The directors have been identified as the chief operating decision-maker ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The directors assess the performance of the Group's manufacturing and sales of plastic injection moulds and related products businesses from both geographic and product perspectives. From a product perspective, management takes into consideration of the economic benefits of the abovementioned businesses as a whole when executing a centralised assessment of the performance as the CODM considers they are mutually dependent and inseparable. Geographically, management considers the Group's businesses activities are included in a single reportable segment in accordance with IFRS 8 "Operating segments". As such, no segment information is presented.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 Profit and loss information

	Three months ended 31 March	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	15,689	13,596
Employee benefit expenses	14,321	13,981
Advisory fee	750	750
(Reversal of) /Provision for inventories	(271)	280
Amortisation of intangible assets	894	1,235
Amortisation of land use rights	17	16
Depreciation of right-of-use assets	699	855
Depreciation of property, plant and equipment	2,638	3,976

8 Finance costs, net

	Three months ended 31 March	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Bank interest income	5	6
Interest on borrowings wholly repayable within 5 years	(315)	(165)
Interest on lease liabilities	(161)	(192)
Finance cost on debentures	(4,247)	(4,277)
	(4,718)	(4,628)

9 Income tax credit

Income tax credit is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

10 Dividends

No dividend has been paid or declared by the Company for the three months ended 31 March 2021 (Prior period: Nil).

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 Property, plant and equipment

	Building US\$'000	Leasehold improvements US\$'000	Office equipment US\$'000	Moulds and equipment US\$'000	Motor vehicles US\$'000	Construction -in-progress US\$'000	Total US\$'000
At 31 December 2020							
Cost	15,359	10,539	4,285	58,294	507	2,505	91,489
Accumulated depreciation	(995)	(5,830)	(2,666)	(29,882)	(350)	-	(39,723)
Net book amount (Audited)	<u>14,364</u>	<u>4,709</u>	<u>1,619</u>	<u>28,412</u>	<u>157</u>	<u>2,505</u>	<u>51,766</u>
Three months ended							
31 March 2021							
Opening net book amount	14,364	4,709	1,619	28,412	157	2,505	51,766
Additions	-	72	10	902	-	117	1,101
Disposals	-	-	-	(128)	(4)	-	(132)
Depreciation charge	(194)	(347)	(144)	(1,942)	(11)	-	(2,638)
Currency translation differences	(99)	(22)	4	(477)	9	225	(360)
Closing net book amount (Unaudited)	<u>14,071</u>	<u>4,412</u>	<u>1,489</u>	<u>26,767</u>	<u>151</u>	<u>2,847</u>	<u>49,737</u>
At 31 March 2021							
Cost	15,250	10,631	4,298	56,407	493	2,847	89,926
Accumulated depreciation	(1,179)	(6,219)	(2,809)	(29,640)	(342)	-	(40,189)
Net book amount (Unaudited)	<u>14,071</u>	<u>4,412</u>	<u>1,489</u>	<u>26,767</u>	<u>151</u>	<u>2,847</u>	<u>49,737</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 Intangible assets

	Goodwill US\$'000	Trademarks US\$'000	Patents US\$'000	Customer relationships US\$'000	Non-compete agreements US\$'000	Computer software US\$'000	Total US\$'000
At 31 December 2020							
Cost	29,019	4,488	14,960	17,416	2,126	3,004	71,013
Accumulated amortisation	-	(2,120)	(4,753)	(8,638)	(2,126)	(1,251)	(18,888)
Net book amount (Audited)	<u>29,019</u>	<u>2,368</u>	<u>10,207</u>	<u>8,778</u>	<u>-</u>	<u>1,753</u>	<u>52,125</u>
Three months ended 31 March 2021							
Opening net book amount	29,019	2,368	10,207	8,778	-	1,753	52,125
Amortisation	-	(98)	(358)	(320)	-	(118)	(894)
Currency translation differences	640	87	150	140	-	54	1,071
Closing net book amount (Unaudited)	<u>29,659</u>	<u>2,357</u>	<u>9,999</u>	<u>8,598</u>	<u>-</u>	<u>1,689</u>	<u>52,302</u>
At 31 March 2021							
Cost	29,659	4,651	15,191	17,780	2,203	3,097	72,581
Accumulated amortisation	-	(2,294)	(5,192)	(9,182)	(2,203)	(1,408)	(20,279)
Net book amount (Unaudited)	<u>29,659</u>	<u>2,357</u>	<u>9,999</u>	<u>8,598</u>	<u>-</u>	<u>1,689</u>	<u>52,302</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 Right-of-use assets

Amount recognised in the consolidated statement of financial position.

	As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Right-of-use assets		
Land use rights	2,268	2,301
Buildings	10,033	10,436
	<u>12,301</u>	<u>12,737</u>
Lease liabilities		
Current	2,524	2,575
Non-current	8,637	8,882
	<u>11,161</u>	<u>11,457</u>

14 Financial instruments by category

	Financial assets at amortised cost US\$'000
Assets as at 31 March 2021 (Unaudited)	
Trade receivables	43,113
Contract assets	4,378
Other receivables	2,638
Amount due from an intermediate holding company	11,362
Cash and cash equivalents	17,759
Total	<u>79,250</u>
Assets as at 31 December 2020 (Audited)	
Trade receivables	54,622
Contract assets	5,386
Other receivables	1,675
Amount due from an intermediate holding company	11,362
Cash and cash equivalents	14,355
Total	<u>87,400</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 Financial instruments by category (Continued)

	Financial liabilities at amortised cost US\$'000
Liabilities as at 31 March 2021 (Unaudited)	
Trade payables	38,296
Accruals and other payables	6,868
Amount due to a related company	750
Lease liabilities	11,161
Borrowings	200,658
Total	<u>257,733</u>
Liabilities as at 31 December 2020 (Audited)	
Trade payables	45,284
Accruals and other payables	11,006
Lease liabilities	11,457
Borrowings	194,514
Total	<u>262,261</u>

15 Borrowings

	As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Current portion		
Bank loan due for repayment within one year - secured	20,674	18,769
Bank loan due for repayment within one year - unsecured	1,370	1,379
Non-current portion		
Debentures due for repayment after one year - secured	178,614	174,366
Total borrowings	<u>200,658</u>	<u>194,514</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 Borrowings (Continued)

At 31 March 2021, the debentures were secured by all the assets of the Company, Ying Shing Enterprises Limited ("HKYS"), Ying Tat Investment (Hong Kong) Limited ("HKYT"), Pearl Engineer Solutions Pte Ltd, and Fischer Tech International Pte Ltd and the equity interest of the immediate holding company and equity interest of HKYS, HKYT, Zhuhai Yingcheng Electronics Technology Co., Ltd, Suzhou Yinghao Precision Moulding and Tooling Co., Ltd, Fischer Tech International Pte Ltd, Fischer Tech (Thailand) Co., Ltd, Fischer Tech (Suzhou) Co., Ltd, Fischer Solution (Suzhou) Co., Ltd, and Fischer Advanced Technology (Suzhou) Co., Ltd directly or indirectly held by the Company.

The principal amount of the debentures is US\$ 175,000,000 as of 31 March 2021 (31 December 2020: US\$ 175,000,000).

At 31 March 2021, the Group has US\$22,584,928 (31 December 2020: US\$ 24,674,000) undrawn revolving loan facility. Interest rate on the facility is floating, and the interest period can be one, two, three or six months or any other period agreed between the Company and the lender. Drawn down of revolving loan facilities is subject to the compliance of relevant debts covenant.

16 Capital commitments

At 31 March 2021, capital expenditure contracted for but not yet incurred is as follows:

	As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Intangible assets – software	107	133
Property, plant and equipment	421	295
Leasehold improvements for construction-in-progress	64	65
	<u>592</u>	<u>493</u>

17 Related party transactions

The Company is a wholly owned subsidiary of Pearl Holding II Limited, a company incorporated in the Cayman Islands. The directors regard Platinum Equity Capital Partners International III (Cayman) LP, a partnership established in the Cayman Islands, as being the ultimate controlling entity of the Company.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 Related party transactions (Continued)

Apart from those disclosed elsewhere in this condensed consolidated interim financial information, the following significant transactions and balances were carried out with related companies:

(a) Transaction with a related party:

	Three months ended 31 March	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
With a related company for which the Group shares common key management:		
Advisory fee	750	750

The above transactions were conducted at prices and terms mutually agreed between the parties involved.

(b) Balance with intermediate holding companies:

	As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Amount due from intermediate holding companies	11,362	11,362

Balance with an intermediate holding company are unsecured, interest-free and are repayable on demand. The carrying amounts approximate their fair values and are mainly denominated in US\$.

(c) Balance with a related company:

	As at 31 March 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Amount due to a related company for which the Group shares common key management	750	-

Balance with a related company is unsecured, interest-free and is repayable on demand. The carrying amount approximates its fair value and is denominated in US\$.

(d) Key management compensation

No fees or other emoluments were paid or payable to the key management of the Company for the periods (Prior period: Nil).

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18. Non-adjusting event after the reporting period

Subsequent to the end of the reporting period, on 26 May 2021, the Company entered into a restructuring support agreement (the “RSA”) with certain holders of the debentures issued by the Company (the “Debenture Holders”) representing approximately 60% in aggregate principal of the US\$175 million debenture (the “Debenture”) (Note 15).

Under the RSA, the Debenture Holders have agreed to release and discharge their claims in respect of the Debentures. As consideration, the Debenture Holders will receive, on a pro rata basis, US\$23.25 million in cash; US\$66.5 million of senior secured notes with 9.00% interest per annum due in 2025 issued by the Company and US\$83.5 million of unsecured mandatorily convertible perpetual notes with interest payable at 8.00% paid-in-kind or 6.00% in cash issued by Pearl Holding II Limited, the immediate holding company.

PEARL HOLDING III LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS AND SIX MONTHS ENDED

30 JUNE 2021

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF PEARL HOLDING III LIMITED**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 2 to 22, which comprises the interim condensed consolidated statement of financial position of Pearl Holding III Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2021 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months and six months then ended, and a summary of significant accounting policies and other explanatory notes. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021**

		Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
	Note	US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)
Revenue	6	45,030	30,975	88,321	66,375
Cost of sales	7	(39,316)	(27,215)	(75,997)	(60,529)
Gross profit		5,714	3,760	12,324	5,846
Other income/(loss), net		124	326	47	(1,131)
Selling and distribution expenses	7	(2,435)	(1,456)	(4,826)	(3,113)
Administrative expenses	7	(6,306)	(5,695)	(12,404)	(11,489)
Operating loss		(2,903)	(3,065)	(4,859)	(9,887)
Finance income/(costs), net	8	1,403	(4,703)	(3,315)	(9,331)
Loss before income tax		(1,500)	(7,768)	(8,174)	(19,218)
Income tax credit	9	869	357	1,430	1,378
Loss for the period		(631)	(7,411)	(6,744)	(17,840)
Other comprehensive income/(loss):					
<u>Item that may be subsequently reclassified to profit or loss</u>					
Currency translation differences		1,276	(601)	1,538	(2,440)
Other comprehensive income/(loss) for the period, net of tax		1,276	(601)	1,538	(2,440)
Total comprehensive income/(loss) for the period		645	(8,012)	(5,206)	(20,280)

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

		30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	11	48,678	51,766
Intangible assets	12	51,694	52,125
Right-of-use assets	13	11,770	12,737
Deferred income tax assets		8,730	7,531
Long-term prepayments		1,748	2,257
		<u>122,620</u>	<u>126,416</u>
		-----	-----
Current assets			
Inventories		36,179	31,485
Trade and other receivables		55,864	63,615
Contract assets		5,497	5,386
Amount due from an intermediate holding company	17	11,373	11,362
Tax recoverable		-	201
Cash and bank balances		16,778	14,355
		<u>125,691</u>	<u>126,404</u>
		-----	-----
Total assets		<u>248,311</u>	<u>252,820</u>
		=====	=====
EQUITY			
Share capital		1	1
Share premium		29,999	29,999
Exchange reserve		(3,103)	(4,641)
Capital reserve		6,200	6,200
Statutory reserve		3,575	3,575
Accumulated losses		(80,320)	(73,576)
		<u>(43,648)</u>	<u>(38,442)</u>
Total deficit		<u>(43,648)</u>	<u>(38,442)</u>
		=====	=====

PEARL HOLDING III LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2021

		30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
	Note		
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		9,255	9,572
Accrual and other payables		1,390	1,505
Lease liabilities	13	7,963	8,882
Borrowings	15	176,731	174,366
		<u>195,339</u>	<u>194,325</u>
Current liabilities			
Trade and other payables		58,394	63,836
Contract liabilities		5,409	6,519
Amount due to a related company	17	750	-
Lease liabilities	13	2,542	2,575
Current income tax liabilities		3,069	3,859
Borrowings	15	26,456	20,148
		<u>96,620</u>	<u>96,937</u>
Total liabilities		<u>291,959</u>	<u>291,262</u>
Total equity and liabilities		<u>248,311</u>	<u>252,820</u>

The condensed consolidated interim financial information on pages 2 to 22 was approved by the Board of Directors on and was signed on its behalf on .

Director

Director

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021**

	(Unaudited)						
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficits US\$'000
At 1 April 2020	1	29,999	6,200	(11,342)	3,530	(58,174)	(29,786)
Comprehensive loss							
Loss for the period	-	-	-	-	-	(7,411)	(7,411)
Other comprehensive loss							
Currency translation differences	-	-	-	(601)	-	-	(601)
Total comprehensive loss	-	-	-	(601)	-	(7,411)	(8,012)
At 30 June 2020	1	29,999	6,200	(11,943)	3,530	(65,585)	(37,798)

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021**

	(Unaudited)						
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficits US\$'000
At 1 January 2020	1	29,999	6,200	(9,503)	3,530	(47,745)	(17,518)
Comprehensive loss							
Loss for the period	-	-	-	-	-	(17,840)	(17,840)
Other comprehensive loss							
Currency translation differences	-	-	-	(2,440)	-	-	(2,440)
Total comprehensive loss	-	-	-	(2,440)	-	(17,840)	(20,280)
At 30 June 2020	1	29,999	6,200	(11,943)	3,530	(65,585)	(37,798)

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021

	(Unaudited)						
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficits US\$'000
At 1 April 2021	1	29,999	6,200	(4,379)	3,575	(79,689)	(44,293)
	-----	-----	-----	-----	-----	-----	-----
Comprehensive loss							
Loss for the period	-	-	-		-	(631)	(631)
Other comprehensive income							
Currency translation differences	-	-	-	1,276	-	-	1,276
	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income	-	-	-	1,276	-	(631)	645
	-----	-----	-----	-----	-----	-----	-----
At 30 June 2021	1	29,999	6,200	(3,103)	3,575	(80,320)	(43,648)
	=====	=====	=====	=====	=====	=====	=====

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021**

	(Unaudited)						
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Statutory reserve (note a) US\$'000	Accumulated losses US\$'000	Total deficits US\$'000
At 1 January 2021	1	29,999	6,200	(4,641)	3,575	(73,576)	(38,442)
Comprehensive loss							
Loss for the period	-	-	-	-	-	(6,744)	(6,744)
Other comprehensive income							
Currency translation differences	-	-	-	1,538	-	-	1,538
Total comprehensive loss	-	-	-	1,538	-	(6,744)	(5,206)
At 30 June 2021	1	29,999	6,200	(3,103)	3,575	(80,320)	(43,648)

Note:

- (a) As stipulated by the relevant laws and regulations in the People's Republic of China ("PRC"), the subsidiaries in the PRC are required to transfer at least 10% of their after-tax profit determined under the relevant accounting regulations in the PRC (after offsetting prior year losses) to the statutory reserve until the balance reaches 50% of the registered capital.

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021**

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities				
Cash (used in)/ generated from operations	(3,664)	8,829	1,580	16,191
Income taxes paid	(254)	(1,661)	(1,072)	(4,500)
Net cash (used in)/ generated from operating activities	<u>(3,918)</u>	<u>7,168</u>	<u>508</u>	<u>11,691</u>
Cash flows from investing activities				
Payments for property, plant and equipment	(1,585)	(679)	(3,220)	(1,779)
Payments for intangible assets	(24)	(53)	(42)	(397)
Proceeds from sale of property, plant and equipment	190	82	203	117
Interest received	1	5	6	11
Net cash used in investing activities	<u>(1,418)</u>	<u>(645)</u>	<u>(3,053)</u>	<u>(2,048)</u>
Cash flows from financing activities				
Proceeds from borrowings	14,165	12,319	16,174	13,175
Repayments of borrowings	(9,893)	(1,262)	(9,893)	(1,262)
Finance lease payments	(1,045)	(1,005)	(2,059)	(1,918)
Interest paid	(272)	(8,313)	(537)	(8,466)
Net cash generated from financing activities	<u>2,955</u>	<u>1,739</u>	<u>3,685</u>	<u>1,529</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,381)</u>	<u>8,262</u>	<u>1,140</u>	<u>11,172</u>
Effect of foreign exchange rate changes	1,400	(914)	1,283	(1,086)
Cash and cash equivalents at the beginning of period	<u>17,759</u>	<u>18,308</u>	<u>14,355</u>	<u>15,570</u>
Cash and cash equivalents at end of the period	<u>16,778</u>	<u>25,656</u>	<u>16,778</u>	<u>25,656</u>

The notes on pages 10 to 22 are an integral part of this condensed consolidated interim financial information.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

Pearl Holding III Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and selling of plastic injection moulds and related products in Hong Kong, The People’s Republic of China (the “PRC”), Singapore, Thailand and Malaysia.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office and principal place of business is Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The Company is a wholly owned subsidiary of Pearl Holding II Limited, a company incorporated in the Cayman Islands. The directors regard Platinum Equity Capital Partners International III (Cayman), L.P., a partnership established in the Cayman Islands, as being the ultimate controlling entity of the Company.

The condensed consolidated interim financial information is presented in United States dollars (“US\$”) unless otherwise stated.

2 Basis of preparation

This condensed consolidated interim financial information for the three months and six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The condensed consolidated interim financial information has been prepared on a historical cost basis.

3 Accounting policies

The accounting policies applied are consistent with those of the audited financial statements for the year ended 31 December 2020, as described in those audited financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended IFRSs effective for the financial year ending 31 December 2020 which are relevant to the preparation of the condensed consolidated interim financial information for the three months and six months ended 30 June 2021.

(a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2021 and currently relevant to the Group:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16, “Interest Rate Benchmark Reform”

The adoption of these new and amended standards did not have significant impacts on the Group’s results and financial position and did not require retrospective adjustments.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 Accounting policies (Continued)

- (b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2021 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards. The directors of the Company will adopt the new standards and amendments to standards when they become effective.

4 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the audited financial statements, and should be read in conjunction with the Group's audited financial statements as at 31 December 2020.

There have been no changes in the risk management policies since financial year end.

5.2 Liquidity risk

Compared to financial year ended 31 December 2020, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as all of them are short-term in nature: cash and bank balances, trade and other receivables, contract assets, trade and other payables, current portion of bank borrowings, lease liabilities and amount due from/to related parties.

6 Revenue and segment information

Revenue represented income generated from the trading of plastic products and moulds. Revenue recognised during the periods is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income from sales of plastic products	39,467	28,034	76,926	59,955
Income from sales of moulds	5,563	2,941	11,395	6,420
	<u>45,030</u>	<u>30,975</u>	<u>88,321</u>	<u>66,375</u>

The directors have been identified as the chief operating decision-maker ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The directors assess the performance of the Group's manufacturing and sales of plastic injection moulds and related products businesses from both geographic and product perspectives. From a product perspective, management takes into consideration of the economic benefits of the abovementioned businesses as a whole when executing a centralised assessment of the performance as the CODM considers they are mutually dependent and inseparable. Geographically, management considers the Group's businesses activities are included in a single reportable segment in accordance with IFRS 8 "Operating segments". As such, no segment information is presented.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 Profit and loss information

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of inventories sold	16,597	10,555	32,286	24,151
Employee benefit expenses	14,744	10,870	29,065	24,851
Advisory fee	-	750	750	1,500
Provision for inventories	344	72	73	352
Amortisation of intangible assets	931	979	1,825	2,214
Depreciation of right-of-use assets	716	754	1,432	1,625
Depreciation of property, plant and equipment	2,287	2,891	4,925	6,867

8 Finance costs, net

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bank interest income	1	5	6	11
Interest on borrowings wholly repayable within 5 years	(322)	(190)	(637)	(355)
Interest on lease liabilities	(158)	(178)	(319)	(370)
Finance income/(cost) on debentures	1,882	(4,340)	(2,365)	(8,617)
	<u>1,403</u>	<u>(4,703)</u>	<u>(3,315)</u>	<u>(9,331)</u>

9 Income tax credit

Interest tax credit is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

10 Dividends

No dividend has been paid or declared by the Company for the three months and six months ended 30 June 2021 (Prior periods: Nil).

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 Property, plant and equipment

	Building US\$'000	Leasehold improvements US\$'000	Office equipment US\$'000	Moulds and equipment US\$'000	Motor vehicles US\$'000	Construction in-progress US\$'000	Total US\$'000
At 31 December 2020							
Cost	15,359	10,539	4,285	58,294	507	2,505	91,489
Accumulated depreciation	(995)	(5,830)	(2,666)	(29,882)	(350)	-	(39,723)
Net book amount (Audited)	<u>14,364</u>	<u>4,709</u>	<u>1,619</u>	<u>28,412</u>	<u>157</u>	<u>2,505</u>	<u>51,766</u>
Six months ended 30 June 2021							
Opening net book amount	14,364	4,709	1,619	28,412	157	2,505	51,766
Additions	-	180	13	1,275	-	526	1,994
Disposals	-	-	(1)	(262)	(29)	-	(292)
Depreciation charge	(388)	(695)	(272)	(3,550)	(20)	-	(4,925)
Currency translation differences	143	27	25	(349)	7	282	135
Closing net book amount (Unaudited)	<u>14,119</u>	<u>4,221</u>	<u>1,384</u>	<u>25,526</u>	<u>115</u>	<u>3,313</u>	<u>48,678</u>
At 30 June 2021							
Cost	15,513	10,869	4,360	57,036	451	3,313	91,542
Accumulated depreciation	(1,394)	(6,648)	(2,976)	(31,510)	(336)	-	(42,864)
Net book amount (Unaudited)	<u>14,119</u>	<u>4,221</u>	<u>1,384</u>	<u>25,526</u>	<u>115</u>	<u>3,313</u>	<u>48,678</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 Property, plant and equipment (Continued)

	Building US\$'000	Leasehold improvements US\$'000	Office equipment US\$'000	Moulds and equipment US\$'000	Motor vehicles US\$'000	Construction in-progress US\$'000	Total US\$'000
At 31 March 2021							
Cost	15,250	10,631	4,298	56,407	493	2,847	89,926
Accumulated depreciation	(1,179)	(6,219)	(2,809)	(29,640)	(342)	-	(40,189)
Net book amount (Unaudited)	<u>14,071</u>	<u>4,412</u>	<u>1,489</u>	<u>26,767</u>	<u>151</u>	<u>2,847</u>	<u>49,737</u>
Three months ended 30 June 2021							
Opening net book amount	14,071	4,412	1,489	26,767	151	2,847	49,737
Additions	-	108	3	373	-	409	893
Disposals	-	-	(1)	(134)	(25)	-	(160)
Depreciation charge	(194)	(348)	(128)	(1,608)	(9)	-	(2,287)
Currency translation differences	242	49	21	128	(2)	57	495
Closing net book amount (Unaudited)	<u>14,119</u>	<u>4,221</u>	<u>1,384</u>	<u>25,526</u>	<u>115</u>	<u>3,313</u>	<u>48,678</u>
At 30 June 2021							
Cost	15,513	10,869	4,360	57,036	451	3,313	91,542
Accumulated depreciation	(1,394)	(6,648)	(2,976)	(31,510)	(336)	-	(42,864)
Net book amount (Unaudited)	<u>14,119</u>	<u>4,221</u>	<u>1,384</u>	<u>25,526</u>	<u>115</u>	<u>3,313</u>	<u>48,678</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 Intangible assets

	Goodwill US\$'000	Trademarks US\$'000	Patents US\$'000	Customer relationships US\$'000	Non-compete agreements US\$'000	Computer software US\$'000	Total US\$'000
At 31 December 2020							
Cost	29,019	4,488	14,960	17,416	2,126	3,004	71,013
Accumulated amortisation	-	(2,120)	(4,753)	(8,638)	(2,126)	(1,251)	(18,888)
Net book amount (Audited)	<u>29,019</u>	<u>2,368</u>	<u>10,207</u>	<u>8,778</u>	<u>-</u>	<u>1,753</u>	<u>52,125</u>
Six months ended 30 June 2021							
Opening net book amount	29,019	2,368	10,207	8,778	-	1,753	52,125
Amortisation	-	(197)	(749)	(644)	-	(235)	(1,825)
Currency translation differences	840	127	186	159	-	82	1,394
Closing net book amount (Unaudited)	<u>29,859</u>	<u>2,298</u>	<u>9,644</u>	<u>8,293</u>	<u>-</u>	<u>1,600</u>	<u>51,694</u>
At 30 June 2021							
Cost	29,859	4,731	15,218	17,885	2,241	3,141	73,075
Accumulated amortisation	-	(2,433)	(5,574)	(9,592)	(2,241)	(1,541)	(21,381)
Net book amount (Unaudited)	<u>29,859</u>	<u>2,298</u>	<u>9,644</u>	<u>8,293</u>	<u>-</u>	<u>1,600</u>	<u>51,694</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 Intangible assets (Continued)

	Goodwill US\$'000	Trademarks US\$'000	Patents US\$'000	Customer relationships US\$'000	Non-compete agreements US\$'000	Computer software US\$'000	Total US\$'000
At 31 March 2021							
Cost	29,659	4,651	15,191	17,780	2,203	3,097	72,581
Accumulated amortisation	-	(2,294)	(5,192)	(9,182)	(2,203)	(1,408)	(20,279)
Net book amount (Unaudited)	<u>29,659</u>	<u>2,357</u>	<u>9,999</u>	<u>8,598</u>	<u>-</u>	<u>1,689</u>	<u>52,302</u>
Three months ended 30 June 2021							
Opening net book amount	29,659	2,357	9,999	8,598	-	1,689	52,302
Amortisation	-	(99)	(391)	(324)	-	(117)	(931)
Currency translation differences	200	40	36	19	-	28	323
Closing net book amount (Unaudited)	<u>29,859</u>	<u>2,298</u>	<u>9,644</u>	<u>8,293</u>	<u>-</u>	<u>1,600</u>	<u>51,694</u>
At 30 June 2021							
Cost	29,859	4,731	15,218	17,885	2,241	3,141	73,075
Accumulated amortisation	-	(2,433)	(5,574)	(9,592)	(2,241)	(1,541)	(21,381)
Net book amount (Unaudited)	<u>29,859</u>	<u>2,298</u>	<u>9,644</u>	<u>8,293</u>	<u>-</u>	<u>1,600</u>	<u>51,694</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 Leases

Amount recognised in the condensed consolidated statement of financial position.

	As at 30 June 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Right-of-use assets		
Land use rights	2,290	2,301
Buildings	9,480	10,436
	<u>11,770</u>	<u>12,737</u>
Lease liabilities		
Current	2,542	2,575
Non-current	7,963	8,882
	<u>10,505</u>	<u>11,457</u>

14 Financial instruments by category

	Financial assets at amortised cost US\$'000
Assets as at 30 June 2021 (Unaudited)	
Trade receivables	42,524
Contract assets	5,497
Other receivables	3,442
Amount due from an intermediate holding company	11,373
Cash and cash equivalents	16,778
Total	<u>79,614</u>
Assets as at 31 December 2020 (Audited)	
Trade receivables	54,622
Contract assets	5,386
Other receivables	1,675
Amount due from an intermediate holding company	11,362
Cash and cash equivalents	14,355
Total	<u>87,400</u>

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 Financial instruments by category (Continued)

	Financial liabilities at amortised cost US\$'000
Liabilities as at 30 June 2021 (Unaudited)	
Trade payables	39,038
Accruals and other payables	9,389
Amount due to a related company	750
Lease liabilities	10,505
Borrowings	203,187
Total	262,869
Liabilities as at 31 December 2020 (Audited)	
Trade payables	45,284
Accruals and other payables	11,006
Lease liabilities	11,457
Borrowings	194,514
Total	262,261

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 Borrowings

	As at 30 June 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Current portion		
Bank loan due for repayment within one year - secured	21,967	18,769
Bank loan due for repayment within one year - unsecured	4,489	1,379
Non-current portion		
Debentures due for repayment after one year - secured	176,731	174,366
Total borrowings	203,187	194,514

During the period, the Company entered into a restructuring support agreement (“RSA”) with certain holders of the debentures issued by the Company (the “Debenture Holders”), representing approximately 94.1% in aggregate principal of the US\$175 million debenture (the “Debenture”).

By signing the RSA, the Debenture Holders agreed to vote in favour and otherwise support the implementation of the proposed restructuring. In addition, under the RSA, the Debenture Holders each provides a waiver in respect of the non-payment of the coupon due on 11 June 2021 under the Debenture. The waiver was effective from the date of the RSA, conditioned upon the implementation of the proposed restructuring. As the Debenture Holders collectively held more than 90% of the aggregate principal of the outstanding Debenture, the Group considered that it was more likely than not that the proposed restructuring would be approved and implemented, and has therefore recognised the impact of the waiver over the remaining outstanding period of the Debenture.

Under the proposed restructuring, holders of the Debenture will release and discharge their claims in respect of the Debenture. As consideration, holders of the Debenture will receive, on a pro rata basis, US\$23.25 million in cash; US\$66.5 million of senior secured notes with 9.00% interest per annum due in 2025 issued by the Company and US\$83.5 million of unsecured mandatorily convertible perpetual note with interest payable at 8.00% paid-in-kind or 6.00% in cash issued by Pearl Holding II Limited, the immediate holding company. In addition to the above, holders of the Debenture who vote in favour of the RSA will receive consent fee, on a pro rata basis, totalling US\$1.75 million. The proposed restructuring is not yet effective as at the date of this report.

At 30 June 2021, the Debentures were secured by all the assets of the Company, Ying Shing Enterprises Limited (“HKYS”), Ying Tat Investment (Hong Kong) Limited (“HKYT”), Pearl Engineer Solutions Pte Ltd, and Fischer Tech International Pte Ltd and the equity interest of the immediate holding company and equity interest of HKYS, HKYT, Zhuhai Yingcheng Electronics Technology Co., Ltd, Suzhou Yinghao Precision Moulding and Tooling Co., Ltd, Fischer Tech International Pte Ltd, Fischer Tech (Thailand) Co., Ltd, Fischer Tech (Suzhou) Co., Ltd, Fischer Solution (Suzhou) Co., Ltd, and Fischer Advanced Technology (Suzhou) Co., Ltd directly or indirectly held by the Company.

At 30 June 2021, the Group has US\$ 21,600,00 (31 December 2020: US\$ 24,674,000) undrawn revolving loan facility. Interest rate on the facility is floating, and the interest period can be one, two, three or six months or any other period agreed between the Company and the lender. Drawn down of revolving loan facilities is subject to the compliance of relevant debts covenant.

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 Capital Commitments

At 30 June 2021, capital expenditure contracted for but not yet incurred is as follows:

	As at 30 June 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Intangible assets - software	112	133
Property, plant and equipment	3,408	295
Leasehold improvements	80	65
	<u>3,600</u>	<u>493</u>

17 Related party transactions

The Company is a wholly owned subsidiary of Pearl Holding II Limited, a company incorporated in the Cayman Islands. The directors regard Platinum Equity Capital Partners International III (Cayman) L.P., a partnership established in the Cayman Islands, as being the ultimate controlling entity of the Company.

Apart from those disclosed elsewhere in this condensed consolidated interim financial information, the following significant transactions and balance were carried out with related companies:

PEARL HOLDING III LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 Related party transactions (Continued)

(a) Transactions with a related party:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
With a related company for which the Group shares common key management:				
Advisory fee	-	750	750	1,500

The above transactions were conducted at prices and terms mutually agreed between the parties involved.

(b) Balance with an intermediate holding company:

	As at 30 June 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Amount due from an intermediate holding company	11,373	11,362

Balance with an intermediate holding company is unsecured, interest-free and is repayable on demand. The carrying amount approximates its fair value and is mainly denominated in US\$.

(c) Balance with a related company:

	As at 30 June 2021 US\$'000 (Unaudited)	As at 31 December 2020 US\$'000 (Audited)
Amount due to a related company for which the Group shares common key management	750	-

Balance with a related company is unsecured, interest-free and is repayable on demand. The carrying amount approximates its fair value and is denominated in US\$.

(d) Key management compensation

No fees or other emoluments were paid or payable to the key management of the Company for the periods (Prior periods: Nil).

Appendix 4

Illustrative Example of Distribution Waterfall⁵

	Dec/2022	Dec/2023	Dec/2024
Distributable Value²	US\$150M	US\$200M	US\$250M
1. New Notes			
- Principal	(\$66.5M)	(\$66.5M)	(\$66.5M)
- Redemption Premium	(\$1.3M)	(\$0.7M)	-
2. New Equity Investment			
- Class A Shares (Investor)	(\$25.0M)	(\$25.0M)	(\$25.0M)
3. 20% IRR Catch Up - Class B Share Cumulative Dividend^{1,3}			
- Class B Shares (New Perpetual Note Holders)	(\$2.1M)	(\$4.2M)	(\$6.7M)
- Class B Shares (Investor)	(\$6.4M)	(\$12.7M)	(\$20.2M)
4. Remaining Proceeds			
- Common Stock (New Perpetual Note Holders)	\$24.3M	\$45.5M	\$65.8M
- Common Stock (Platinum Equity)	\$24.3M	\$45.5M	\$65.8M

Supporting Calculation - Cumulative Dividend Per Class B Share			
A = New Equity Investment	\$25M	\$25M	\$25M
B = Targeted IRR on the New Equity Investment	20%	20%	20%
C = Time Elapsed Between the Restructuring Effective Date and the Date of Exit, Expressed as Year Fractions	1.25	2.25	3.25
D = Economic Interest to the Investor	75%	75%	75%
E = Total Number of Preferred Stock B	40,000	40,000	40,000
Cumulative Dividend Per Class B Share = $((A * (1 + B)^C - A) / D) / E$	\$213.3/share	\$422.6/share	\$673.8/share

Notes

- (1) For the avoidance of doubt, IRR calculations to be based solely on the new equity investment (\$25M) and exclude past or future monitoring fees to Platinum Equity or its affiliate(s).
- (2) After repayment of the SSRFCF and other credit facilities of the operating companies within the Group, as applicable.
- (3) Illustratively assumes a restructuring effective date of 30 September 2021.
- (4) Illustrative calculation of Cumulative Dividend Per Class B Share assumes that there has not been any Partial Sale.
- (5) Excludes the impact of any cash pay-outs which may be payable under the management incentive plan, as described in Section 5.3(e) above.

Appendix 5

LIQUIDATION FINANCIAL ANALYSIS

19 August 2021

Dear Sir or Madam,

AMC Capital Advisory Services Limited (“AMC”), an independent advisory firm incorporated in Hong Kong, pursuant to a letter of engagement dated 28th May 2021 with Pearl Holding III Limited (“PH III”), has been instructed to provide an independent third-party valuation of a forced liquidation to be issued on a reliance basis to Pearl Holding III Limited only, of the following entities (the “Project” or the “Report”):

1. Pearl Holding III Limited
2. Pearl Engineered Solutions Pte Ltd.
3. Fischer Tech International Pte Ltd.
4. Fischer Solution (Suzhou) Co., Ltd.
5. Fischer Tech (Suzhou) Co., Ltd.
6. Fischer Advanced Technology (Suzhou) Co., Ltd.
7. Fischer Technology Pte Ltd
8. M-Fischer Tech Sdn Bhd
9. Fischer Tech (Thailand) Co., Ltd
10. Ying Shing Enterprises Limited
11. Zhuhai Yingcheng Electronics Technology Co., Ltd
12. Ying Tat Investment (Hong Kong) Limited
13. Suzhou Yinghao Precision Molding and Tooling Co., Ltd (collectively the “Relevant Entities”)

In preparing the Report, AMC’s role in reviewing any information has been limited solely to performing such review as is reasonably necessary to support its own advice and analysis. AMC has not independently verified the information that has been provided by PH III in relation to itself nor any of the Relevant Entities or broader group and the Report must be qualified in that context and length of time available to AMC for the review of such information.

The Report below reflects the estimated cash proceeds, net of liquidation related costs, which would be available to the various creditors if the Relevant Entities were to be liquidated simultaneously on a fire sale basis. Underlying the Report are a number of estimates and assumptions regarding liquidation proceeds that, although developed and considered reasonable by AMC are inherently subject to significant business, economic, foreign exchange and competitive uncertainties and contingencies beyond the control of PH III and their management. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE REPORT WOULD BE REALIZED IF PH III AND ITS SUBSIDIARIES WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HERE. THE REPORT SHOULD BE VIEWED CORRESPONDINGLY AND IS BEING ISSUED ENTIRELY ON A RELIANCE BASIS ONLY TO PEARL HOLDING III LIMITED.

Summary of stage two liquidation analysis (includes intercompany claims of Relevant Entities and related companies) in relation to Pearl Holding III Limited

	NBV/FV	% Recovery			ERV (Low)	ERV (Mid)	ERV (High)
	USD'000	Low	Mid	High	USD'000	USD'000	USD'000
Pearl Holding III Limited (A1)							
Secured lenders	183,500	11.1%	12.1%	13.2%	20,320	22,250	24,294
Super Senior RCF	8,500	100.0%	100.0%	100.0%	8,500	8,500	8,500
USD senior notes due 2022	175,000	6.8%	7.9%	9.0%	11,820	13,750	15,794
Unsecured lenders/creditors*	59,841	0.0%	0.0%	0.0%	-	-	-

*Unsecured lenders/creditors excludes guarantee in the above summary table

The mid-point recovery for the Super Senior RCF provided by DBS bank to Pearl Holding III Limited is estimated at **100%** while the mid-point recovery for the USD senior notes due 2022 issued by Pearl Holding III Limited is estimated at **7.9%** in stage two of the liquidation analysis, which includes the intercompany claims of Relevant Entities and related companies.

Please note that this summary should not be viewed as a substitute for reading the report in its entirety

The Report

Group Overview

Pearl Holding III Limited and its subsidiaries (together, the “Group” or “Pearl Group”) are principally engaged in the manufacturing and sale of plastic injection moulds and related products in Hong Kong, The People’s Republic of China (the “PRC”), Singapore, Thailand, and Malaysia.

Pearl Group is headquartered in Singapore and have manufacturing facilities located in PRC, Thailand, and Malaysia.

Below table sets forth an overview of the Group’s manufacturing sites:

Site	Total GFA (ft2)	Operation
Ying Shing Zhuhai	1,200,000	Design, tooling, injection moulding, stamping and assembly
Fischer Advanced Technology Suzhou	475,780	Design, tooling, injection moulding, secondary processing (painting, printing, laser, assembly) and IML/Film insert
Fischer Tech Thailand	82,590	Design, tooling, 2 shot injection molding, secondary processing, and assembly.
Fischer Tech Malaysia	75,000	Design, tooling, 2 shot injection moulding, secondary processing, IML/Film insert and assembly

An analysis of Pearl Group’s historical financial performance based on their financial reports is set out below:

USDm	2019	2020	2020 Q1	2021 Q1	yoy
Revenue	197.0	170.6	35.4	43.3	22.3%
Costs of Sales	(162.6)	(144.7)	(33.3)	(36.7)	
Gross profit	34.4	25.9	2.1	6.6	214.8%
<i>Gross profit margin</i>	<i>17.5%</i>	<i>15.2%</i>	<i>5.9%</i>	<i>15.3%</i>	
Other (expenses)/income, net	2.8	(2.6)	0.0	(0.1)	
Selling and distribution expenses	(9.6)	(9.4)	(1.7)	(2.4)	
Administrative expenses	(26.2)	(21.2)	(5.8)	(6.1)	
Operating (loss)/profit	1.5	(7.2)	(5.4)	(2.0)	nmf
Finance costs, net	(18.6)	(18.9)	(4.6)	(4.7)	
Loss before income tax	(17.1)	(26.1)	(10.0)	(6.7)	
Income tax credit/(expense)	(1.2)	0.3	1.0	0.6	
Loss for the year / period	(18.3)	(25.8)	(9.0)	(6.1)	nmf

Pearl Group’s FY2021 Q1 revenue increased 22.3% compared to that in FY2020 Q1 driven by market recovery from Covid-19. FY2021 Q1 gross profit increased 214.8% compared to that in FY2020 Q1 mainly from the saving in restructuring cost and depreciation cost post Suzhou mega site consolidation exercise¹ majority completed in FY2021 Q1. FY2021 Q1 loss reduced to USD6.1 million compared to USD9.0 million loss in FY2020 Q1 thanks to the increase in revenue.

¹ Suzhou mega site consolidation exercise refers to the exercise of consolidating facilities of Pearl and Fischer Tech in Suzhou.

Revenue breakdown by group of entities

USDm	2019	2020	2020 Q1	2021 Q1	yoy
SFT/MFT	14.9	10.8	3.0	3.4	11.4%
FTT	13.1	12.4	2.5	3.6	45.8%
Zhuhai Group*	91.8	93.8	17.4	20.8	19.7%
Suzhou Group**	77.2	53.6	12.5	15.5	23.9%
Total	197.0	170.6	35.4	43.3	22.3%

*Zhuhai Group includes Ying Shing Enterprises Limited (A11) and Zhuhai Yingcheng Electronics Technology Co., Ltd (A12)

**Suzhou Group includes Fischer Advanced Technology (Suzhou) Co., Ltd. (A6), Fischer Solution (Suzhou) Co., Ltd. (A4), Fischer Tech (Suzhou) Co., Ltd. (A5), Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14), Ying Tat Investment (Hong Kong) Limited (A13) and Fischer Tech International Pte Ltd.(A3)

The increases in revenue of Zhuhai Group and Suzhou Group contributed the most to the increase in Pearl Group's revenue in FY2021 Q1. The FY2021 Q1 revenue generated by Fischer Tech (Thailand) Co., Ltd ("FTT") showed significant increase (45.8% yoy) compared to that in FY2020 Q1.

Revenue breakdown by segment

USDm	2019	2020	2020 Q1	2021 Q1	yoy
Automotive	84.2	54.4	15.1	17.1	13.2%
Consumer Electronics	57.4	58.6	8.6	12.0	39.7%
Mobile	30.7	36.7	7.9	6.3	-19.9%
Tooling	17.0	15.6	2.6	6.0	130.9%
IT equipment	7.5	5.1	1.2	1.9	55.3%
Other	0.2	0.2	-	-	0.0%
Total	197.0	170.6	35.4	43.3	22.3%

Pearl Group's FY2021 Q1 revenue increased across all segments except mobile segment, mainly due to no mid-year model launched in year 2021 as a result of Covid19. The revenue from consumer electronics segment recorded a growth of 39.7% mainly due to higher demand for key game console, routers and IT equipment. Revenue from automotive, tolling, and IT equipment segments also recorded a growth in FY2021 Q1 due to market recovery.

Revenue breakdown by geography

USDm	2019	2020	2020 Q1	2021 Q1	var
Asia Pacific	74.7%	78.8%	72.0%	73.7%	1.7%
USA	7.3%	7.5%	8.9%	7.8%	-1.1%
Europe/other	18.0%	13.7%	19.1%	18.4%	-0.7%
	100.0%	100.0%	100.0%	100.0%	

Asia Pacific represented c.73.7% of Pearl Group's FY2021 Q1 revenue, slightly up from 72% in FY2020 Q1.

Corporate Structure

The activities and other particulars of PH III's principal subsidiaries are set out below:

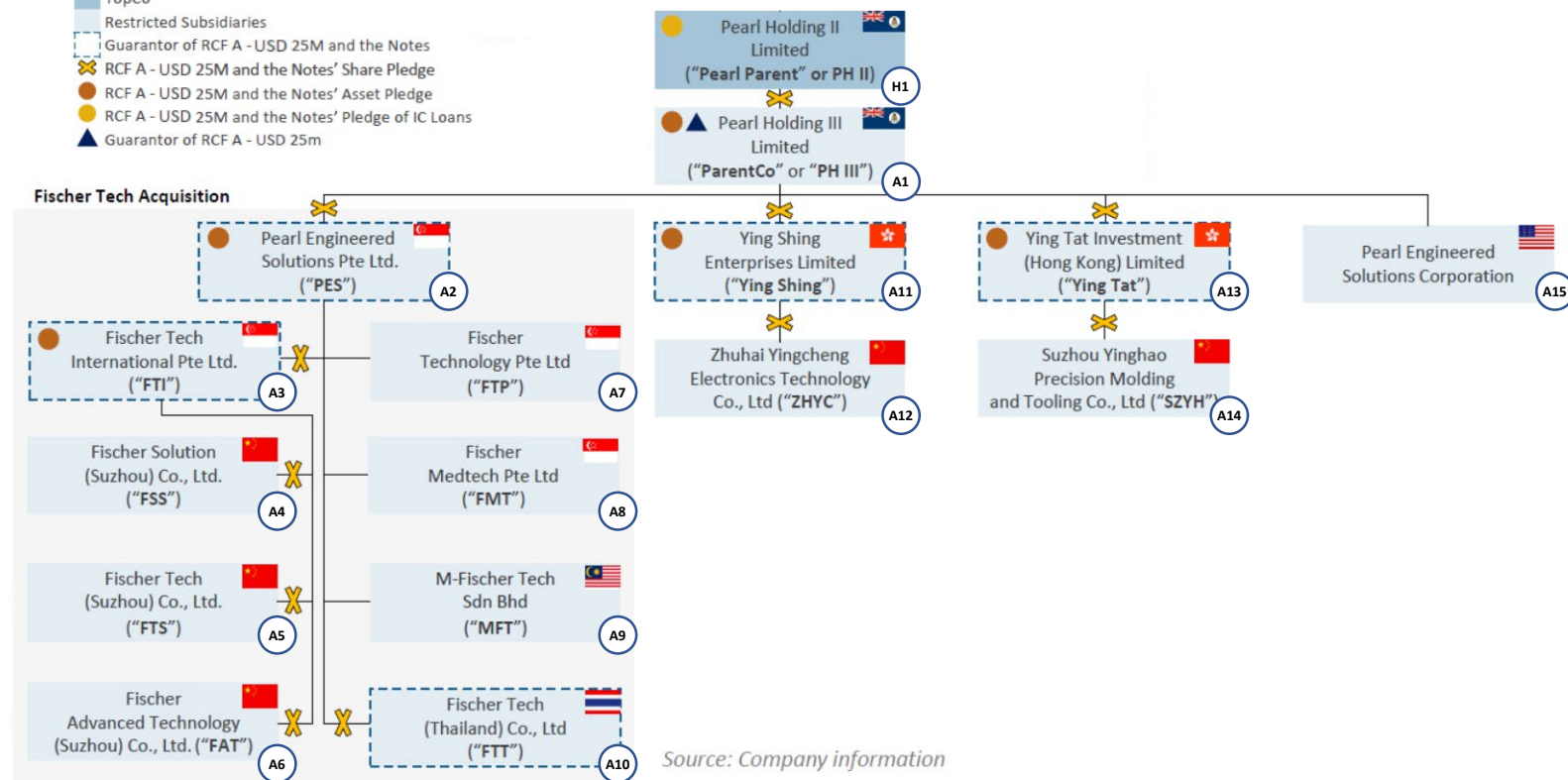
Corporate Structure

Figures as of Dec 2020 (USD in millions)

Legend:



- TopCo
- Restricted Subsidiaries
- Guarantor of RCF A - USD 25M and the Notes
- RCF A - USD 25M and the Notes' Share Pledge
- RCF A - USD 25M and the Notes' Asset Pledge
- RCF A - USD 25M and the Notes' Pledge of IC Loans
- Guarantor of RCF A - USD 25M



Note: We have received confirmation from the management of Pearl Group that as of 31 March 2021, there had been no change to the above corporate structure since 31 December 2020 save that Fischer Tech (Thailand) Co., Ltd ("FTT") has never granted any guarantee in respect of the existing USD notes/RCF.

Code	Company	Place of incorporation	Principal activities	Direct ownership	Indirect ownership	Standalone* Assets as of 31 Mar 2021 (USD)	Standalone* Liabilities as of 31 Mar 2021 (USD)	Standalone* Net Assets as of 31 Mar 2021 (USD)
A1	Pearl Holding III Limited	Cayman	Investment holding	N/A	N/A	209,473,545	246,954,324	(37,480,779)
A2	Pearl Engineered Solutions Pte Ltd.	Singapore	Manufacture and trading of moulds and plastic products	100%	-	51,148,150	2,916,967	48,231,183
A3	Fischer Tech International Pte Ltd.	Singapore	Investment holding	-	100%	27,140,011	18,859,584	8,280,427
A4	Fischer Solution (Suzhou) Co., Ltd.	PRC	Manufacturing of high precision plastic components	-	100%	18,002,772	1,901,143	16,101,630
A5	Fischer Tech (Suzhou) Co., Ltd.	PRC	Manufacturing of high precision moulds and plastic components	-	100%	26,788,047	4,689,822	22,098,225
A6	Fischer Advanced Technology (Suzhou) Co., Ltd.	PRC	Manufacturing of high precision moulds and plastic components	-	100%	65,351,799	71,515,433	(6,163,635)
A7	Fischer Technology Pte Ltd	Singapore	Dormant	-	100%	241,979	13,822	228,157
A8**	Fischer Medtech Pte Ltd.	Singapore	Dormant	-	100%	62,408	387,945	(325,537)
A9	M-Fischer Tech Sdn Bhd	Malaysia	Manufacturing of high precision moulds and plastic components	-	100%	9,014,708	11,816,479	(2,801,771)
A10	Fischer Tech (Thailand) Co., Ltd	Thailand	Manufacturing of high precision moulds and plastic components	-	100%	11,494,458	4,993,950	6,500,508
A11	Ying Shing Enterprises Limited	Hong Kong	Trading of moulds and plastic products	100%	-	71,191,671	22,347,379	48,844,292
A12	Zhuhai Yingcheng Electronics Technology Co., Ltd	PRC	Manufacturing and trading of moulds and plastic products	-	100%	69,660,868	36,801,429	32,859,440
A13	Ying Tat Investment (Hong Kong) Limited	Hong Kong	Trading of moulds and plastic products	100%	-	5,981,513	5,337,418	644,095
A14	Suzhou Yinghao Precision Molding and Tooling Co., Ltd	PRC	Manufacturing and trading of moulds and plastic products	-	100%	13,679,383	5,704,568	7,974,815
A15**	Pearl Engineered Solutions Corporation	USA	Provision of agency services on business development	100%	-	19,045	-	19,045

*Standalone assets, liabilities and net assets include intra-group balances; **Fischer Medtech Pte Ltd. and Pearl Engineered Solutions Corporation are excluded from the liquidation analysis due to their insignificant standalone assets compared to the Group.

Pearl Group Debt Summary as of 31 March 2021*

Company	Company Code	Lender	Currency	Repayment date	Outstanding amount / principal amount (USD eqv.)	Security Arrangement
Bank borrowings						
Pearl Holding III Limited	A1	DBS Bank	USD	13-Sep-2021	5,000,000	Security provided by group members; Please refer to corporate structure section for more details.
Pearl Holding III Limited	A1	DBS Bank	USD	24-May-2021	3,500,000	
Fischer Tech (Suzhou) Co., Ltd.	A5	Bank of China	RMB	15-May-2021	1,369,592	Corporate guarantee provided by Fischer Tech (Suzhou) Co., Ltd. (A5)
Fischer Advanced Technology (Suzhou) Co., Ltd.	A6	Bank of China	RMB	31-May-2021	6,239,253	Maximum guarantee provided by Fischer Advanced Technology (Suzhou) Co., Ltd. (A6) and Suzhou Mega Facility land and buildings owned by Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)
Fischer Advanced Technology (Suzhou) Co., Ltd.	A6	Bank of China	RMB	28-Jun-2021	1,978,300	
Fischer Advanced Technology (Suzhou) Co., Ltd.	A6	Bank of China	RMB	29-Jul-2021	913,061	
Fischer Advanced Technology (Suzhou) Co., Ltd.	A6	Bank of China	RMB	25-Aug-2021	1,065,238	
Fischer Advanced Technology (Suzhou) Co., Ltd.	A6	Bank of China	RMB	8-Feb-2022	1,978,300	
Total bank borrowings					22,043,743	
Pearl Holding III Limited	A1	USD notes due 2022	USD	11-Dec-2022	175,000,000**	Securities and guarantees provided by Group members, and also share pledges of group members. Please find more details in the following page.
Total borrowings					197,043,743	

Exchange Rate (USD/RMB): 6.5713

*Letter of guarantee ("LG") / bank guarantees provided by Bangkok Bank and Maybank are excluded

** The principal amount does not include accrued interest and redemption premium (102.4% between 11 December 2020 and 11 December 2021)

Subsidiary Guarantors of the USD notes due 2022

Company	Company code	Place of incorporation
Ying Shing Enterprises Limited	A11	Hong Kong
Ying Tat Investment (Hong Kong) Limited	A13	Hong Kong
Pearl Engineered Solutions Pte Ltd.	A2	Singapore
Fischer Tech International Pte Ltd.	A3	Singapore

Secured Assets/Intercompany Loans pledge of the USD notes due 2022

Company	Company code	Place of incorporation	Security
Pearl Holding III Limited	A1	Cayman	All assets
Ying Shing Enterprises Limited	A11	Hong Kong	All assets
Ying Tat Investment (Hong Kong) Limited	A13	Hong Kong	All assets
Pearl Engineered Solutions Pte Ltd.	A2	Singapore	All assets
Fischer Tech International Pte Ltd.	A3	Singapore	All assets
Pearl Holding II Limited	H1	Cayman	Intercompany loans owing by Pearl Holding III Limited or its subsidiaries to Pearl Holding II Limited

Share pledges of the USD notes due 2022

Equity interest in	Company code	Place of incorporation
Pearl Holding III Limited	A1	Cayman
Ying Shing Enterprises Limited	A11	Hong Kong
Ying Tat Investment (Hong Kong) Limited	A13	Hong Kong
Zhuhai Yingcheng Electronics Technology Co., Ltd	A12	PRC
Suzhou Yinghao Precision Molding and Tooling Co., Ltd	A14	PRC
Pearl Engineered Solutions Pte Ltd.	A2	Singapore
Fischer Tech International Pte Ltd.	A3	Singapore
Fischer Solution (Suzhou) Co., Ltd.	A4	PRC
Fischer Tech (Suzhou) Co., Ltd.	A5	PRC
Fischer Advanced Technology (Suzhou) Co., Ltd.	A6	PRC
Fischer Tech (Thailand) Co., Ltd	A10	Thailand

General notes to the liquidation analysis

Scope and approach of the liquidation analysis

The liquidation analysis includes thirteen Pearl Group companies out of fifteen. Pearl Engineered Solutions Corporation and Fischer Medtech Pte Ltd. are excluded from the liquidation analysis due to their insignificant standalone assets compared to the Group.

The liquidation analysis includes two stages. In the first stage, the recovery rate of the intercompany claims (i.e., amount due to/from group companies and related entities) is assumed to be zero to identify where the value sits within the Group. The overview of estimated return to creditors from liquidation in relation to each Relevant Entities of the first stage are presented in the following section. In the second stage of the liquidation analysis, intercompany claims are considered to arrive at more accurate recovery rates for different group of creditors.

Book Values

Unless stated otherwise, the book values used in the liquidation analysis are the unaudited standalone book values of the Pearl Group entities as of 31 March 2021. Adjustments for consolidating all Group entities (e.g., expected credit losses of trade and other receivables and purchase price allocation adjustments) are not reflected on the standalone book values.

Cash and bank balance

The liquidation analysis assumes that operations during the liquidation period would not generate additional cash available for distribution.

Accounts receivable

The analysis of account receivable assume that a liquidator would retain certain existing staff of the entities to handle an aggressive collection effort for outstanding trade and bills accounts receivables. Collection of accounts receivable during a liquidation of the Pearl Group entities may be compromised by the credit quality of the counterparties, the age of the receivable and geographic location of the counterparty.

Inventory

The liquidation value of the inventory is based upon management discussions and considering the unique specifications of each product type they produce for their customers and also the increase in raw material price (i.e. resin) due to overall shortage situation in FY2021 Q1.

Distribution of equity value of liquidated subsidiaries

If value remains after the satisfaction of all secured and unsecured claims, it will be distributed to the equity holder(s) of the Group entity provided that the shares of the Group entity are not pledged as security for any borrowings.

Costs associated with liquidation in relation to Pearl Group entities incorporated in People's Republic of China (PRC), Hong Kong, Cayman Islands, Malaysia, Singapore, Thailand, and the United States.

Costs associated with liquidation such as liquidator fees, professional fees, and wind down costs are estimated to be 5% of the total cash generated during the liquidation.

Liquidator fees include those fees associated with the appointment of a liquidator in places which the Pearl Group have business operation.

Professional fees include the cost of liquidators, attorneys, accountants, brokers, and other professional retained by the trustee during the liquidation period.

Intercompany claims

The liquidation analysis assumes intercompany claims of each Group entity are netted against each other (i.e., the amount due from a group entity is netted against the amount due to the same group entity) in a liquidation scenario.

Amount due from/to related companies

Related companies mentioned in the Report, as opposed to group companies, refer to Project Pearl Holding Limited, Pearl Holding I Limited, Pearl Holding II Limited and Platinum, which all fall outside the scope of the liquidation analysis. However, to estimate the value from the amount due from these related companies, references have been made to the unaudited financial position dated 31st December 2020 of Pearl Holding I Limited and Pearl Holding II Limited, and the unaudited financial position dated 31 March 2021 of Project Pearl Holding Limited.

Crime policy claims

In relation to the email domain spoof and invoice fraud incident in 2020 resulting a loss of approximately USD1.5 million, we understand from the management of Pearl Group that the loss amount is covered by the crime insurance provided by AIG and 100% of the loss was recorded in the consolidated statement of comprehensive income during the period of occurrence (i.e., FY2020 1H). However, the insurance claim amount is still under negotiation with AIG and remained uncertain as of 31 March 2021. The insurance claim amount was not recorded in the financial position as of 31 March 2021 of Pearl Group.

Super senior revolving credit facility provided by DBS Bank

The super senior revolving credit facility provided by DBS Bank to Pearl Holding III Limited shares a similar security arrangement with the USD175 million senior notes due 2022. Considering the super senior revolving credit facility has priority over the USD175 million senior notes due 2022 in respect of receiving proceeds from the enforcement of the liens over the collateral, the liquidation values of the secured assets and pledged shares are distributed to the super senior RCF lender first and then to the USD 175 million senior notes due 2022 holders as presented in the summary section of the report.

Liquidation costs in relation to intercompany claims and distribution of equity value

Under the current assumptions of the liquidation analysis, certain costs (circa 5%) associated with the recovery and distribution of proceeds at and between different entities are charged on the proceeds from intercompany claims and equity recoveries both at the originating and receiving entity. Whilst the bulk of cost would be incurred at the first level company, further cost would be unavoidable at the receiving entity as part of the subsequent distribution process and the expenses have been held constant in order to be conservative.

Creditor priority

The estimated net proceeds from assets of the liquidated Relevant Entities are assumed to be distributed according to the following order of priority:

- 1) Secured lenders with asset charges
- 2) Tax creditors
- 3) Employee entitlements
- 4) Unsecured creditors, which include general unsecured creditors, intercompany claims and guarantees

Pearl Holding III Limited (A1) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		820	100%	100%	100%	820	820	820
Trade and other receivables	1	49	0%	0%	0%	-	-	-
Amount due from related companies*	2	11,362	0%	0%	0%	-	-	-
Total Proceeds from Assets		12,231				820	820	820
Costs associated with liquidation						(41)	(41)	(41)
Estimated Net Proceeds Available for Distribution						779	779	779
Distributions to Creditors								
Secured lenders	3	183,500	0.4%	0.4%	0.4%	779	779	779
Unsecured creditors								
- General unsecured creditors	4	634	0.0%	0.0%	0.0%	-	-	-
- Amount due to group companies (adjusted)	5	59,207	0.0%	0.0%	0.0%	-	-	-
- Guarantee provided to lenders of A1	6	8,500	0.0%	0.0%	0.0%	-	-	-
						779	779	779

*Stage one of the liquidation analysis assumed zero value from amount due from related companies

Notes - Pearl Holding III Limited (A1)

1. Trade and other receivables

Trade and other receivables consists of prepayments of insurance fees and agent fees. The recovery rate of trade and other receivables is estimated to be zero.

2. Amount due from related companies

Amount due from	Amount (USD'000)
Project Pearl Holding Limited	362
Pearl Holding I Limited	11,000
Total	11,362

3. Secured lenders

Type	Currency	Amount (USD'000)	Security provided by A1
Borrowings from banks	USD	8,500	All assets
Senior notes due 2022	USD	175,000	
Total		183,500	

4. General unsecured creditors

This consists of trade and other payables.

5. Amount due to related companies

Amount due to	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	17,256
Ying Shing Enterprises Limited (A11)	41,950
Total	59,207

6. Guarantee provided to lenders of Pearl Holding III Limited (A1)

Type	Currency	Amount (USD'000)
Borrowings from banks	USD	8,500

Pearl Engineered Solutions Pte Ltd. (A2) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		1,009	100%	100%	100%	1,009	1,009	1,009
Trade and other receivables	1	2,046	76%	81%	86%	1,562	1,661	1,761
Contract assets	2	21	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	3	41,874	0%	0%	0%	-	-	-
Property, plant and equipment	4	93	8%	10%	12%	7	9	11
Intangible assets	5	122	0%	0%	0%	-	-	-
Right-of-use assets	6	72	0%	0%	0%	-	-	-
Equity value from liquidated Fischer Technology Pte Ltd (A7)		-				212	212	212
Total Proceeds from Assets		45,236				2,789	2,891	2,993
Costs associated with liquidation						(139)	(145)	(150)
Estimated Net Proceeds Available for Distribution						2,650	2,746	2,843
Distributions to Creditors								
Secured lenders of Pearl Holding III Limited (A1)	7	183,500	1.4%	1.5%	1.5%	2,650	2,746	2,843
Priority creditors								
- Tax payables		24	0.0%	0.0%	0.0%	-	-	-
- Employee entitlements	8	264	0.0%	0.0%	0.0%	-	-	-
Unsecured creditors								
- General unsecured creditors	9	773	0.0%	0.0%	0.0%	-	-	-
- Amount due to group companies (adjusted)	10	88	0.0%	0.0%	0.0%	-	-	-
- Guarantee provided to lenders of A1	11	183,500	0.0%	0.0%	0.0%	-	-	-
						2,650	2,746	2,843

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Pearl Engineered Solutions Pte Ltd. (A2)

1. Trade and other receivables

USD'000	NBV*	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	1,887	80%	85%	90%	1,510	1,604	1,698
0-30 days	95	50%	55%	60%	48	52	57
31-60 days	0.4	40%	45%	50%	0.2	0.2	0.2
61-90 days	-	40%	45%	50%	-	-	-
91-120 days	-	30%	35%	40%	-	-	-
121-180 days	14	30%	35%	40%	4	5	6
181-365 days	-	20%	25%	30%	-	-	-
>365 days	-	0%	0%	0%	-	-	-
Total trade receivables	1,996	78%	83%	88%	1,562	1,661	1,761
Other receivables	49	0%	0%	0%	-	-	-
Total Trade and other receivables	2,046	76%	81%	86%	1,562	1,661	1,761

*Net of overpayments from customers and credit note for rejects

Top 5 counterparties	% of total trade receivables
BHTC MEXICO S.A. DE C.V	27%
STONERIDGE ELECTRONICS AS	18%
BEHR-HELLA THERMOCONTROL (SHANGHAI)	18%
STONERIDGE CONTROL DEVICES INC	7%
STONERIDGE ELECTRONICS NORTH AMERICA	6%
Top 5 total	76%

Majority of the trade counterparties are automotive components manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the automotive components manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of tax credits, prepayments of insurance fees and deposits. The recovery rate of other receivables is estimated to be zero.

2. Contract assets

Contract assets consists of accrued revenue in relation to tooling. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

3. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
Pearl Holding III Limited (A1)	17,256
Fischer Tech international Pte Ltd. (A3)	17,947
Fischer Solution (Suzhou) Co., Ltd (A4)	67
Fischer Tech (Suzhou) Co., Ltd. (A5)	15

M-Fischer Tech Sdn Bhd (A9)	6,108
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)	481
Total	41,874

4. Property, plant and equipment

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Leasehold improvements	57	0%	0%	0%	-	-	-
Office equipment	36	20%	25%	30%	7	9	11
Total	93	8%	10%	12%	7	9	11

Office equipment consists of air conditions, computers, electrical fittings, furniture and fittings. The recovery of office equipment is estimated to be between 20% to 30%.

5. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

6. Right-of-use assets

Right-of-use assets consists of leases for buildings only. The recovery rate of right-of-use assets is estimated to be zero.

7. Secured lenders

Type	Currency	Amount (USD'000)	Security provided by A2
Borrowings from banks	USD	8,500	All assets
Senior notes due 2022	USD	175,000	
Total		183,500	

8. Employee entitlement

This is based on the accrued salaries and severance cost estimated for 11 full-time employees.

9. General unsecured creditors

This consists of trade and other payables and contract liabilities.

10. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Fischer Tech (Thailand) Co., Ltd (A10)	88

11. Guarantee provided to lenders of Pearl Holding III Limited (A1)

Type	Currency	Amount (USD'000)
Borrowings from banks	USD	8,500
Senior notes due 2022	USD	175,000
Total		183,500

Fischer Tech international Pte Ltd. (A3) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		29	100%	100%	100%	29	29	29
Trade and other receivables	1	4	0%	0%	0%	-	-	-
Total Proceeds from Assets		34				29	29	29
Costs associated with liquidation						(1)	(1)	(1)
Estimated Net Proceeds Available for Distribution						28	28	28
Distributions to Creditors								
Secured lenders of Pearl Holding III Limited (A1)	2	183,500	0.0%	0.0%	0.0%	28	28	28
Priority creditors								
- Tax payables		888	0.0%	0.0%	0.0%	-	-	-
- Employee entitlements	3	6	0.0%	0.0%	0.0%	-	-	-
Unsecured creditors								
- General unsecured creditors	4	19	0.0%	0.0%	0.0%	-	-	-
- Amount due to group companies (adjusted)	5	17,947	0.0%	0.0%	0.0%	-	-	-
- Guarantee provided to lenders of A1	6	183,500	0.0%	0.0%	0.0%	-	-	-
						28	28	28

Notes - Fischer Tech international Pte Ltd. (A3)

1. Trade and other payables

Trade and other payables consists of prepayments and deposits. The recovery rate of trade and other receivables is estimated to be zero.

2. Secured lenders

Type	Currency	Amount (USD'000)	Security provided by A3
Borrowings from banks	USD	8,500	All assets
Senior notes due 2022	USD	175,000	
Total		183,500	

3. Employee entitlements

This relates to accrued leave pay.

4. General unsecured creditors

This consists of trade and other payables.

5. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	17,947

6. Guarantee provided to lenders Pearl Holding III Limited (A1)

Type	Currency	Amount (USD'000)
Borrowings from banks	USD	8,500
Senior notes due 2022	USD	175,000
Total		183,500

Fischer Solution (Suzhou) Co., Ltd (A4) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		214	100%	100%	100%	214	214	214
Trade and other receivables	1	1,142	9%	11%	14%	108	131	154
Contract assets	2	5	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	3	15,309	0%	0%	0%	-	-	-
Property, plant and equipment	4	882	15%	19%	22%	132	164	197
Intangible assets	5	19	0%	0%	0%	-	-	-
Deferred income tax assets		303	0%	0%	0%	-	-	-
Total Proceeds from Assets		17,873				454	510	566
Costs associated with liquidation						(23)	(25)	(28)
Estimated Net Proceeds Available for Distribution						431	484	537
Distributions to Creditors								
Priority creditors								
- Employee entitlements	6	532	81.1%	91.1%	100.0%	431	484	532
Unsecured creditors								
- General unsecured creditors	7	1,701	0.0%	0.0%	0.3%	-	-	6
- Amount due to group companies (adjusted)	8	67	0.0%	0.0%	0.3%	-	-	0
						431	484	537

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Fischer Solution (Suzhou) Co., Ltd (A4)

1. Trade and other receivables

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Current	21	80%	85%	90%	17	18	19
0-30 days	-	50%	55%	60%	-	-	-
31-60 days	-	40%	45%	50%	-	-	-
61-90 days	114	40%	45%	50%	46	51	57
91-120 days	-	30%	35%	40%	-	-	-
121-180 days	7	30%	35%	40%	2	2	3
181-365 days	121	20%	25%	30%	24	30	36
>365 days	85	0%	0%	0%	-	-	-
Total trade receivables	347	25%	29%	33%	88	101	115
Other receivables	795	3%	4%	5%	20	30	40
Total Trade and other receivables	1,142	9%	11%	14%	108	131	154

Top 5 counterparties	% of total trade receivables
Harman de Mexico S. de R.L. de C.V.	33%
VISTEON ELECTRONICS INDIA PRIVATE LIMITED (VEIPL)	26%
Panasonic Automotive Systems Company of America	18%
Suzhou Yingshuo Precision Electronics Co., Ltd.	13%
Methode Electronics(shanghai) Co., Ltd.	6%
Top 5 total	96%

Majority of the trade counterparties are automotive components manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the automotive components manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of prepayments (1%), deposits (7%), tax credits (67%) and other debtors (25%). In the absence of further information on other debtors, the recovery rate of other debtors is estimated to be between 10% and 20% while the recovery rates of prepayments and deposits are estimated to be both zero.

2. Contract assets

Contract assets consists of unbilled revenue in relation to temporary estimated sales of non-mould products. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

3. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	15,077

Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)	232
Total	15,309

4. Property, plant and equipment

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Office Equipment	239	20%	25%	30%	48	60	72
Leasehold Improvements	224	0%	0%	0%	-	-	-
Machinery and Equipment	419	20%	25%	30%	84	105	126
Total	882	15%	19%	22%	132	164	197

Office equipment consists mainly of testing machinery made in the US and China. The recovery rate of office equipment is estimated to be between 20% and 30%.

The machinery and equipment are highly specialised (e.g., injection moulding machine and spraying system) and would have few alternative uses. The recovery rate of machinery and equipment is estimated to be between 20% and 30%.

5. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

6. Employee entitlements

This is based on the accrued salaries and severance cost estimated for 45 full-time employees.

7. General unsecured creditors

This consists of trade and other payables.

8. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	67

Fischer Tech (Suzhou) Co., Ltd. (A5) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		825	100%	100%	100%	825	825	825
Inventories	1	1,634	20%	25%	30%	326	408	489
Trade and other receivables	2	8,872	60%	65%	70%	5,348	5,764	6,179
Contract assets	3	1,038	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	4	12,963	0%	0%	0%	-	-	-
Deferred income tax assets		370	0%	0%	0%	-	-	-
Total Proceeds from Assets		25,703				6,499	6,996	7,494
Costs associated with liquidation						(325)	(350)	(375)
Estimated Net Proceeds Available for Distribution						6,174	6,647	7,119
Distributions to Creditors								
Priority creditors								
- Tax payables		669	100.0%	100.0%	100.0%	669	669	669
Unsecured creditors								
- Unsecured lenders	5	1,370	100.0%	100.0%	100.0%	1,370	1,370	1,370
- General unsecured creditors	6	1,551	100.0%	100.0%	100.0%	1,551	1,551	1,551
- Amount due to group companies (adjusted)	7	15	100.0%	100.0%	100.0%	15	15	15
						3,604	3,604	3,604
Distribution to Equity Holders (shares pledged to secured lenders of A1)						2,570	3,042	3,515

*Stage one of the liquidation analysis assumed zero value from amount due from group entities

Notes - Fischer Tech (Suzhou) Co., Ltd. (A5)

1. Inventories

Inventories consists of raw materials (99.8%) and work-in-progress (0.2%).

The principal raw material for Pearl Group's plastic injection moulds and related products is resin. We understand from the Pearl Group management that the resins they ordered are tailored made for each product they produce for their customers to meet certain performance criteria and therefore would have few alternative uses. Also considering the resin price increase in FY2021 Q1 due to the overall resin shortage in the market, the recovery of inventories is estimated to be in the range according to the below table:

Type	Estimated recovery range
Raw materials	20%-30%
Work-in-progress	0%

2. Trade and other receivables

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Current	5,354	80%	85%	90%	4,284	4,551	4,819
0-30 days	1,266	50%	55%	60%	633	696	760
31-60 days	259	40%	45%	50%	104	116	129
61-90 days	39	40%	45%	50%	15	17	19
91-120 days	70	30%	35%	40%	21	24	28
121-180 days	241	30%	35%	40%	72	84	96
181-365 days	308	20%	25%	30%	62	77	93
>365 days	265	0%	0%	0%	-	-	-
Total trade receivables	7,803	67%	71%	76%	5,191	5,567	5,944
Other receivables	1,069	14.7%	18.4%	22%	157	196	235
Total Trade and other receivables	8,872	60%	65%	70%	5,348	5,764	6,179

Top 5 counterparties	% of total trade receivables
Behr-Hella Thermocontrol EOOD	40%
Nanjing LG Auto Parts Co., Ltd.	22%
Yanfeng Visteon Automotive Electronics Co., Ltd.	8%
Behr Hella Temperature Control System (Shanghai) Co., Ltd.	7%
Behr-Hella Thermocontrol GmbH	5%
Top 5 total	83%

Majority of the trade counterparties are automotive components manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the automotive components manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of rent receivables (37%), tax credits (26%), prepayments (1%) and others (36%). In the absence of further information on rent receivables and others, the recovery rate of other receivables is estimated to be between 14.7% and 22%.

3. Contract assets

Contract assets consists of unbilled revenue in relation to temporary estimated sales of non-mould products. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

4. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	12,963

5. Unsecured lenders

Type	Currency	Amount (USD'000 eqv.)	Security arrangement provided by A5
Borrowings from banks	RMB	1,370	Corporate guarantee

6. General unsecured creditors

This consists of contract liabilities and trade and other payables.

7. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	15

Fischer Advanced Technology (Suzhou) Co., Ltd. (A6) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		3,509	100%	100%	100%	3,509	3,509	3,509
Inventories	1	12,058	8.5%	10.6%	12.7%	1,022	1,278	1,533
Trade and other receivables	2	11,425	35%	37%	40%	3,944	4,235	4,526
Contract assets	3	812	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	4	11	0%	0%	0%	-	-	-
Property, plant and equipment	5	21,699	6%	8%	9%	1,368	1,710	2,051
Intangible assets	6	413	0%	0%	0%	-	-	-
Right-of-use assets	7	2,227	76%	82%	88%	1,685	1,826	1,966
Deferred income tax assets		7,103	0%	0%	0%	-	-	-
Long-term prepayments		568	0%	0%	0%	-	-	-
Total Proceeds from Assets		59,825				11,528	12,557	13,586
Costs associated with liquidation						(576)	(628)	(679)
Estimated Net Proceeds Available for Distribution						10,952	11,929	12,906
Distributions to Creditors								
Secured lenders	8	12,174	13.1%	14.2%	15.3%	1,601	1,734	1,868
Priority creditors								
- Employee entitlements	9	5,638	100.0%	100.0%	100.0%	5,638	5,638	5,638
Unsecured creditors								
- General unsecured creditors	10	24,423	5.7%	7.0%	8.2%	1,385	1,699	2,014
- Amount due to group companies (adjusted)	11	28,892	5.7%	7.0%	8.2%	1,638	2,010	2,383
- Maximum Guarantees provided to secured lenders	8	12,174	5.7%	7.0%	8.2%	690	847	1,004
						10,952	11,929	12,906

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)

1. Inventories

Inventories consists of raw materials (18%), work-in-progress (58%), finished goods (24%) and packing materials (1%).

The principal raw material for Pearl Group's plastic injection moulds and related products is resin. We understand from the Pearl Group management that the resins they ordered are tailored made for each product they produce for their customers to meet certain performance criteria and therefore would have few alternative uses. Furthermore, the finished goods could only be sold to the customer who placed the purchase order given the product's unique specifications for each customer. Also considering the resin price increase in FY2021 Q1 due to the overall resin shortage in the market, the recovery of inventories is estimated to be in the range according to the below table:

Type	Estimated recovery range
Raw materials	20%-30%
Work-in-progress	0%
Finished goods	20%-30%
Packing materials	20%-30%

2. Trade and other receivables

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	4,048	80%	85%	90%	3,238	3,440	3,643
0-30 days	413	50%	55%	60%	206	227	248
31-60 days	478	40%	45%	50%	191	215	239
61-90 days	452	40%	45%	50%	181	203	226
91-120 days	251	30%	35%	40%	75	88	101
121-180 days	172	30%	35%	40%	52	60	69
181-365 days	2	20%	25%	30%	0	1	1
>365 days	-	0%	0%	0%	-	-	-
Total trade receivables	5,817	68%	73%	78%	3,944	4,235	4,526
Other receivables	5,608	0%	0%	0%	-	-	-
Total Trade and other receivables	11,425	35%	37%	40%	3,944	4,235	4,526

Top 5 counterparties	% of total trade receivables
Panasonic Automotive Systems Company of America	29%
Harman de Mecico S.de R.L.DE C.V.	29%
VISTEON ELECTRONICS INDIA PRIVATE LIMITED (VEIPL)	7%
VISTEON AMAZONAS LTDA	6%
Inspur Financial Information Technology Co., Ltd.	5%
Top 5 total	76%

Majority of the trade counterparties are automotive components manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the automotive components manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables mainly consists of tax credits (79%) and prepayments (21%). The recovery rate of other receivables is estimated to be zero.

3. Contract assets

Contract assets consists of unbilled revenue in relation to temporary estimated sales. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

4. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
M-Fischer Tech Sdn Bhd (A9)	1
Ying Shing Enterprises Limited (A11)	7
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)	3
Total	11

5. Property, plant and equipment

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Office Equipment	421	20%	25%	30%	84	105	126
Leasehold Improvements*	12,066	0%	0%	0%	-	-	-
Machinery and Equipment	6,417	20%	25%	30%	1,283	1,604	1,925
CIP	2,795	0%	0%	0%	-	-	-
Total	21,699	6%	8%	9%	1,368	1,710	2,051

*Leasehold improvements include production plants

Office equipment consists mainly of auxiliary equipment and testing equipment. The recovery rate of office equipment is estimated to be between 20%-30%.

Given the buildings on the existing land is assumed to be demolished given the sale of the land under liquidation scenario, the recovery rate of the existing plants is estimated to be zero.

The plant and equipment are highly specialised (e.g., automatic spraying line and IML printing line) and would have few alternative uses. The recovery rate of machinery and equipment is estimated to be between 20% and 30%.

6. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

7. Right-of-use assets

Right-of-use assets consists of the land use right in relation to the Suzhou manufacturing site owned by Fischer Advanced Technology (Suzhou) Co., Limited with details shown below:

Property	Ownership certificate number	Area (sqm)
79 Hongxi Road, Suzhou High-tech Zone	Suzhou (2019) Suzhou Real Estate Property Right No. 5150335	GFA: 44,201.24 Land area: 33,347.6

According to the valuation report dated 16 December 2020 provided by Jiangsu Tiandi Hengan Real Estate Land Assets Appraisal Co., Ltd., the land portion of the site was valued at RMB20,281k (USD3,086k equivalent).

Assuming the land use rights may be sold for 60-70% of the appraised value including 9% VAT on the proceeds, the recovery rate of right-of-use assets is estimated to be between 76% and 88% compared to the net book value.

8. Secured lenders

Type	Currency	Amount (USD'000 eqv.)	Security provided by A6
Borrowings from banks	RMB	12,174	Maximum guarantee and Suzhou Mega Facility land

The priority claim for the above facility provided by Bank of China is capped at the estimated recovery value of the Suzhou mega site land.

9. Employee entitlements

This is based on the accrued salaries and severance cost estimated for 532 full-time employees.

10. General unsecured creditors

This consists of contract liabilities and trade and other payables.

11. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Fischer Solution (Suzhou) Co., Ltd (A4)	15,077
Fischer Tech (Suzhou) Co., Ltd. (A5)	12,963
Fischer Tech (Thailand) Co., Ltd (A10)	50
Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14)	802
Total	28,892

Fischer Technology Pte Ltd (A7) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		238	100%	100%	100%	238	238	238
Trade and other receivables	1	4	0%	0%	0%	-	-	-
Total Proceeds from Assets		242				238	238	238
Costs associated with liquidation						(12)	(12)	(12)
Estimated Net Proceeds Available for Distribution						226	226	226
Distributions to Creditors								
Unsecured creditors								
- General unsecured creditors	2	14	100.0%	100.0%	100.0%	14	14	14
						14	14	14
Distribution to Equity Holders						212	212	212

Notes - Fischer Technology Pte Ltd (A7)**1. Trade and other receivables**

Trade and other receivables consists of prepayments and deposits. The recovery rate of trade and other receivables is estimated to be zero.

2. General unsecured creditors

This consists of other payables only.

M-Fischer Tech Sdn Bhd (A9) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		823	100%	100%	100%	823	823	823
Inventories	1	2,732	15%	19%	22%	408	510	612
Trade and other receivables	2	764	43%	46%	49%	329	351	374
Property, plant and equipment	3	2,087	15%	19%	23%	318	397	476
Intangible assets	4	3	0%	0%	0%	-	-	-
Right-of-use assets	5	781	0%	0%	0%	-	-	-
Long-term prepayments		44	0%	0%	0%	-	-	-
Total Proceeds from Assets		7,233				1,877	2,081	2,285
Costs associated with liquidation						(94)	(104)	(114)
Estimated Net Proceeds Available for Distribution						1,783	1,977	2,171
Distributions to Creditors								
Priority creditors								
- Tax payables		9	100.0%	100.0%	100.0%	9	9	9
- Employee entitlements	6	831	100.0%	100.0%	100.0%	831	831	831
Unsecured creditors								
- General unsecured creditors	7	3,735	9.6%	11.5%	13.5%	357	431	504
- Amount due to group companies (adjusted)	8	6,117	9.6%	11.5%	13.5%	585	706	826
						1,783	1,977	2,171

Notes - M-Fischer Tech Sdn Bhd (A9)

1. Inventories

Inventories consists of raw materials (25%), work-in-progress (26%), finished goods (49%) and packing materials (1%).

The principal raw material for Pearl Group's plastic injection moulds and related products is resin. We understand from the Pearl Group management that the resins they ordered are tailored made for each product they produce for their customers to meet certain performance criteria and therefore would have few alternative uses. Furthermore, the finished goods could only be sold to the customer who placed the purchase order given the product's unique specifications for each customer. Also considering the resin price increase in FY2021 Q1 due to the overall resin shortage in the market, the recovery of inventories is estimated to be in the range according to the below table:

Type	Estimated recovery range
Raw materials	20%-30%
Work-in-progress	0%
Finished goods	20%-30%
Packing materials	20%-30%

2. Trade and other receivables

USD'000	NBV*	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	366	80%	85%	90%	293	311	329
0-30 days	20	50%	55%	60%	10	11	12
31-60 days	34	40%	45%	50%	13	15	17
61-90 days	30	40%	45%	50%	12	13	15
91-120 days	-	30%	35%	40%	-	-	-
121-180 days	2	30%	35%	40%	1	1	1
181-365 days	-	20%	25%	30%	-	-	-
>365 days	-	0%	0%	0%	-	-	-
Total trade receivables	451	73%	78%	83%	329	351	374
Other receivables	313	0%	0%	0%	-	-	-
Total Trade and other receivables	764	43%	46%	49%	329	351	374

*Net of provision for doubtful debt and overpayment

Top 5 counterparties	% of total trade receivables
BCS Access Systems US LLC	73%
OPTO CIRCUITS (INDIA) LTD. UNIT II	6%
PHILIPS DE COSTA RICA SOCIEDAD DE RESPONSABILIDAD LIMITADA	6%
EMPCO, LLC dba IMPCO	4%
V.S ELECTRONICS SDN BHD	4%
Top 5 total	93%

Majority of the trade counterparties are automotive components manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the automotive components manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables mainly consists of deposits (47%), prepayments (45%) and deferred expenses (6%). The recovery rate of other receivables is estimated to be zero.

3. Property, plant and equipment

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Office Equipment	25	20%	25%	30%	5	6	7
Leasehold Improvements	499	0%	0%	0%	-	-	-
Machinery and Equipment	1,563	20%	25%	30%	313	391	469
Total	2,087	15%	19%	23%	318	397	476

Office equipment consists mainly of CCTV system, computers, and furniture. The recovery rate of office equipment is estimated to be between 20% and 30%.

The plant and equipment are highly specialised (e.g., camera-controlled device pilot hole punching machine and hydraulic clamp horizontal injection moulding machine) and would have few alternative uses. The recovery rate of machinery and equipment is estimated to be between 20% and 30%.

4. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

5. Right-of-use assets

Right-of-use assets consists of leases for buildings only. The recovery rate of right-of-use assets is estimated to be zero.

6. Employee entitlements

This is based on the accrued salaries and severance cost estimated for 228 full-time employees.

7. General unsecured creditors

This consists of trade and other payables, contract liabilities and lease liabilities.

8. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	6,108
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	1
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)	7
Total	6,117

Fischer Tech (Thailand) Co., Ltd (A10) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	% Recovery			ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
			Low	Mid	High			
Cash and bank balance		2,947	100%	100%	100%	2,947	2,947	2,947
Inventories	1	1,572	16%	20%	23%	246	307	369
Trade and other receivables	2	3,360	73%	78%	83%	2,453	2,619	2,785
Amount due from group companies (adjusted)*	3	289	0%	0%	0%	-	-	-
Property, plant and equipment	4	2,046	16%	20%	25%	334	418	502
Intangible assets (goodwill)		189	0%	0%	0%	-	-	-
Intangible assets	5	2	0%	0%	0%	-	-	-
Right-of-use assets	6	367	0%	0%	0%	-	-	-
Deferred income tax assets		124	0%	0%	0%	-	-	-
Long-term prepayments		149	0%	0%	0%	-	-	-
Total Proceeds from Assets		11,045				5,980	6,291	6,602
Costs associated with liquidation						(299)	(315)	(330)
Estimated Net Proceeds Available for Distribution						5,681	5,977	6,272
Distributions to Creditors								
Priority creditors								
- Tax payables		81	100.0%	100.0%	100.0%	81	81	81
- Employee entitlements	7	1,618	100.0%	100.0%	100.0%	1,618	1,618	1,618
Unsecured creditors								
- General unsecured creditors	8	4,464	89.2%	95.8%	100.0%	3,982	4,278	4,464
						5,681	5,977	6,163
Distribution to Equity Holders (shares pledged to secured lenders of A1)								
						-	-	109

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Fischer Tech (Thailand) Co., Ltd (A10)

1. Inventories

Inventories consists of raw materials (39%), work-in-progress (22%), and finished goods (39%).

The principal raw material for Pearl Group's plastic injection moulds and related products is resin. We understand from the Pearl Group management that the resins they ordered are tailored made for each product they produce for their customers to meet certain performance criteria and therefore would have few alternative uses. Furthermore, the finished goods could only be sold to the customer who placed the purchase order given the product's unique specifications for each customer. Also considering the resin price increase in FY2021 Q1 due to the overall resin shortage in the market, the recovery of inventories is estimated to be in the range according to the below table:

Type	Estimated recovery range
Raw materials	20%-30%
Work-in-progress	0%
Finished goods	20%-30%

2. Trade and other receivables

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	2,886	80%	85%	90%	2,309	2,453	2,597
0-30 days	192	50%	55%	60%	96	105	115
31-60 days	77	40%	45%	50%	31	35	39
61-90 days	-	40%	45%	50%	-	-	-
91-120 days	-	30%	35%	40%	-	-	-
121-180 days	4	30%	35%	40%	1	1	2
181-365 days	-	20%	25%	30%	-	-	-
>365 days	-	0%	0%	0%	-	-	-
Total trade receivables	3,158	77%	82%	87%	2,436	2,594	2,752
Other receivables	202	8%	12%	16%	16	25	33
Total Trade and other receivables	3,360	73%	78%	83%	2,453	2,619	2,785

Top 5 counterparties	% of total trade receivables
CANON HI-TECH (THAILAND) LTD.	44%
Delta Electronics (Thailand) Public Co.,Ltd.	19%
GPV Asia (Thailand) Co.,Ltd.	13%
FISHER & PAYKEL APPLIANCES (THAILAND) CO., LTD.	7%
KIMBALL ELECTRONICS POLAND	6%
Top 5 total	88%

Majority of the trade counterparties are consumer electronics manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the consumer electronics manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of deposits (1%), prepayments (18%) and other debtors (81%). The recovery rate of other receivables is estimated to be between 8% and 16%.

3. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	88
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	50
Ying Shing Enterprises Limited (A11)	145
Ying Tat Investment (Hong Kong) Limited (A13)	5
Total	289

4. Property, plant and equipment

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Office Equipment	33	20%	25%	30%	7	8	10
Leasehold Improvements	375	0%	0%	0%	-	-	-
Machinery and Equipment	1,638	20%	25%	30%	328	410	492
Motor Vehicle	0	10%	15%	20%	0	0	0
Total	2,046	16%	20%	25%	334	418	502

Office equipment consists mainly of computers, server, and furniture. The recovery rate of office equipment is estimated to be between 20% and 30%.

The machinery and equipment are highly specialised (e.g., injection moulding machine and coordinate measuring machine) and would have few alternative uses. The recovery rate of machinery and equipment is estimated to be between 20% and 30%.

5. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

6. Right-of-use assets

Right-of-use assets consists of leases for buildings only. The recovery rate of right-of-use assets is estimated to be zero.

7. Employee entitlements

This is based on the accrued salaries and severance cost estimated for 375 full-time employees.

8. General unsecured creditors

This consists of trade and other payables, contract liabilities, and lease liabilities.

Ying Shing Enterprises Limited (A11) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		803	100%	100%	100%	803	803	803
Trade and other receivables	1	16,472	71%	75%	80%	11,616	12,416	13,217
Contract assets	2	124	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	3	46,663	0%	0%	0%	-	-	-
Property, plant and equipment	4	355	20%	25%	30%	70	88	106
Intangible assets	5	13	0%	0%	0%	-	-	-
Right-of-use assets	6	22	0%	0%	0%	-	-	-
Total Proceeds from Assets		64,452				12,490	13,308	14,126
Costs associated with liquidation						(624)	(665)	(706)
Estimated Net Proceeds Available for Distribution						11,865	12,643	13,420
Distributions to Creditors								
Secured lenders of Pearl Holding III Limited (A1)	7	183,500	6.5%	6.9%	7.3%	11,865	12,643	13,420
Priority creditors								
- Tax payables		1,499	0.0%	0.0%	0.0%	-	-	-
- Employee entitlements	8	93	0.0%	0.0%	0.0%	-	-	-
Unsecured creditors								
- General unsecured creditors	9	3,819	0.0%	0.0%	0.0%	-	-	-
- Amount due to related companies	10	750	0.0%	0.0%	0.0%	-	-	-
- Amount due to group companies (adjusted)	11	15,990	0.0%	0.0%	0.0%	-	-	-
- Guarantee provided to lenders of A1	12	183,500	0.0%	0.0%	0.0%	-	-	-
						11,865	12,643	13,420

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Ying Shing Enterprises Limited (A11)

1. Trade and other receivables

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	12,202	80%	85%	90%	9,761	10,372	10,982
0-30 days	3,401	50%	55%	60%	1,700	1,870	2,040
31-60 days	126	40%	45%	50%	50	57	63
61-90 days	201	40%	45%	50%	80	90	100
91-120 days	1	30%	35%	40%	0	0	0
121-180 days	77	30%	35%	40%	23	27	31
181-365 days	-	20%	25%	30%	-	-	-
>365 days	-	0%	0%	0%	-	-	-
Total trade receivables	16,008	73%	78%	83%	11,616	12,416	13,217
Other receivables	464	0%	0%	0%	-	-	-
Total Trade and other receivables	16,472	71%	75%	80%	11,616	12,416	13,217

Top 5 counterparties	% of total trade receivables
MITSUMI ELECTRIC CO., LTD.	41%
CLOUD NETWORK TECHNOLOGY SINGAPORE PTE.LTD.	8%
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	8%
SIMPLO TECHNOLOGY GROUP	6%
Huapu Electronics Changshu Co., Ltd.	4%
Top 5 total	68%

Majority of the trade counterparties are consumer electronics manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the consumer electronics manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of deposits (4%) and prepayments (96%). The recovery rate of other receivables is estimated to be zero.

2. Contract assets

Contract assets consists of unbilled revenue. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

3. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
Pearl Holding III Limited (A1)	41,950
Ying Tat Investment (Hong Kong) Limited (A13)	4,713
Total	46,663

4. Property, plant and equipment

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Office Equipment	7	20%	25%	30%	1	2	2
Machinery and Equipment	343	20%	25%	30%	69	86	103
Motor Vehicle	5	10%	15%	20%	0	1	1
Total	355	20%	25%	30%	70	88	106

Office equipment consists mainly of computers and furniture. The recovery rate of office equipment is estimated to be between 20% and 30%.

The machinery and equipment are highly specialised (e.g. automatic bending inspection machine and injection moulding machine) and would have few alternative uses. The recovery rate of machinery and equipment is estimated to be between 20% and 30%.

5. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

6. Right-of-use assets

Right-of-use assets consists of leases for buildings only. The recovery rate of right-of-use assets is estimated to be zero.

7. Secured lenders

Type	Currency	Amount (USD'000)	Security provided by A11
Borrowings from banks	USD	8,500	All assets
Senior notes due 2022	USD	175,000	
Total		183,500	

8. Employee entitlements

This is based on the accrued salaries and severance cost estimated for 7 full-time employees.

9. General unsecured creditors

This consists of trade and other payables, contract liabilities, and lease liabilities.

10. Amount due to related companies

Amount due to	Amount (USD'000)
Platinum	750

11. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	7
Fischer Tech (Thailand) Co., Ltd (A10)	145
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)	15,838
Total	15,990

12. Guarantee provided to lenders of Pearl Holding III Limited (A1)

Type	Currency	Amount (USD'000)
Borrowings from banks	USD	8,500
Senior notes due 2022	USD	175,000
Total		183,500

Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		5,393	100%	100%	100%	5,393	5,393	5,393
Inventories	1	14,147	12%	15%	18%	1,668	2,085	2,502
Trade and other receivables	2	5,789	60%	64%	69%	3,496	3,731	3,966
Contract assets	3	2,176	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	4	15,846	0%	0%	0%	-	-	-
Property, plant and equipment	5	15,267	19%	24%	28%	2,891	3,616	4,340
Intangible assets	6	1,152	0%	0%	0%	-	-	-
Right-of-use assets	7	8,791	0%	0%	0%	-	-	-
Long-term prepayments		967	0%	0%	0%	-	-	-
Total Proceeds from Assets		69,528				13,448	14,825	16,201
Costs associated with liquidation						(672)	(741)	(810)
Estimated Net Proceeds Available for Distribution						12,776	14,083	15,391
Distributions to Creditors								
Priority creditors								
- Tax payables		2,243	100.0%	100.0%	100.0%	2,243	2,243	2,243
- Employee entitlements	8	10,285	100.0%	100.0%	100.0%	10,285	10,285	10,285
Unsecured creditors								
- General unsecured creditors	9	30,673	0.7%	4.5%	8.4%	222	1,393	2,565
- Amount due to group companies (adjusted)	10	3,571	0.7%	4.5%	8.4%	26	162	299
						12,776	14,083	15,391

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)

1. Inventories

Inventories consists of raw materials (14%), work-in-progress (41%), finished goods (43%) and packing materials (2%).

The principal raw material for Pearl Group's plastic injection moulds and related products is resin. We understand from the Pearl Group management that the resins they ordered are tailored made for each product they produce for their customers to meet certain performance criteria and therefore would have few alternative uses. Furthermore, the finished goods could only be sold to the customer who placed the purchase order given the product's unique specifications for each customer. Also considering the resin price increase in FY2021 Q1 due to the overall resin shortage in the market, the recovery of inventories is estimated to be in the range according to the below table:

Type	Estimated recovery range
Raw materials	20%-30%
Work-in-progress	0%
Finished goods	20%-30%
Packing materials	20%-30%

2. Trade and other receivables

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	3,866	80%	85%	90%	3,092	3,286	3,479
0-30 days	755	50%	55%	60%	377	415	453
31-60 days	9	40%	45%	50%	3	4	4
61-90 days	15	40%	45%	50%	6	7	8
91-120 days	34	30%	35%	40%	10	12	14
121-180 days	17	30%	35%	40%	5	6	7
181-365 days	6	20%	25%	30%	1	1	2
>365 days	-	0%	0%	0%	-	-	-
Total trade receivables	4,700	74%	79%	84%	3,496	3,731	3,966
Other receivables	1,089	0%	0%	0%	-	-	-
Total Trade and other receivables	5,789	60%	64%	69%	3,496	3,731	3,966

Top 5 counterparties	% of total trade receivables
Sunwoda Electronic Co., Ltd.	36%
Bosch (Zhuhai) Security System Co., Ltd.	19%
Delta Electronics (Thailand) Public Co.,Ltd.	11%
Huatong Precision Circuit Board (Huizhou) Co., Ltd.	8%
Zhuhai Special Economic Zone Philips Home Appliance Co., Ltd.	3%
Total	76%

Majority of the trade counterparties are consumer electronics manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in

the consumer electronics manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of deposits (7%), prepayments (20%) and other debtors (73%) which mainly consists of tax credits. The recovery rate of other receivables is estimated to be zero.

3. Contract assets

Contract assets consists of unbilled revenue. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

4. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
M-Fischer Tech Sdn Bhd (A9)	7
Ying Shing Enterprises Limited (A11)	15,838
Total	15,846

5. Property, plant and equipment

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Office Equipment	360	20%	25%	30%	72	90	108
Leasehold Improvements	777	0%	0%	0%	-	-	-
Machinery and Equipment	14,060	20%	25%	30%	2,812	3,515	4,218
Motor Vehicle	70	10%	15%	20%	7	11	14
Total	15,267	19%	24%	28%	2,891	3,616	4,340

Office equipment consists mainly of air conditioning system, computers, and furniture. The recovery rate of office equipment is estimated to be between 20% and 30%.

The machinery and equipment are highly specialised (e.g. CNC machining center and injection moulding machine) and would have few alternative uses. The recovery rate of machinery and equipment is estimated to be between 20% and 30%.

6. Intangible assets

Intangible assets consists of computer software only. The recovery rate of intangible assets is estimated to be zero.

7. Right-of-use assets

Right-of-use assets consists of leases for buildings only. The recovery rate of right-of-use assets is estimated to be zero.

8. Employee entitlements

This is based on the accrued salaries and severance cost estimated for 1,041 full-time employees.

9. General unsecured creditors

This consists of trade and other payables, contract liabilities, and lease liabilities.

10. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Pearl Engineered Solutions Pte Ltd. (A2)	481
Fischer Solution (Suzhou) Co., Ltd (A4)	232
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	3
Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14)	2,856
Total	3,571

Ying Tat Investment (Hong Kong) Limited (A13) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		528	100%	100%	100%	528	528	528
Trade and other receivables	1	554	59%	64%	69%	326	354	381
Total Proceeds from Assets		1,082				854	882	909
Costs associated with liquidation						(43)	(44)	(45)
Estimated Net Proceeds Available for Distribution						811	838	864
Distributions to Creditors								
Secured lenders of Pearl Holding III Limited (A1)	2	183,500	0.4%	0.5%	0.5%	811	838	864
Priority creditors								
- Tax payables		129	0.0%	0.0%	0.0%	-	-	-
Unsecured creditors								
- General unsecured creditors	3	27	0.0%	0.0%	0.0%	-	-	-
- Amount due to group companies (adjusted)	4	5,283	0.0%	0.0%	0.0%	-	-	-
- Guarantee provided to lenders of A1	5	183,500	0.0%	0.0%	0.0%	-	-	-
						811	838	864

Notes - Ying Tat Investment (Hong Kong) Limited (A13)

1. Trade and other receivables

USD'000	NBV	% Recovery			Low	ERV	
		Low	Mid	High		Mid	High
Current	229	80%	85%	90%	183	194	206
0-30 days	174	50%	55%	60%	87	95	104
31-60 days	107	40%	45%	50%	43	48	53
61-90 days	-	40%	45%	50%	-	-	-
91-120 days	45	30%	35%	40%	14	16	18
121-180 days	-	30%	35%	40%	-	-	-
181-365 days	-	20%	25%	30%	-	-	-
>365 days	0	0%	0%	0%	-	-	-
Total trade receivables	554	59%	64%	69%	326	354	381
Other receivables	-	0%	0%	0%	-	-	-
Total Trade and other receivables	554	59%	64%	69%	326	354	381

Top 4 counterparties	% of total trade receivables
SERCOMM CORPORATION	83%
Netgear International Limited	9%
Sernet(Suzhou) Technologies Corporation	5%
Wistron NeWeb (Kunshan) Corporation	3%
Total	100%

Majority of the trade counterparties are IT equipment manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the IT equipment manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

2. Secured lenders

Type	Currency	Amount (USD'000)	Security provided by A13
Borrowings from banks	USD	8,500	All assets
Senior notes due 2022	USD	175,000	
Total		183,500	

3. General unsecured creditors

This consists of trade and other payables.

4. Amount due to group companies (adjusted)

Amount due to	Amount (USD'000)
Fischer Tech (Thailand) Co., Ltd (A10)	5

Ying Shing Enterprises Limited (A11)	4,713
Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14)	565
Total	5,283

5. Guarantee provided to lenders of Pearl Holding III Limited (A1)

Type	Currency	Amount (USD'000)
Borrowings from banks	USD	8,500
Senior notes due 2022	USD	175,000
Total		183,500

Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14) - Overview of estimated return to creditors from liquidation (stage one)

	Notes	NBV/FV USD'000	Low	% Recovery		ERV (Low) USD'000	ERV (Mid) USD'000	ERV (High) USD'000
				Mid	High			
Cash and bank balance		553	100%	100%	100%	553	553	553
Inventories	1	273	16%	20%	24%	44	56	67
Trade and other receivables	2	4,158	48%	52%	56%	2,006	2,158	2,309
Contract assets	3	202	0%	0%	0%	-	-	-
Amount due from group companies (adjusted)*	4	4,223	0%	0%	0%	-	-	-
Property, plant and equipment	5	4	10%	15%	20%	0	1	1
Total Proceeds from Assets		9,412				2,605	2,767	2,929
Costs associated with liquidation						(130)	(138)	(146)
Estimated Net Proceeds Available for Distribution						2,474	2,629	2,783
Distributions to Creditors								
Priority creditors								
- Tax payables		41	100.0%	100.0%	100.0%	41	41	41
- Employee entitlements	6	831	100.0%	100.0%	100.0%	831	831	831
Unsecured creditors								
- General unsecured creditors	7	1,397	100.0%	100.0%	100.0%	1,397	1,397	1,397
						2,269	2,269	2,269
Distribution to Equity Holders (shares pledged to secured lenders of A1)						206	360	514

*Stage one of the liquidation analysis assumed zero value from amount due from group entities and related companies

Notes - Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14)

1. Inventories

Inventories consists of work-in-progress (19%) and finished goods (81%).

The principal raw material for Pearl Group's plastic injection moulds and related products is resin. Given the finished goods could only be sold to the customer who placed the purchase order given the product's unique specifications for each customer, also considering the resin price increase in FY2021 Q1 due to the overall resin shortage in the market, the recovery of inventories is estimated to be in the range according to the below table:

Type	Estimated recovery range
Work-in-progress	0%
Finished goods	20%-30%

2. Trade and other receivables

USD'000	NBV	% Recovery			ERV		
		Low	Mid	High	Low	Mid	High
Current	1,848	80%	85%	90%	1,478	1,571	1,663
0-30 days	708	50%	55%	60%	354	389	425
31-60 days	406	40%	45%	50%	163	183	203
61-90 days	-	40%	45%	50%	-	-	-
91-120 days	-	30%	35%	40%	-	-	-
121-180 days	-	30%	35%	40%	-	-	-
181-365 days	60	20%	25%	30%	12	15	18
>365 days	34	0%	0%	0%	-	-	-
Total trade receivables	3,056	66%	71%	76%	2,006	2,158	2,309
Other receivables	1,102	0%	0%	0%	-	-	-
Total Trade and other receivables	4,158	48%	52%	56%	2,006	2,158	2,309

Top 5 counterparties	% of total trade receivables
ALFMEIER	59%
Donaldson	31%
Vorwerk	4%
Chuanyu Communications	3%
AFM-EUR	1%
Total	98%

Majority of the trade counterparties are automotive components and consumer electronics manufacturers. Considering the trade receivables could be sold in the market and overall credit quality of the counterparties in the automotive components and consumer electronics manufacturing industry, the recovery rate of trade receivables is estimated to be in the range shown in the above table.

Other receivables consists of tax credits (99%) and prepayments (1%). The recovery rate of other receivables is estimated to be zero.

3. Contract assets

Contract assets consists of unbilled revenue. Given the Pearl Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional, the recovery rate of contract assets is estimated to be zero.

4. Amount due from group companies (adjusted)

Amount due from	Amount (USD'000)
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)	802
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)	2,856
Ying Tat Investment (Hong Kong) Limited (A13)	565
Total	4,223

5. Property, plant and equipment

Property, plant and equipment consists only of a motor vehicle. Considering the scrap value of the vehicle, the recovery rate of property, plant and equipment is estimated to be between 10% and 20% of the net book value.

6. Employee entitlements

This is based on the severance cost estimated for 82 full-time employees.

7. General unsecured creditors

This consists of trade and other payables and contract liabilities.

Summary of stage one liquidation analysis

	NBV/FV	% Recovery			ERV (Low)	ERV (Mid)	ERV (High)
	USD'000	Low	Mid	High	USD'000	USD'000	USD'000
Pearl Holding III Limited (A1)							
Secured lenders (i) + (ii)	183,500	10.3%	11.1%	12.0%	18,908	20,435	22,072
Super Senior RCF	8,500	100.0%	100.0%	100.0%	8,500	8,500	8,500
USD senior notes due 2022	175,000	5.9%	6.8%	7.8%	10,408	11,935	13,572
i) Value from assets pledge to secured lenders							
A1					779	779	779
A2					2,650	2,746	2,843
A3					28	28	28
A11					11,865	12,643	13,420
A13					811	838	864
ii) Value from share pledge to secured lenders							
A5					2,570	3,042	3,515
A10					-	-	109
A14					206	360	514
Unsecured lenders/creditors*	59,841	0.0%	0.0%	0.0%	-	-	-
Pearl Engineered Solutions Pte Ltd. (A2)							
Unsecured lenders/creditors*	861	0.0%	0.0%	0.0%	-	-	-
Fischer Tech international Pte Ltd. (A3)							
Unsecured lenders/creditors*	17,966	0.0%	0.0%	0.0%	-	-	-
Fischer Solution (Suzhou) Co., Ltd (A4)							
Unsecured lenders/creditors	1,768	0.0%	0.0%	0.3%	-	-	6
Fischer Tech (Suzhou) Co., Ltd. (A5)							
Unsecured lenders/creditors	2,935	100.0%	100.0%	100.0%	2,935	2,935	2,935
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)							
Secured lenders	12,174	18.8%	21.2%	23.6%	2,291	2,581	2,872
Unsecured lenders/creditors	53,316	5.7%	7.0%	8.2%	3,023	3,710	4,397
Fischer Technology Pte Ltd (A7)							
Unsecured lenders/creditors	14	100.0%	100.0%	100.0%	14	14	14
M-Fischer Tech Sdn Bhd (A9)							
Unsecured lenders/creditors	9,851	9.6%	11.5%	13.5%	943	1,137	1,330
Fischer Tech (Thailand) Co., Ltd (A10)							
Unsecured lenders/creditors	4,464	89.2%	95.8%	100.0%	3,982	4,278	4,464
Ying Shing Enterprises Limited (A11)							
Unsecured lenders/creditors*	20,559	0.0%	0.0%	0.0%	-	-	-
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)							
Unsecured lenders/creditors	34,244	0.7%	4.5%	8.4%	248	1,555	2,863
Ying Tat Investment (Hong Kong) Limited (A13)							
Unsecured lenders/creditors*	5,310	0.0%	0.0%	0.0%	-	-	-
Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14)							
Unsecured lenders/creditors	1,397	100.0%	100.0%	100.0%	1,397	1,397	1,397

*Unsecured lenders/creditors excludes guarantee in the above summary table

Summary of stage two liquidation analysis (includes intercompany claims of Relevant Entities and related companies)

	NBV/FV	% Recovery			ERV (Low)	ERV (Mid)	ERV (High)
	USD'000	Low	Mid	High	USD'000	USD'000	USD'000
Pearl Holding III Limited (A1)							
Secured lenders (i) + (ii)	183,500	11.1%	12.1%	13.2%	20,320	22,250	24,294
Super Senior RCF	8,500	100.0%	100.0%	100.0%	8,500	8,500	8,500
USD senior notes due 2022	175,000	6.8%	7.9%	9.0%	11,820	13,750	15,794
i) Value from assets pledge to secured lenders							
A1					856	856	856
A2					3,222	3,451	3,679
A3					28	28	28
A11					11,865	12,643	13,420
A13					811	838	864
ii) Value from share pledge to secured lenders							
A5					3,268	3,899	4,530
A10					-	-	113
A14					269	536	804
Unsecured lenders/creditors*	59,841	0.0%	0.0%	0.0%	-	-	-
Pearl Engineered Solutions Pte Ltd. (A2)							
Unsecured lenders/creditors*	861	0.0%	0.0%	0.0%	-	-	-
Fischer Tech international Pte Ltd. (A3)							
Unsecured lenders/creditors*	17,966	0.0%	0.0%	0.0%	-	-	-
Fischer Solution (Suzhou) Co., Ltd (A4)							
Unsecured lenders/creditors	1,768	40.3%	54.3%	68.2%	713	959	1,206
Fischer Tech (Suzhou) Co., Ltd. (A5)							
Unsecured lenders/creditors	2,935	100.0%	100.0%	100.0%	2,935	2,935	2,935
Fischer Advanced Technology (Suzhou) Co., Ltd. (A6)							
Secured lenders	12,174	18.8%	21.2%	23.6%	2,291	2,581	2,872
Unsecured lenders/creditors	53,316	5.7%	7.0%	8.2%	3,023	3,710	4,397
Fischer Technology Pte Ltd (A7)							
Unsecured lenders/creditors	14	100.0%	100.0%	100.0%	14	14	14
M-Fischer Tech Sdn Bhd (A9)							
Unsecured lenders/creditors	9,851	9.6%	11.5%	13.5%	943	1,137	1,330
Fischer Tech (Thailand) Co., Ltd (A10)							
Unsecured lenders/creditors	4,464	89.3%	95.9%	100.0%	3,985	4,281	4,464
Ying Shing Enterprises Limited (A11)							
Unsecured lenders/creditors*	20,559	0.0%	0.0%	0.0%	-	-	-
Zhuhai Yingcheng Electronics Technology Co., Ltd. (A12)							
Unsecured lenders/creditors	34,244	0.7%	4.5%	8.4%	248	1,556	2,864
Ying Tat Investment (Hong Kong) Limited (A13)							
Unsecured lenders/creditors*	5,310	0.0%	0.0%	0.0%	-	-	-
Suzhou Yinghao Precision Molding and Tooling Co., Ltd (A14)							
Unsecured lenders/creditors	1,397	100.0%	100.0%	100.0%	1,397	1,397	1,397

*Unsecured lenders/creditors excludes guarantee in the above summary table

Appendix 6
THE SCHEME

THE SCHEME OF ARRANGEMENT
IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION
FSD CAUSE NO: FSD 254 of 2021 (DDJ)
IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2021 REVISION)
AND
IN THE MATTER OF PEARL HOLDING III LIMITED

SCHEME OF ARRANGEMENT
(under section 86 of the Companies Act (2021 Revision) of the Cayman Islands)

BETWEEN

PEARL HOLDING III LIMITED
(an exempted company incorporated with limited liability under the laws of the Cayman Islands with company number 297460)

AND

THE SCHEME CREDITORS
(as herein defined)

PART A

PRELIMINARY

DEFINITIONS AND INTERPRETATION

A. In this Scheme, unless the context otherwise requires or unless otherwise expressly provided for, the following capitalised expressions shall bear the following meanings:

“Account Holder”	means persons who are direct participants in the Clearing Systems with their interests in the Existing Notes being recorded directly in the books or other records maintained by the Clearing Systems.
“Account Holder Letter”	means the form of the account holder letter set out in Appendix 8 (Solicitation Packet) to the Explanatory Statement.
“Accepted Amount”	has the meaning given to it in Clause 27.4.
“Ad Hoc Committee”	means the holders of the Existing Notes which have formed an ad hoc committee (that is advised and represented by the AHC Advisers), each in their capacity as members of such ad hoc committee.
“Adjudication”	means the procedure for the resolution of Disputed Scheme Claims as set out in Clause 27 of this Scheme.
“Adjudicator”	means the person (and any suitably qualified replacement) appointed by the Company, in accordance with and subject to the requirements in Clause 26 of this Scheme, to act as an adjudicator in respect of any Disputed Scheme Claim in accordance with the process for an Adjudication.
“AHC Advisers”	means (i) Milbank LLP; (ii) Rothschild & Co Hong Kong Limited; and (iii) Walkers (Singapore) Limited Liability Partnership.
“Affiliates”	means, with respect to a person, any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person and, for the purposes of this definition, “ control ” shall mean the power, direct or indirect, to (a) vote on more than 50 percent of the securities having ordinary voting power for the election

	of directors of such person, or (b) direct or cause the direction of the management and policies of such person whether by contract or otherwise.
“Allowed Proceeding”	means any Proceeding by a Scheme Creditor to enforce its rights under this Scheme and/or to compel the Company or any other Person or entity to comply with its obligations under this Scheme and any Proceeding by a Scheme Creditor pursuant to or in connection with any Excluded Liability.
“Agreed Form”	means in a form reasonably agreed between: (a) the Company (or the Company Advisers); and (b) the Ad Hoc Committee (or the AHC Advisers).
“Ancillary Claim”	means any Claim of a Scheme Creditor in respect of a Liability of any Ancillary Released Party, arising directly or indirectly from, pursuant to, under or in connection with the Existing Notes Documents (including any guarantee and security therein) but, excluding any Excluded Liabilities.
“Ancillary Released Party”	means any member of the Group (other than the Company and the Existing Notes Subsidiary Guarantors) and the shareholders, officers, directors, advisers, representatives and office-holders of each member of the Group (including the Company and the Existing Notes Subsidiary Guarantors).
“Applicant”	has the meaning given to it in Clause 27.2.
“Bar Date”	means a time to be specified on the date falling 5 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date), as notified by the Company pursuant to Clause 6, being the last date for submission of a duly completed Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable).
“Business Day”	means any day (other than a Saturday or Sunday) on which banks are open for business generally in all of New York, Hong Kong, Singapore and the Cayman Islands.

“Cash Payment”	means an upfront cash payment of US\$23,250,000.
“Companies Act”	means the Companies Act (2021 Revision) of the Cayman Islands.
“Cayman Court”	means the Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom.
“Cayman Court Order”	means the sealed copy of the order of the Cayman Court sanctioning this Scheme.
“Cayman Registrar of Companies”	means the Registrar of Companies (including any deputy registrar and/or assistant registrar or similar) appointed under the Companies Act in the Cayman Islands.
“Claim”	means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, contribution, indemnification, damages, judgments, executions, demands or rights whatsoever or howsoever arising, whether past, present, future or prospective, fixed or contingent, known or unknown, direct or indirect, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation or any failure to perform any obligation or any omission, whether arising at common law, in equity or by statute in or under the laws of the Cayman Islands, Hong Kong, New York, the PRC, Singapore or Thailand or under any other law or in any other jurisdiction howsoever arising and “Claims” shall be construed accordingly.
“Clearing Systems”	means DTC, Euroclear and Clearstream.
“Clearstream”	means Clearstream Banking S. A.
“Collateral”	means the assets from time to time subject, or expressed to be subject, to the Security Interests under the Security Documents.
“Company”	means Pearl Holding III Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands with company number 297460 with its

	registered office address situated at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands, acting by the Company's board of directors.
"Company Advisers"	means (i) Latham & Watkins LLP; (ii) Houlihan Lokey (China) Limited; (iii) Harney Westwood & Riegels LP; and (iv) Oon & Bazul LLP.
"Consent Fee"	means a consent fee in the aggregate amount of US\$1,750,000 (representing 1% of the aggregate outstanding principal amount of the Existing Notes).
"Deed of Release"	means the New York law governed deed of release to be executed pursuant to the authority conferred by Clause 19.3 of this Scheme in respect of the Scheme Creditors substantially in the Agreed Form set out in Schedule 5 (<i>Form of Deed of Release</i>) of this Scheme subject to any modifications required or approved in accordance with Clause 19.4 of this Scheme.
"Deed of Undertaking"	means a deed of undertaking substantially in the Agreed Form set out in Schedule 2 (<i>Form of Deed of Undertaking</i>) of this Scheme.
"Designated Recipient"	means any single entity that is designated as such by a Participating Scheme Creditor in accordance with a valid Designated Recipient Form as the recipient of all or some of the Scheme Consideration otherwise to be issued to such Participating Scheme Creditor, subject to limitations in accordance with applicable securities laws and provided that (i) the Designated Recipient shall only be validly designated if it has submitted its Distribution Confirmation; (ii) a Participating Scheme Creditor may designate only one such entity and if such entity is a nominee holder it may only hold on behalf of one beneficial holder; and (iii) the Designated Recipient is not a Disqualified Person or a Prohibited Transferee.
"Designated Recipient Form"	means the form attached to the Account Holder Letter and available on the Scheme Website by which a Participating Scheme Creditor may appoint a Designated Recipient to

	be the recipient of all or some of the Scheme Consideration that would otherwise be issued to that Participating Scheme Creditor.
“Disputed Scheme Claim”	has the meaning given to it in Clause 27.1.
“Disputed Claim Resolution Deadline”	has the meaning given to it in Clause 27.1.
“Disqualified Person”	means a person who is disqualified from holding, receiving or handling any Scheme Consideration pursuant to any applicable laws or regulations.
“Distribution Agreement”	means the escrow and distribution agreement to be entered into by or before the Scheme Effective Date by, amongst other parties, the Company, Pearl II, the Scheme Consideration Trustee and the Information Agent pursuant to which, amongst other things, the Scheme Consideration Trustee will distribute the Surplus Scheme Consideration to the Participating Scheme Creditors during the Holding Period, substantially in the Agreed Form which is made available on the Scheme Website.
“Distribution Confirmation”	means the form attached to the Account Holder Letter and available on the Scheme Website confirming amongst other things that the Scheme Creditor or its Designated Recipient may lawfully be issued the Scheme Consideration.
“DTC”	means The Depository Trust Company in its capacity as the common depository and one of the clearing systems in respect of the Existing Notes.
“DTC Instruction”	means a written instruction to DTC to mark down the Existing Notes.
“Eligible Consenting Creditors”	means the Scheme Creditors who are eligible to receive a portion of the Consent Fee in accordance with the terms of the RSA.
“Euroclear”	means Euroclear Bank SA / NV, an operator of the Euroclear clearing system.

“Excluded Liabilities”	means (a) all Claims in respect of rights created under this Scheme, any Restructuring Document and/or the Deed of Undertaking or which arise as a result of a failure by the Company, any Existing Notes Subsidiary Guarantor or any other Group Company (and the shareholders, officers, directors, advisers, representatives and office-holders of each Group Company) to comply with any terms of this Scheme, any Restructuring Document and/or the Deed of Undertaking from and after the Scheme Effective Date, (b) all Claims in respect of any Liability of the Company, any Existing Notes Subsidiary Guarantor or any other Group Company (and the shareholders, officers, directors, advisers, representatives and office-holders of each Group Company) which, in each case, arise as result of gross negligence, fraud, dishonesty or wilful misconduct and (c) all fees, costs and expenses of the AHC Advisers, the Existing Notes Trustee, the Security Agent, Information Agent, the Scheme Consideration Trustee, the Registrar, the New Notes Trustee and the New Perpetual Notes Trustee that are payable in accordance with the terms of this Scheme.
“Explanatory Statement”	means the explanatory statement of the Company relating to this Scheme issued in accordance with Order 102, Rule 20 of the Cayman Islands Grand Court Rules 1995 (Revised Edition).
“Existing Notes”	means the US\$175,000,000 9.50% Senior Secured Notes due 11 December 2022 issued by the Company pursuant to the Existing Notes Indenture (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)).
“Existing Notes Depositary”	means DTC, in respect of the Existing Notes.
“Existing Notes Documents”	means the Existing Notes Indenture, the Existing Notes and any other documents entered into by the Company and/or any other person for the purposes of guaranteeing or securing liabilities due under or in respect of the Existing

	Notes Indenture, including, without limitation, the Security Documents.
“Existing Notes Indenture”	means the indenture dated 11 December 2017 made between the Company (as issuer), the Existing Notes Trustee and the Existing Notes Subsidiary Guarantors in relation to the Existing Notes as amended or varied from time to time.
“Existing Notes Subsidiary Guarantors”	means (i) Ying Shing Enterprises Limited; (ii) Ying Tat Investment (Hong Kong) Limited; (iii) Pearl Engineered Solutions Pte Ltd.; and (iv) Fischer Tech International Pte Ltd., which are guarantors of Company’s obligations in respect of the Existing Notes pursuant to the Existing Notes Indenture.
“Existing Notes Trustee”	means The Bank of New York Mellon solely in its capacity as trustee under the Existing Notes Indenture.
“Existing Notes Trustee Instruction”	means an instruction to the Existing Notes Trustee substantially in the Agreed Form set out in Schedule 4 (<i>Form of Existing Notes Trustee Instruction</i>) of this Scheme.
“Final Distribution Date”	means the date falling 10 Business Days after the Bar Date, as notified by the Company pursuant to Clause 6.
“Global Notes”	means the global notes evidencing the Existing Notes (Restricted Global Note: CUSIP No. 70477NAA4; Common Code 173236743 ; Regulation S Global Note: CUSIP No. G44527AA0 ; Common Code 173236778).
“Group”	means Pearl I, Pearl II, the Company and the Company’s subsidiaries from time to time.
“Group Releasing Parties”	has the meaning given in Clause 19.2.
“Holding Period”	means the holding period from the time immediately following the initial distribution of the Scheme Consideration on the Restructuring Effective Date up to and including the Final Distribution Date during which time the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating

	Scheme Creditors for distribution in Periodic Distributions in accordance with the terms of this Scheme and the Distribution Agreement.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“Indemnified Party”	means each of the Existing Notes Trustee, the Information Agent, the Security Agent, the Registrar, the Scheme Consideration Trustee, the New Notes Trustee, the New Perpetual Notes Trustee and each of their respective Personnel.
“Information Agent”	means Morrow Sodali established under the laws of England and Wales (company number 5934575) whose registered office is at Nations House, 9th floor, 103 Wigmore Street, W1U 1QS, London in its capacity as the Company’s information agent.
“Initial Deadline”	means 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman Islands time on 27 September 2021 and 11 p.m. Hong Kong/Singapore time on 27 September 2021..
“Initial Participating Scheme Creditor”	means a Participating Scheme Creditor in respect of whom a duly completed Account Holder Letter and Distribution Confirmation (and Designated Recipient Form, if applicable) have been provided to and received by the Information Agent on or before the Initial Deadline.
“Insolvency Proceedings”	<p>means, in respect of any person:</p> <p>(a) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, liquidation, provisional liquidation, dissolution, administration, receivership, administrative receivership, judicial composition, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement, or otherwise) of that person;</p> <p>(b) a composition or arrangement with any creditor of that person, or an assignment for the benefit of that</p>

	<p>person's creditors generally or a class of such creditors;</p> <p>(c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of that person or any of its assets;</p> <p>(d) enforcement of any security over any assets of that person; or</p> <p>(e) any procedure or step in any jurisdiction analogous to those set out in paragraphs (a) to (d) above.</p>
"Intercreditor Agreement"	means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, restated, modified or supplemented from time to time).
"Intercreditor Supplemental Documents"	means the amendment agreements or deeds, accession deeds or undertakings, facility designations or other designation notices and/or other documents (as applicable) in respect of the Intercreditor Agreement to be entered into or given in the Agreed Form, as are necessary to give effect to: (i) the Restructuring (including, without limitation, to recognise the New Notes as Senior Secured Notes for the purposes of the Intercreditor Agreement); and (ii) the SSRCF Refinancing, including (without limitation) the Designation Notice (substantially in the form at Annex 1 to the Security Confirmation Instructions at Schedule 3 to this Scheme) and the Creditor/Agent Accession Undertaking (substantially in the form at Annex 2 to the Security Confirmation Instructions at Schedule 3 to this Scheme).
"Investor"	means Platinum Equity Capital Partners International III (Cayman) L.P. and/or one or more of its Affiliates.
"Liability"	means any debt, liability or obligation whatsoever, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an

	act or obligation, and whether arising at common law, in equity or by statute in or under the laws of the Cayman Islands, Hong Kong, New York, the PRC, Singapore, Thailand or under any other law or in any other jurisdiction howsoever arising and “Liabilities” shall be construed accordingly.
“Longstop Date”	means 31 October 2021 (or such later date as may be agreed in writing by the Company and the Ad Hoc Committee).
“New Investor Shares”	means: <ul style="list-style-type: none"> (a) 1,000,000 fully paid and non-voting shares of class A preferred stock in Pearl II, with a par value of US\$25.0 per share and no dividend preference; and (b) 30,000 fully paid and non-voting shares of class B preferred stock in Pearl II, with a US\$0.01 par value per share and which will carry cumulative dividends in accordance with the terms of New Perpetual Notes and the New Perpetual Notes Indenture.
“New Notes”	means the new senior secured notes to be issued by the Company as part of the Restructuring pursuant to the New Notes Indenture.
“New Notes Agency Agreement”	means the agency agreement in relation to the New Notes in the Agreed Form available on the Scheme Website.
“New Notes Indenture”	means the indenture under which the New Notes will be issued in the Agreed Form available on the Scheme Website.
“New Notes Depositary”	means Elavon Financial Services DAC as depositary in respect of the New Notes.
“New Notes Security”	means the Security Interests constituted pursuant to the New Security Documents.
“New Notes Subsidiary Guarantors”	means such persons who will guarantee the Company's obligations in respect of the New Notes pursuant to the

	New Notes Indenture, which comprise: (a) as at the Restructuring Effective Date: (i) Ying Shing Enterprises Limited; (ii) Ying Tat Investment (Hong Kong) Limited; (iii) Pearl Engineered Solutions Pte Ltd.; and (iv) Fischer Tech International Pte Ltd.; and (b) only after its entry into a supplemental indenture with respect to the New Notes Indenture, Fischer Tech (Thailand) Co., Ltd.
“New Notes Trustee”	means Madison Pacific Trust Limited in its capacity as trustee under and as defined in the New Notes Indenture.
“New Perpetual Notes”	means the perpetual notes to be issued by Pearl II as part of the Restructuring pursuant to the New Perpetual Notes Indenture.
“New Perpetual Notes Agency Agreement”	means the agency agreement in relation to the New Perpetual Notes in the Agreed Form available on the Scheme Website.
“New Perpetual Notes Depositary”	means Elavon Financial Services DAC as depositary in respect of the New Perpetual Notes.
“New Perpetual Notes Indenture”	means the indenture pursuant to which the New Perpetual Notes are issued, in the Agreed Form available on the Scheme Website.
“New Perpetual Notes Trustee”	means Madison Pacific Trust Limited in its capacity as trustee under, and as defined in, the New Perpetual Notes Indenture.
“New Security Documents”	means the Security Documents, as amended, modified, supplemented, replaced and/or confirmed by the Security Confirmations.
“Non-Participating Scheme Creditor”	means a Scheme Creditor that has not submitted a duly completed Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent prior to the Bar Date and is therefore not entitled to receive any Scheme Consideration. For the avoidance of doubt, Part 2 of the Account Holder Letter need not be completed, if the

	Account Holder Letter is submitted after the date of the Scheme Meeting.
“Participating Scheme Creditor”	means a Scheme Creditor that has submitted a duly completed Account Holder Letter and Distribution Confirmation (and Designated Recipient Form, as applicable) to the Information Agent on or before the Bar Date (and for the avoidance of doubt, such term includes the Initial Participating Scheme Creditors).
“Pearl I”	means Pearl Holding I Limited, an exempted company incorporated with limited liability in the Cayman Islands with company number 297458 and having its registered office at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, the Cayman Islands.
“Pearl II”	means Pearl Holding II Limited, an exempted company incorporated with limited liability in the Cayman Islands with company number 297459 and having its registered office at the offices of Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, the Cayman Islands.
“Periodic Distribution”	means a distribution by the Scheme Consideration Trustee during the Holding Period of Surplus Scheme Consideration to be made on the Periodic Distribution Dates to those Participating Scheme Creditors or their Designated Recipients, if any, who submit a valid Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent at least 10 Business Days prior to the relevant Periodic Distribution Date (who, for the avoidance of doubt, are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the relevant Surplus Scheme Consideration on a prior Periodic Distribution Date), in each case, in accordance with the terms of the Scheme and the Distribution Agreement. For the avoidance of doubt,

	the third and final Periodic Distribution will be made on the Final Distribution Date.
“Periodic Distribution Date”	<p>means the dates that are:</p> <ul style="list-style-type: none"> (a) 1 month plus 10 Business Days after the Restructuring Effective Date; (b) 3 months plus 10 Business Days after the Restructuring Effective Date; and (c) 5 months plus 10 Business Days after the Restructuring Effective Date, <p>in each case, on which a Periodic Distribution is to be made during the Holding Period in accordance with the terms of the Scheme and the Distribution Agreement, including, for the avoidance of doubt, the Final Distribution Date being the third and final Periodic Distribution Date.</p>
“Personnel”	means, in relation to any person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.
“PRC”	means the People’s Republic of China.
“Proceedings”	means any process, suit, action, legal or other legal proceeding including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, statutory demand, execution, forfeiture, re-entry, seizure, lien, enforcement of judgment, enforcement of any security or Insolvency Proceedings in any jurisdiction.
“Prohibited Transferee”	means a person who is prohibited from being allotted, issued with, holding, receiving or handling any Scheme Consideration pursuant to any laws or regulations that apply to it in any place in which it accepts, holds, receives or handles any of the Scheme Consideration or so prohibited except after compliance with conditions or requirements that the Company acting reasonably and in good faith considers to be disproportionate to the value of the relevant Scheme Consideration.

“Recognition Orders”	means any order of a court made on application or petition by the Company, recognising this Scheme as a foreign main proceeding (or, in the alternative, a foreign non-main proceeding), and enforcing and/or giving effect to the terms of this Scheme, in the relevant jurisdiction in which the court is situated, pursuant to the applicable laws or legislation of that jurisdiction from time to time, which may include, without limitation, an order of the US Bankruptcy Court pursuant to Chapter 15 of the US Bankruptcy Code.
“Record Time”	means 5 p.m. New York time on 27 September 2021, the equivalent being 4 p.m. Cayman Islands time on 27 September 2021 and 5 a.m. Hong Kong/Singapore time on 28 September 2021.
“Registrar”	means The Bank of New York Mellon in its capacity as registrar under the Existing Notes Indenture.
“Remaining Surplus Cash Payment”	means the remaining surplus amount of Cash Payment available after the final Periodic Distribution has been made to Participating Scheme Creditors (if any), plus any interest accrued thereon.
“Remaining Surplus New Notes”	means the remaining surplus amount of the New Notes available after the final Periodic Distribution has been made to Participating Scheme Creditors (if any).
“Remaining Surplus New Perpetual Notes”	means the remaining surplus amount of New Perpetual Notes available after the final Periodic Distribution has been made to Participating Scheme Creditors (if any).
“Remaining Surplus Notes”	means the Remaining Surplus New Notes and the Remaining Surplus New Perpetual Notes.
“Remaining Surplus Notes Coupon”	means any and all interest, coupon or distribution paid by the Company or Pearl II (as applicable) to the Scheme Consideration Trustee in respect of the Remaining Surplus Notes.

“Released Beneficiary”	means each person referred to in Clauses 19.1.1 to 19.1.4, being a beneficiary of the releases given by the Scheme Creditor Releasing Party in Clause 19.
“Restructuring”	means the restructuring of the financial indebtedness of the Company and the Existing Notes Subsidiary Guarantors under the terms of the Existing Notes Documents as contemplated by the Restructuring Documents and this Scheme.
“Restructuring Conditions”	<p>means:</p> <ul style="list-style-type: none"> (a) the Scheme Effective Date having occurred; (b) all necessary consents, approvals or authorisations in connection with the Restructuring having been obtained, including, without limitation, all necessary consents, approvals or authorisations from SGX-ST, the Cayman Court and any and all other relevant governmental bodies; (c) the obtaining of approval in principle for the listing and quotation of the New Notes on the Official List of SGX-ST; (d) (if the Company acting reasonably and in good faith determines, on or before the Scheme Effective Date and after consultation with the AHC Advisers, that it is necessary or desirable to obtain court orders for the recognition and enforcement of this Scheme in Singapore, New York and/or any other jurisdiction) the Recognition Orders having been granted; (e) the Investor having made an equity investment of US\$25,000,000 in the Company (indirectly via Pearl I and/or Pearl II), in exchange for the issuance and allotment of the New Investor Shares; (f) all requisite documents and instruments being executed and released by the relevant parties (including DBS Bank Ltd as the lender in respect of the SSRCF) to give effect to the SSRCF Refinancing;

	<p>(g) each of the Restructuring Documents and the Deed of Undertaking having been executed by or on behalf of each of the parties thereto;</p> <p>(h) the Restructuring Documents becoming effective subject only to the satisfaction of all other Restructuring Conditions and release of the Restructuring Documents on the Restructuring Effective Date; and</p> <p>(i) the Company having paid all fees, costs and expenses of the AHC Advisers, the Existing Notes Trustee, the Security Agent, Information Agent, the Scheme Consideration Trustee, the Registrar, the New Notes Trustee and the New Perpetual Notes Trustee that have been duly invoiced to the Company by no later than 5 Business Days before the Restructuring Effective Date or such later date as may be agreed by the Company with the relevant party or parties, provided that the Restructuring Effective Date shall not be delayed solely by reason of any non-payment of professional fees (in the nature of success fees or otherwise) to the extent the quantum can only be calculated, or will only become due and payable, at a later date, in accordance with the relevant fee letter.</p>
“Restructuring Documents”	means the documents to be entered into by the Company and other parties to implement the Restructuring including, but not limited to, those documents listed in Schedule 1 (<i>Restructuring Documents</i>) of this Scheme, and for the avoidance of doubt excluding the Deed of Undertaking.
“Restructuring Effective Date”	has the meaning given to it in Clause 5.2.
“RSA”	means the restructuring support agreement (together with all exhibits, schedules and attachments, including the Term Sheet) dated 26 May 2021 between, among others, the Company, the Existing Notes Subsidiary Guarantors and the Initial Consenting Creditors (as

	defined therein), as amended or varied from time to time, including by the accession or cessation of parties thereto.
“Scheme”	means this scheme of arrangement between the Company and the Scheme Creditors under section 86 of the Companies Act in its present form or with or subject to any non-material modifications, additions or conditions that the Cayman Court may approve or impose.
“Scheme Claim”	<p>means any Claim of a Scheme Creditor in respect of a Liability of the Company or any Existing Notes Subsidiary Guarantor arising directly or indirectly from, pursuant to, under or in connection with the Existing Notes Documents on or before the Record Time or which may arise after the Record Time as a result of an obligation or Liability of the Company or any Existing Notes Subsidiary Guarantor incurred or as a result of an event occurring or an act done on or before the Record Time, including without limitation, all Claims in respect of:</p> <ul style="list-style-type: none"> (i) the outstanding principal on the Existing Notes as at the Record Time; (ii) any payable but unpaid interest on the Existing Notes, including (but not limited to) interest due on 11 June 2021; (iii) all future interest payable on the Existing Notes; and (iv) any other amounts that are, or may in the future become, payable on the Existing Notes, <p>and including, for the avoidance of doubt, any interest accruing on, or accretions arising in respect of, such Claims before, on or after the Record Time; but, excluding any Excluded Liabilities.</p>
“Scheme Conditions”	<p>means:</p> <ul style="list-style-type: none"> (a) the approval of this Scheme (with or without modification) by a simple majority in number of the Scheme Creditors present and voting at the Scheme Meeting either in person or by proxy representing at least 75 percent in value of the aggregate Scheme

	<p>Claims of the Scheme Creditors present and voting at the Scheme Meeting either in person or by proxy;</p> <p>(b) the sanction of this Scheme by the Cayman Court pursuant to the Cayman Court Order; and</p> <p>(c) the filing of the Cayman Court Order with the Registrar of Companies in the Cayman Islands.</p>
“Scheme Consideration”	means the relevant portion of the rights and interests in the Cash Payment, the Consent Fee (if applicable), the New Notes and the New Perpetual Notes to be distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) under and pursuant to the terms of this Scheme and the Distribution Agreement.
“Scheme Consideration Trustee”	means Madison Pacific Trust Limited.
“Scheme Creditor Releasing Parties”	has the meaning given to it in Clause 19.1.
“Scheme Creditor”	means a person with a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems as at the Record Time and which has a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture.
“Scheme Effective Date”	has the meaning given to it in Clause 5.1.
“Scheme Meeting”	means a meeting of the Scheme Creditors as convened by an order of the Cayman Court for the purpose of considering and, if thought fit, approving, with or without modification, this Scheme, and any adjourned meeting thereof.
“Scheme Sanction Hearing”	means the hearing of the Cayman Court of the petition in respect of the sanction of this Scheme.
“Scheme Steps”	means the steps set out in Clause 5.

“Scheme Website”	means the world wide web (www) pages linked to the universal resource locator (url): https://bonds.morrowsodali.com/pearl .
“Security Agent”	means Madison Pacific Trust Limited in its capacity as: (i) (before the Restructuring Effective Date) the security agent under the Security Documents; and (ii) (after the Restructuring Effective Date) the security agent under the New Security Documents.
“Security Confirmation Instructions”	means a letter from the Existing Notes Trustee to the Security Agent substantially in the Agreed Form set out in Schedule 3 (<i>Form of Security Confirmation Instructions</i>) of this Scheme.
“Security Confirmations”	means the security confirmations, amendment deeds or agreements, accession deeds or undertakings, security designations, replacement security documents and/or any other documents (as applicable) to be entered into or given in connection with the Restructuring for securing the Liabilities of the Company and its subsidiaries under or in connection with the New Notes over the Collateral.
“Security Documents”	means any documents entered into by the Company or any other person securing liabilities due under or in respect of any Existing Notes Documents, including but not limited to the following documents: (a) security assignment of agreement dated 6 November 2017 entered into by Pearl II as assignor and Madison Pacific Trust Limited as security agent; (b) debenture dated 6 November 2017 entered into by the Company as chargor and Madison Pacific Trust Limited as security agent; (c) debenture dated 6 December 2017 entered into by Fischer Tech International Pte Ltd and Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), each as chargor, and Madison Pacific Trust Limited as security agent;

	<p>(d) debenture dated 11 January 2018 entered into by Ying Shing Enterprises Limited (英誠企業有限公司) and Ying Tat Investment (Hong Kong) Limited (英達投資(香港)有限公司), each as chargor, and Madison Pacific Trust Limited as security agent;</p> <p>(e) equitable share mortgage dated 6 November 2017 entered into by Pearl II as mortgagor and Madison Pacific Trust Limited as mortgagee;</p> <p>(f) share charge dated 6 November 2017 entered into by the Company as chargor and Madison Pacific Trust Limited as security agent;</p> <p>(g) pledge of shares dated 6 December 2017 entered into by Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), the financial institutions listed in schedule 1 therein as secured parties and Madison Pacific Trust Limited as security agent;</p> <p>(h) equity pledge contract dated 11 January 2018 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Advanced Technology (Suzhou) Co., Ltd (飞讯特精密科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018;</p> <p>(i) equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Solution (Suzhou) Co., Ltd (飞讯世通科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018;</p> <p>(j) equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Tech (Suzhou) Co., Ltd (飞讯科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent;</p>
--	---

	<p>(k) equity pledge contract dated 6 December 2017 entered into by Ying Shing Enterprises Limited as pledgor, Zhuhai Yingcheng Electronics Technology Co., Ltd. (珠海市英诚电子科技有限公司) as PRC company and Madison Pacific Trust Limited as pledgee, as amended and restated on 30 October 2018 and further amended and restated on 29 December 2018 and as supplemented by a supplemental pledge dated 29 December 2018; and</p> <p>(l) equity pledge contract dated 6 December 2017 entered into by Ying Tat Investment (Hong Kong) Limited as pledgor, Suzhou Yinghao Precision Molding and Tooling Co., Ltd. (苏州英豪精密塑胶模具有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 March 2019.</p>
“Security Interests”	means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
“SGX-ST”	means Singapore Exchange Securities Trading Limited.
“SSRCF”	means the credit facilities provided to the Company pursuant to the SSRCF Agreement.
“SSRCF Agreement”	means the Super Senior Revolving Credit Facilities Agreement dated 27 October 2017 made between, amongst others, FT Holding II Limited (which has merged to the Company), FT Holding I Limited (which has merged to Pearl II) and the Security Agent, as amended or varied from time to time.
“SSRCF Refinancing”	means the proposed refinancing of the SSRCF.

“Surplus Cash Payment”	means the remaining amount of Cash Payment after the initial distribution of Cash Payment has been distributed to the Initial Participating Scheme Creditors on the Restructuring Effective Date, to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of this Scheme and the Distribution Agreement.
“Surplus New Notes”	means the remaining amount of New Notes after the initial distribution of New Notes has been distributed to the Initial Participating Scheme Creditors on the Restructuring Effective Date, to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of this Scheme and the Distribution Agreement.
“Surplus New Perpetual Notes”	means the remaining amount of New Perpetual Notes after the initial distribution of New Perpetual Notes has been distributed to the Initial Participating Scheme Creditors on the Restructuring Effective Date, to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, as applicable) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of this Scheme and the Distribution Agreement.
“Surplus Notes Coupon”	means any and all interest, coupon or distribution paid by the Company or Pearl II (as applicable) to the Scheme Consideration Trustee in respect of the Surplus New Notes or the Surplus New Perpetual Notes.

“Surplus Scheme Consideration”	means the Surplus Cash Payment, the Surplus New Notes and the Surplus New Perpetual Notes to be held by the Scheme Consideration Trustee on trust for and distributed to the Participating Scheme Creditors (or their Designated Recipients, if any) that are entitled to the same as Periodic Distributions during the Holding Period in accordance with the terms of this Scheme and the Distribution Agreement.
“United States”	means the United States of America.
“US Bankruptcy Code”	means Title 11 of the United States Code.
“US Bankruptcy Court”	means the United States Bankruptcy Court for the Southern District of New York.

INTERPRETATION

- B. In this Scheme, unless the context otherwise requires or otherwise expressly provides:
- i. references to Clauses and Sub-Clauses are, unless otherwise stated, references to the clauses and sub-clauses set out in Parts B to E (inclusive) of this Scheme;
 - ii. references to Recitals, Parts and Schedules are, unless otherwise stated, references to the recitals, parts, clauses, sub-clauses and schedules respectively of or to this Scheme;
 - iii. references to a “person” include references to an individual, firm, partnership, company, corporation, other legal entity, unincorporated body of persons or any state or state agency;
 - iv. references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
 - v. references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced, and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto, provided that such amendment, supplement, restatement, verification, replacement and/or novation has, to the extent it relates to a Restructuring Documents or this Scheme, has been made in accordance with the terms of such Restructuring Document and/or this Scheme (as applicable);

- vi. the singular includes the plural and vice versa and words importing one gender shall include all genders;
- vii. headings to Recitals, Parts, Clauses and Sub-Clauses are for ease of reference only and shall not affect the interpretation of this Scheme;
- viii. references to “US\$” are references to the lawful currency of the United States;
- ix. the words “include” and “including” are to be construed without limitation, general words introduced by the word “other” are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things, and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- x. a company is a “subsidiary” of another company, its “holding company”, if that other company (a) holds a majority of the voting rights in it; (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it, or, if it is a subsidiary of a company that is itself a subsidiary of that other company;
- xi. an “undertaking” means a body corporate or partnership; or an unincorporated association carrying on a trade or business, with or without a view to profit; and an undertaking is a parent undertaking in relation to another undertaking, a “subsidiary undertaking”, if (a) it holds the majority of voting rights in the undertaking; (b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; (c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s articles, or (ii) by virtue of a control contract; or (d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking; and
- xii. to the extent that there is any conflict or inconsistency between the terms of this Scheme and the Explanatory Statement, the terms of this Scheme shall prevail.

THE COMPANY

- C. The Company is an exempted company which was incorporated with limited liability under the laws of the Cayman Islands on 11 March 2015 with company number 297460. The Company’s

registered office address is currently Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

- D. As at 6 September 2021, the authorised share capital of the Company was 5,000,000 divided into ordinary shares of a nominal or par value of US\$0.01 each, of which 30,002 ordinary shares were issued and fully paid.

THE PURPOSE OF THE SCHEME

- E. The Restructuring has been promulgated by the Company to restructure its existing indebtedness under the Existing Notes pursuant to this Scheme and the Restructuring Documents. It includes various measures which are intended to ensure that the Company and the Group can continue to operate on a going concern basis.
- F. The purpose of this Scheme is to effect a compromise and arrangement between the Company and the Scheme Creditors so as to implement a financial restructuring of the Liabilities of the Company and the Existing Notes Subsidiary Guarantors under and/or in connection with the Existing Notes and the Existing Notes Documents. In summary, this Scheme provides for the release of all of the Scheme Claims of the Scheme Creditors in consideration for which the Participating Scheme Creditors will be entitled to receive in full and final settlement a distribution on a pro rata basis of the following Scheme Consideration:
- i. a portion of the Cash Payment;
 - ii. a portion of the Consent Fee (as applicable);
 - iii. a portion of the New Notes; and
 - iv. a portion of the New Perpetual Notes.

EXISTING NOTES ISSUED BY THE COMPANY

- G. The Existing Notes were issued by the Company pursuant to the terms of the Existing Notes Indenture and are held under an arrangement whereby:
- i. the Existing Notes have been issued in global registered form with Global Notes, initially being deposited with and registered in the name of the Existing Notes Depositary (or its nominee, Cede & Co.), through the Existing Notes Depositary under electronic systems designed to facilitate paperless transactions of dematerialised securities; and
 - ii. such electronic systems designed to facilitate paperless transactions involve interests in the Existing Notes being held by Account Holders. Each Account Holder may be holding its interests in the Existing Notes on behalf of itself and/or (directly or indirectly) one or more Scheme Creditors.

THE EXISTING NOTES AND THIS SCHEME

- H. The Existing Notes will remain in global form for the purposes of this Scheme. The Existing Notes Depositary in its capacity as depositary for the Existing Notes and on behalf of its nominee (Cede & Co.) as registered holder of the Existing Notes, has confirmed that it will not vote in respect of the Existing Notes at the Scheme Meeting. The Existing Notes Trustee is not a Scheme Creditor and will not vote at the Scheme Meeting.
- I. References in this Scheme to Scheme Creditors shall in relation to the Existing Notes be references to persons with a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems at the Record Time and who have a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture at the Record Time. References to Existing Notes “held” by a Scheme Creditor shall be construed accordingly.
- J. Each Scheme Creditor shall be entitled to vote at the Scheme Meeting in respect of each of the Existing Notes held by it.

BINDING OF THIRD PARTIES

- K. Each of the Company (in its capacity as issuer of the New Notes), the Existing Notes Subsidiary Guarantors, the New Notes Subsidiary Guarantors, Pearl II (in its capacity as issuer of the New Perpetual Notes), the Scheme Consideration Trustee and the Information Agent shall, prior to the Scheme Sanction Hearing, execute a Deed of Undertaking, pursuant to which they will:
 - i. undertake to the Scheme Creditors, the Company and the Cayman Court to be bound by the terms of this Scheme; and
 - ii. agree, upon instructions by the Company or, if applicable, the Information Agent, to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by them for the purposes of giving effect to the terms of this Scheme that apply to them.

PART B
THE SCHEME

1. Application and Effectiveness of this Scheme

- 1.1 The compromise and arrangement effected by this Scheme shall apply to all Scheme Claims and all Ancillary Claims and shall be binding on the Company and all Scheme Creditors (and any person who acquires any interest in or arising out of a Scheme Claim or an Ancillary Claim after the Record Time). The Scheme Creditors shall be eligible to receive the Scheme Consideration in accordance with the terms of this Scheme in full and final settlement of all Scheme Claims and all Ancillary Claims.
- 1.2 Excluded Liabilities shall not be subject to the arrangement and compromise effected by this Scheme.
- 1.3 Save as otherwise indicated, this Scheme shall become effective in accordance with its terms on the Scheme Effective Date.
- 1.4 The Company and all members of the Group shall use all reasonable efforts to procure that the Restructuring Effective Date occurs as soon as possible on or after the Scheme Effective Date.
- 1.5 If the Restructuring Effective Date has not occurred on or before the Longstop Date, the terms of, and obligations on the parties under or pursuant to, this Scheme shall lapse and all compromises and arrangements provided by this Scheme shall have no force or effect.

2. Effect of this Scheme

- 2.1 On and following the Restructuring Effective Date:
 - 2.1.1 the Scheme Claims and the Ancillary Claims, and all of the rights, titles and interests of the Scheme Creditors (and any person who acquires any interest in or arising out of a Scheme Claim or an Ancillary Claim after the Record Time) to the Scheme Claims and the Ancillary Claims, shall be released in accordance with, and subject to, the terms of this Scheme and the Deed of Release ;
 - 2.1.2 the Scheme Creditors shall become entitled to the Scheme Consideration in accordance with and subject to the terms of this Scheme, the Distribution Agreement and (in respect of the Consent Fee) the RSA; and
 - 2.1.3 the Company and the Ancillary Released Parties shall receive certain releases in accordance with, and subject to, the terms of this Scheme and the Deed of Release.

3. Compromise and Arrangement with the Scheme Creditors

3.1 On and following the Restructuring Effective Date, subject to the terms of this Scheme and conditional on completion of all of the steps outlined in Clause 5.3:

3.1.1 the Scheme Claims and the Ancillary Claims shall be released and discharged fully and absolutely;

3.1.2 the Security Documents shall be amended, modified, supplemented and/or confirmed, to the extent necessary, such that the Security Interests over the Collateral that are created under the Security Documents no longer secure any Liabilities of the Company and its subsidiaries under or in connection with the Existing Notes, but will instead secure the Liabilities of the Company and its subsidiaries under or in connection with the New Notes; and

3.1.3 any documents giving rise to a Scheme Claim or an Ancillary Claim shall be deemed cancelled and surrendered, in each case so as to bind the Scheme Creditors (and any person who acquires any interest in or arising out of a Scheme Claim or an Ancillary Claim after the Record Time) in consideration for which the Company and Pearl II, as applicable, shall pay or issue the Scheme Consideration to the Participating Scheme Creditors and their Designated Recipients (if any) subject to Clause 16 and the terms of Part D below.

3.2 For the avoidance of doubt, Non-Participating Scheme Creditors shall have no right or entitlement to receive any Scheme Consideration, but shall be bound by the terms of this Scheme.

4. Authority and Instructions

4.1 With effect from the Scheme Effective Date, and to the extent necessary for the purposes of giving effect to the terms of this Scheme, each Scheme Creditor irrevocably authorises and instructs the Company to enter into, execute and deliver as a deed (or otherwise) on behalf of that Scheme Creditor, in its capacity as a Scheme Creditor, including any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time (to the extent applicable), sufficient original copies of (as agreed between the parties thereto):

4.1.1 the Restructuring Documents to which such Scheme Creditor is a party, each substantially in the Agreed Form attached to this Scheme or the Explanatory Statement (as applicable) or otherwise contemplated by and reasonably ancillary to any of the foregoing documents, subject to any non-material modification approved or imposed by the Cayman Court in accordance with Clause 23.1; and

4.1.2 any and all such other documents that the Company and the AHC Advisers (each acting reasonably) agree are necessary to give effect to the terms of this Scheme,

in each case to be held to the order of the relevant parties thereto (for the avoidance of doubt, to the order of the Company on behalf of each Scheme Creditor) until the Restructuring Effective Date in accordance with the Scheme Steps.

4.2 On or as soon as possible after the Scheme Effective Date, and to the extent necessary for the purposes of giving effect to the terms of this Scheme:

4.2.1 the Company shall carry out the steps set out in Clause 4.1, acting on the instructions and pursuant to the authority of the Scheme Creditors; and

4.2.2 the Company, Pearl II, each Existing Notes Subsidiary Guarantor and each New Notes Subsidiary Guarantor shall enter into, execute and deliver as a deed (or otherwise) sufficient original copies of (as agreed between the parties thereto):

(a) the Restructuring Documents to which the Company, Pearl II, such Existing Notes Subsidiary Guarantor and/or such New Notes Subsidiary Guarantor is a party, each substantially in the Agreed Form attached to this Scheme or the Explanatory Statement (as applicable) or otherwise contemplated by and reasonably ancillary to any of the foregoing documents, subject to any non-material modification approved or imposed by the Cayman Court in accordance with Clause 23.1; and

(b) any and all such other documents that the Company and the Ad Hoc Committee (each acting reasonably) agree are necessary to give effect to the terms of this Scheme,

in each case to be held to the order of the relevant parties thereto until the Restructuring Effective Date in accordance with the Scheme Steps.

4.3 With effect from the Scheme Effective Date, each of the Scheme Creditors irrevocably authorises and instructs the Existing Notes Trustee, the Security Agent (subject to the Security Agent having received the executed but unreleased Security Confirmation Instructions from the Existing Notes Trustee), the New Notes Trustee and the New Perpetual Notes Trustee to enter into, execute and deliver as a deed (or otherwise) sufficient original copies of (as agreed between the parties thereto):

4.3.1 the Restructuring Documents to which such Existing Notes Trustee, the Security Agent, the New Notes Trustee and/or the New Perpetual Notes Trustee is a party, each substantially in the Agreed Form attached to this Scheme or the Explanatory Statement (as applicable) or otherwise contemplated by and reasonably ancillary to any of the

foregoing documents, subject to any non-material modification approved or imposed by the Cayman Court in accordance with Clause 23.1; and

- 4.3.2 any and all such other documents that the Company and the Ad Hoc Committee (each acting reasonably) agree are necessary to give effect to the terms of this Scheme,

in each case to be held to the order of the relevant parties thereto until the Restructuring Effective Date in accordance with the Scheme Steps for the purposes of giving effect to the terms of this Scheme.

- 4.4 On and from the Restructuring Effective Date, each Scheme Creditor hereby irrevocably authorises and instructs the Scheme Consideration Trustee to act and rely upon instructions from the Information Agent and the provisions of this Scheme and the Distribution Agreement and to take whatever action is necessary or appropriate to give effect to the terms of this Scheme, without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud, dishonesty or wilful misconduct of the Scheme Consideration Trustee).

- 4.5 On and from the Restructuring Effective Date, each Scheme Creditor hereby irrevocably authorises and instructs:

- 4.5.1 the Company, the Existing Notes Trustee, the Security Agent, the Existing Notes Depository, the Information Agent and the Registrar to take all such actions as may be necessary or appropriate to deliver, cancel, mark down and discharge the Global Notes, terminate and discharge the Existing Notes Documents, confirm that the Security Interests over the Collateral that are created by and under the Security Documents no longer secure any Liabilities of the Company and its subsidiaries under or in connection with the Existing Notes, but will instead secure the Liabilities of the Company and its subsidiaries under or in connection with the New Notes, and otherwise give effect to the terms of this Scheme (without prejudice to the foregoing, (1) the Security Agent's protections under clause 16 (*The Security Representative*) of the Intercreditor Agreement, and (2) the Security Agent's indemnities under clause 20 (*Indemnities*) of the Intercreditor Agreement provided by the Debtors (as defined therein), shall be deemed to continue to apply in respect of any actions and/or omissions taken or not taken by the Security Agent pursuant to this Scheme and/or the Security Confirmation Instructions prior to the Restructuring Effective Date, save to the extent necessary to give effect to the terms of this Scheme and the Security Confirmation Instructions), including without limitation;

- (a) the delivery by the Company (for and on behalf of the Scheme Creditors) of the Existing Notes Trustee Instruction to the Existing Notes Trustee; and

- (b) the delivery by the Existing Notes Trustee of the Security Confirmation Instructions to the Security Agent;

in each case at the time prescribed in the Scheme Steps;

- 4.5.2 the Existing Notes Trustee and the Registrar to act and rely upon the Existing Notes Trustee Instruction and the provisions of this Scheme, without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud or wilful misconduct of the Existing Notes Trustee or the Registrar);
 - 4.5.3 the Security Agent to act and rely upon the Security Confirmation Instructions and the provisions of this Scheme (subject to the Security Agent having received the Security Confirmation Instructions from the Existing Notes Trustee), without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud, dishonesty or wilful misconduct of the Security Agent); and
 - 4.5.4 the Existing Notes Depositary, the Information Agent and the Scheme Consideration Trustee to rely upon the provisions of this Scheme, without any duty to investigate further and without incurring any liability for doing so (other than any liability arising as a result of the gross negligence, fraud, dishonesty or wilful misconduct of the Existing Notes Depositary, the Information Agent or the Scheme Consideration Trustee).
- 4.6 The authority granted under Clauses 4.1 to 4.5 (inclusive) shall be treated, for all purposes whatsoever and without limitation, as having been granted by deed.
 - 4.7 Each Scheme Creditor (for itself and, if applicable, for its Designated Recipient and any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time) on and from the Scheme Effective Date and on and from the Restructuring Effective Date irrevocably ratifies and confirms any act or omission done, caused or purported to be done by the Existing Notes Trustee, the Registrar, the Security Agent, the Existing Notes Depositary, the New Notes Trustee, the New Perpetual Notes Trustee, the New Notes Depositary, the New Perpetual Notes Depositary, or any of their respective directors, managers, officers, partners or Affiliates, pursuant to or for the purposes of giving effect to this Scheme, other than any act or omission done or made as a result of gross negligence, fraud, dishonesty or wilful misconduct.
 - 4.8 Each Scheme Creditor (for itself and, if applicable, for its Designated Recipient and any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time) on and from the Scheme Effective Date and on and from the Restructuring Effective Date irrevocably ratifies and confirms any act or

omission done, caused or purported to be done pursuant to the Scheme or any power or authority conferred by this Scheme and agrees not to challenge:

4.8.1 the validity of any act done or omitted to be done, as permitted by the terms of this Scheme; or

4.8.2 the exercise or omission to exercise of any power or authority conferred in accordance with the terms of this Scheme,

in each case in good faith by any of the Company, the Existing Notes Subsidiary Guarantors, the New Notes Subsidiary Guarantors, the Information Agent and the Scheme Consideration Trustee, or any of their respective directors, managers, officers, partners or Affiliates.

5. **Scheme Steps**

Scheme Effective Date

5.1 The “**Scheme Effective Date**” shall be the date specified by the Company in a notice to the Scheme Creditors, the Existing Notes Trustee, the Security Agent, the New Notes Trustee and the New Perpetual Notes Trustee:

5.1.1 which date:

- (a) is a Business Day;
- (b) cannot occur after the Longstop Date; and
- (c) may only occur following the date on which all of the Scheme Conditions are satisfied or waived by the Cayman Court; and

5.1.2 which notice shall:

- (a) enclose a copy of the Cayman Court Order;
- (b) specify the Initial Deadline and the Record Time; and
- (c) state whether the Company will make or file any application for any Recognition Order and, if so, the jurisdiction(s) in which such application(s) will be made or filed.

Restructuring Effective Date

5.2 The “**Restructuring Effective Date**” shall be the date specified by the Company in a notice to the Scheme Creditors, the Existing Notes Trustee, the Security Agent, the New Notes Trustee and the New Perpetual Notes Trustee:

5.2.1 which date:

- (a) is a Business Day;
- (b) cannot occur after the Longstop Date; and
- (c) may only occur following the date on which all of the Restructuring Conditions are satisfied or, to the extent permitted by law and the RSA and agreed with the Ad Hoc Committee (or the AHC Advisers), waived by the Company; and

5.2.2 which notice shall:

- (a) if applicable, enclose a copy of any Recognition Order; and
- (b) also specify the Bar Date, the Periodic Distribution Dates and the Final Distribution Date.

5.3 On the Restructuring Effective Date, the following steps shall occur (in the order set out below to the extent possible, and provided that each of the steps outlined in Clause 5.3.7 may only take place after completion of each of the steps outlined in Clauses 5.3.1 to 5.3.6):

- 5.3.1 the Restructuring Documents (and, if applicable, each other agreement, document, consent, approval or authorisation referred to in the Restructuring Conditions) shall be released by the relevant parties or otherwise become effective in accordance with their terms;
- 5.3.2 each Participating Scheme Creditor shall, subject to Clause 16 and the terms of Part D below, become entitled to receive a proportion of the Scheme Consideration;
- 5.3.3 the Company shall distribute the relevant portion of the Cash Payment to the Initial Participating Scheme Creditors (and/or their Designated Recipients, if applicable) and the Consent Fee to the Eligible Consenting Creditors (and/or their Designated Recipients, if applicable), in accordance with their respective entitlements under this Scheme and the RSA and subject to and in accordance with Part D below;
- 5.3.4 the Company shall issue and distribute the relevant portion of the New Notes to the Initial Participating Scheme Creditors (and/or their Designated Recipients, if applicable) in each case in accordance with their respective entitlements under this Scheme and subject to and in accordance with Part D below;
- 5.3.5 Pearl II shall issue and distribute the relevant portion of the New Perpetual Notes to the Initial Participating Scheme Creditors (and/or their Designated Recipients, if applicable)

in each case in accordance with their respective entitlements under this Scheme and subject to and in accordance with Part D below;

- 5.3.6 the Scheme Consideration Trustee shall receive and hold on trust for the Scheme Creditors in accordance with the terms of this Scheme and the Distribution Agreement each of the Surplus Cash Payment, the Surplus New Notes and the Surplus New Perpetual Notes; and
- 5.3.7 conditional on completion of each of the steps outlined in Clauses 5.3.1 to 5.3.6:
- (a) the Company, acting as agent and attorney for the Scheme Creditors, shall deliver the executed Existing Notes Trustee Instruction to the Existing Notes Trustee and the Company shall execute, and the Information Agent shall deliver, the DTC Instruction to DTC;
 - (b) the Existing Notes Trustee shall, upon receipt of the Existing Notes Trustee Instruction cancel the Global Notes and take such other action as may be required to effect the cancellation, mark down and discharge of the Existing Notes under the Existing Notes Indenture;
 - (c) the Existing Notes Trustee shall, upon receipt of the Existing Notes Trustee Instruction, deliver the executed Security Confirmation Instructions to the Security Agent; and
 - (d) the Security Agent shall, upon receipt of the Security Confirmation Instructions, carry out the steps detailed in the Security Confirmation Instructions.

Periodic Distribution Dates

- 5.4 Following the Restructuring Effective Date, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus Cash Payment, Surplus New Notes, Surplus New Perpetual Notes and any corresponding Surplus Notes Coupon on a Periodic Distribution Date during the Holding Period to those Participating Scheme Creditors or their Designated Recipients, if any, who submit a valid Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent at least 10 Business Days prior to the relevant Periodic Distribution Date (who, for the avoidance of doubt, are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment, the Surplus New Notes and the Surplus New Perpetual Notes on a prior Periodic Distribution Date) in each case in accordance with their respective entitlements under this Scheme and subject to and in accordance with Part D below and the terms of the Distribution Agreement.

Final Distribution Date

- 5.5 On the Final Distribution Date, the following steps shall occur:
- 5.5.1 first, the Scheme Consideration Trustee shall distribute the final Periodic Distribution of the Surplus Cash Payment, the Surplus New Notes, the Surplus New Perpetual Notes and any Surplus Notes Coupon to those Participating Scheme Creditors or their Designated Recipients, if any, who submit a valid Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) to the Information Agent prior to the Bar Date (who, for the avoidance of doubt, are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment, the Surplus New Notes and the Surplus New Perpetual Notes on a prior Periodic Distribution Date) in each case in accordance with their respective entitlements under this Scheme and subject to and in accordance with Part D below and the terms of the Distribution Agreement;
 - 5.5.2 second, in the event that there is any Remaining Surplus Cash Payment or Remaining Surplus Notes, as soon as reasonably practicable after the Final Distribution Date, but subject to Clause K.ii.5.5.3 below: (i) the Scheme Consideration Trustee shall transfer the Remaining Surplus Cash Payment to the Company and the Remaining Surplus Notes Coupon to the Company or Pearl II (as applicable); and (ii) the Company and/or Pearl II (as applicable) shall cancel the Remaining Surplus Notes, and the Scheme Consideration Trustee shall, if necessary, deliver the Remaining Surplus Notes to the Company and/or Pearl II (as applicable) for cancellation;
 - 5.5.3 in the event that one or more Adjudications remain outstanding as at the Final Distribution Date, the Company or Pearl II (as applicable), upon receiving the Remaining Surplus Cash Payment, Remaining Surplus Notes Coupon and the Remaining Surplus Notes from the Scheme Consideration Trustee, shall hold such portion of the Remaining Surplus Cash Payment, Remaining Surplus Notes Coupon and Remaining Surplus Notes as is related to the Disputed Scheme Claim on trust for the Applicant(s) until the completion of the Adjudication(s) and thereafter deal with the same in accordance with the Adjudicator's decision and the other applicable terms of the Scheme and the Distribution Agreement.

PART C

NOTICES, SCHEME CLAIMS & BAR DATE

6. Notices to Scheme Creditors and Others

- 6.1 Promptly after each of the Scheme Effective Date and the Restructuring Effective Date, the Company shall give notice in accordance with Clause 5.1 and 5.2 respectively. As soon as reasonably practicable after the Company determines a date on which it expects the Restructuring Effective Date to take place, it should give prior notice of that expected date to the Ad Hoc Committee (or the AHC Advisers).
- 6.2 In the notice to be given by the Company specifying the Restructuring Effective Date pursuant to Clause 5.2, the Company shall also specify the Bar Date, the Periodic Distribution Dates and the Final Distribution Date.
- 6.3 The Company shall promptly notify the Scheme Creditors, the Existing Notes Trustee, the Security Agent, the New Notes Trustee and the New Perpetual Notes Trustee in writing if the Longstop Date has been extended by agreement between Company and the Ad Hoc Committee. In that same notice, the Company shall also specify the new Longstop Date.
- 6.4 Notices under this Clause 6 to Scheme Creditors shall be given by the Company in the following ways:
- 6.4.1 by notice on the Scheme Website;
 - 6.4.2 by notice through the Existing Notes Depository;
 - 6.4.3 by notice via electronic mail to each person who the Company believes may be a Scheme Creditor, and who has registered as a Scheme Creditor with the Company or the Information Agent or otherwise notified the Company or the Information Agent of its valid email address; and
 - 6.4.4 by the publishing of an announcement on the website of SGX-ST.

7. Record Time and Scheme Claims

- 7.1 All Scheme Claims shall be determined as at the Record Time by the Information Agent.
- 7.2 The Scheme Creditors acknowledge and agree that the Information Agent shall use the Account Holder Letter submitted by or on behalf of each Scheme Creditor, as verified against the books and records of the Existing Notes Depository, to determine the Scheme Claim of each Scheme Creditor and its entitlement to its share of the Scheme Consideration and any such determination shall (in the absence of gross negligence, fraud, dishonesty or wilful misconduct and subject to any Adjudication) be conclusive and binding on the Scheme Creditors and the Company.

- 7.3 The Information Agent shall use reasonable endeavours to review each Account Holder Letter (including any Distribution Confirmation and Designated Recipient Form, if applicable) and all blocking instructions promptly after receipt and inform the relevant Scheme Creditor (or its Account Holder who submitted the Account Holder Letter on behalf of the relevant Scheme Creditor) of any issues with the Account Holder Letter that would affect such Scheme Creditor's entitlement to any purported Scheme Consideration. Notwithstanding the foregoing it is the responsibility of each Scheme Creditor to ensure that any Account Holder Letter (including any Distribution Confirmation and Designated Recipient Form, if applicable) submitted in respect of its Scheme Claim has been validly completed.

8. Assignments or Transfers of Scheme Claims

- 8.1 The Company shall be under no obligation to recognise any assignment or transfer of any Scheme Claim after the Record Time and all entitlements of Participating Scheme Creditors under this Scheme shall be determined as at the Record Time, save that where the Company has received after the Record Time, from the relevant parties written notice of an assignment or transfer of a Scheme Claim, the Company may, in its absolute discretion (acting reasonably) and subject to such evidence as it may reasonably require and to any other terms and conditions which the Company may consider necessary or desirable, agree to recognise such assignment or transfer for the purposes of determining entitlements under this Scheme and (if applicable) the RSA. Any assignee or transferee of Scheme Claims so recognised by the Company shall be bound by the terms of this Scheme as if it were a Scheme Creditor and shall produce such evidence as the Company may reasonably require to confirm that it has agreed to be bound by the terms of this Scheme. Neither the Existing Notes Trustee nor the Registrar will be responsible for confirming Noteholders as at the Record Time or for monitoring, acknowledging or processing any assignments that occur after the Record Time.

9. Bar Date

- 9.1 In order to be entitled to receive any Scheme Consideration, a Scheme Creditor must ensure that a duly completed and executed Account Holder Letter, Distribution Confirmation and, if applicable, Designated Recipient Form are submitted to the Information Agent by no later than the Bar Date in accordance with the instructions set out therein.
- 9.2 Any Scheme Creditor that fails to comply with Clause 9.1 shall be a Non-Participating Scheme Creditor and shall not receive any Scheme Consideration or any other benefits under the terms of this Scheme but shall have its Scheme Claims released in accordance with the terms of this Scheme. The Scheme Consideration to which that Non-Participating Scheme Creditor would otherwise have been entitled shall form part of (i) the Remaining Surplus Cash Payment to be transferred by the Scheme Consideration Trustee to the Company, or the Remaining Surplus Notes Coupon to be transferred by the Scheme Consideration Trustee to the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date in

accordance with the provisions of Part D and the Distribution Agreement (ii) the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date in accordance with the provisions of Part D below and the Distribution Agreement.

10. **Acceptance of Documentation**

10.1 Any Account Holder Letters, Distribution Confirmations and Designated Recipient Forms submitted shall be completed and submitted in accordance with the instructions set out in the relevant Account Holder Letter.

10.2 If the Information Agent refuses to accept any Account Holder Letter, Distribution Confirmation or Designated Recipient Form, it shall promptly:

10.2.1 prepare a written statement of its reasons for that conclusion; and

10.2.2 send that written statement by email to the party that provided the relevant document.

PART D

DISTRIBUTION OF SCHEME CONSIDERATION TO SCHEME CREDITORS

11. Cash Payment

11.1 On the Restructuring Effective Date, the Company shall pay the Cash Payment in accordance with the terms of this Scheme and the Distribution Agreement.

11.2 Each Participating Scheme Creditor shall be entitled to receive a share of the Cash Payment calculated in accordance with the following formula, such that each Participating Scheme Creditor will be entitled to receive (rounded down to the nearest US\$1.00):

$$A \quad \times \quad \frac{B}{X} \quad = \quad \text{Cash Payment entitlement}$$

A = US\$23,250,000, being the total amount of the Cash Payment to be paid.

B = Total amount of all principal outstanding in respect of the Existing Notes held by a Participating Scheme Creditor as at the Record Time.

X = Total amount of all principal outstanding in respect of the Existing Notes as at the Record Time.

11.3 On the Restructuring Effective Date, the Cash Payment will be allocated as follows:

11.3.1 the Cash Payment to the cash accounts linked to the Euroclear or Clearstream accounts of the Initial Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters, in the aggregate principal amount of the Cash Payment to which they are entitled, as calculated in accordance with the formula set out in Clause 11.2 above; and

11.3.2 Surplus Cash Payment to the Scheme Consideration Trustee to be held on trust for the Participating Scheme Creditors during the Holding Period in accordance with the terms of the Distribution Agreement.

11.4 During the Holding Period, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus Cash Payment to those Participating Scheme Creditors (or their Designated Recipients, if any) who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment on a prior Periodic Distribution Date, if applicable, in the total amount of the Surplus Cash Payment to which they are entitled, as calculated in accordance with the formula set out in Clause 11.2 above and pursuant to the terms of the Distribution Agreement.

11.5 On the Final Distribution Date, the Scheme Consideration Trustee shall distribute the Surplus Cash Payment as follows:

11.5.1 first, by way of the final Periodic Distribution, to those Participating Scheme Creditors or their Designated Recipients, if any, who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus Cash Payment on a prior Periodic Distribution Date, in the total amount of the Surplus Cash Payment to which they are entitled, as calculated in accordance with Clause 11.2 above and pursuant to the terms of the Distribution Agreement; and

11.5.2 second, in the event that there is any Remaining Surplus Cash Payment, subject to K.ii.5.5.3 above, the Scheme Consideration Trustee shall transfer the Remaining Surplus Cash Payment as soon as reasonably practicable after the Final Distribution Date to the Company.

11.6 The obligations of the Company to pay the Cash Payment to each Participating Scheme Creditor entitled to receive it under this Scheme shall be satisfied by the Company transferring the Cash Payment to the nominee banks of Euroclear and Clearstream (to be allocated to cash accounts linked to the Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

12. **Consent Fee**

12.1 On the Restructuring Effective Date, the Company shall pay the Consent Fee to the Eligible Consenting Creditors in accordance with the terms of this Scheme and the RSA.

12.2 Subject to the terms of the RSA, each Eligible Consenting Creditor shall be entitled to receive a share of the Consent Fee calculated in accordance with clause 7 (*Consent Fee*) of the RSA such that each Eligible Consenting Creditor shall receive a Pro Rata Share (as defined under the RSA) of the total amount of the Consent Fee.

12.3 On the Restructuring Effective Date, the Consent Fee will be allocated to the cash accounts linked to the Euroclear and Clearstream accounts of the Eligible Consenting Creditors or their Designated Recipients (if any), as specified in their Account Holder Letters.

12.4 The obligations of the Company to pay the Consent Fee to each Eligible Consenting Creditor entitled to receive it under this Scheme and the RSA shall be satisfied by the Company transferring the Consent Fee to the nominee banks of Euroclear and Clearstream (to be allocated to cash accounts linked to the Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

13. **New Notes**

- 13.1 On the Restructuring Effective Date, the Company shall issue the New Notes in accordance with the terms of this Scheme, the New Notes Indenture and the Distribution Agreement.
- 13.2 Each Participating Scheme Creditor shall be entitled to receive a share of the New Notes calculated in accordance with the following formula, such that each Participating Scheme Creditor will be entitled to receive (rounded down to the nearest US\$1.00 and subject to a minimum denomination of US\$50,000 with integral multiples of US\$1.00 in excess of US\$50,000):

$$A \quad \times \quad \frac{B}{X} \quad = \quad \text{New Notes entitlement}$$

A = US\$66,500,000, being the total principal amount of the New Notes to be issued.

B = Total amount of all principal outstanding in respect of the Existing Notes held by a Participating Scheme Creditor as at the Record Time.

X = Total amount of all principal outstanding in respect of the Existing Notes as at the Record Time.

- 13.3 On the Restructuring Effective Date, the Company shall issue the New Notes in global registered form in the name of the New Notes Depositary or its nominee.
- 13.4 On the Restructuring Effective Date, the New Notes will be allocated to as follows:
- 13.4.1 the New Notes to the Euroclear or Clearstream accounts of the Initial Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters, in the aggregate principal amount of the New Notes to which they are entitled, as calculated in accordance with the formula set out in Clause 13.2 above; and
 - 13.4.2 the Surplus New Notes to the Scheme Consideration Trustee to be held on trust for the Participating Scheme Creditors during the Holding Period in accordance with the terms of the Distribution Agreement.
- 13.5 During the Holding Period, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus New Notes (including any Surplus Notes Coupon in respect thereof) to those Participating Scheme Creditors (or their Designated Recipients, if any) who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Notes on a prior Periodic Distribution Date, if applicable, in the aggregate principal amount of the Surplus New Notes to which they are entitled, as calculated in accordance with the formula set out in Clause 13.2 above and pursuant to the terms of the Distribution Agreement.

13.6 On the Final Distribution Date, the Scheme Consideration Trustee shall distribute the Surplus New Notes (including any Surplus Notes Coupon in respect thereof) as follows:

13.6.1 first, by way of the final Periodic Distribution, to those Participating Scheme Creditors or their Designated Recipients, if any, who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Notes on a prior Periodic Distribution Date, in the aggregate principal amount of the Surplus New Notes to which they are entitled, as calculated in accordance with Clause 13.2 above and pursuant to the terms of the Distribution Agreement; and

13.6.2 second, in the event that there is any Remaining Surplus New Notes, subject to K.ii.5.5.3 above: (i) the Company shall cancel the Remaining Surplus New Notes, and the Scheme Consideration Trustee shall, if necessary, deliver the Remaining Surplus New Notes to the Company for cancellation, as soon as reasonably practicable after the Final Distribution Date; and (ii) the Scheme Consideration Trustee shall transfer the Remaining Surplus Notes Coupon (in respect of the Remaining Surplus New Notes) to the Company as soon as reasonably practicable after the Final Distribution Date.

13.7 The Security Agent shall have the benefit (for itself and for the holders of the New Notes) of the New Notes Security.

13.8 The obligations of the Company to issue and allot the New Notes to each Participating Scheme Creditor entitled to receive them under this Scheme shall be satisfied by the Company depositing the New Notes in global registered form with the New Notes Depositary or its nominee for the accounts of the Clearing Systems (to be allocated to Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

14. **New Perpetual Notes**

14.1 On the Restructuring Effective Date, Pearl II shall issue the New Perpetual Notes in accordance with the terms of this Scheme, the New Perpetual Notes Indenture and the Distribution Agreement.

- 14.2 Each Participating Scheme Creditor shall be entitled to receive a share of the New Perpetual Notes calculated in accordance with the formula below such that each Participating Scheme Creditor shall be entitled to receive (rounded down to the nearest US\$1.00 and subject to a minimum denomination of US\$50,000 with integral multiples of US\$1.00 in excess of US\$50,000):

$$A \quad \times \quad \frac{B}{X} \quad = \quad \text{New Perpetual Notes entitlement}$$

A = US\$83,500,000, being the total principal amount of the New Perpetual Notes to be issued.

B = Total amount of all principal outstanding in respect of the Existing Notes held by a Participating Scheme Creditor as at the Record Time.

X = Total amount of all principal outstanding in respect of the Existing Notes as at the Record Time.

- 14.3 On the Restructuring Effective Date, Pearl II shall issue the New Perpetual Notes in global registered form in the name of the New Perpetual Notes Depositary or its nominee.

- 14.4 On the Restructuring Effective Date, the New Perpetual Notes will be allocated as follows:

14.4.1 the New Perpetual Notes to the Euroclear or Clearstream accounts of the Initial Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters, in the aggregate principal amount of the New Perpetual Notes to which they are entitled, as calculated in accordance with the formula set out in Clause 14.2 above; and

14.4.2 the Surplus New Perpetual Notes to the Scheme Consideration Trustee to be held on trust for the Participating Scheme Creditors during the Holding Period in accordance with the terms of the Distribution Agreement.

- 14.5 During the Holding Period, the Scheme Consideration Trustee shall make Periodic Distributions of the Surplus New Perpetual Notes (including any Surplus Notes Coupon in respect thereof) to those Participating Scheme Creditors or their Designated Recipients, if any, who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Perpetual Notes on a prior Periodic Distribution Date, if applicable, in the aggregate principal amount of the Surplus New Perpetual Notes to which they are entitled, as calculated in accordance with the formula set out in Clause 14.2 above and pursuant to the terms of the Distribution Agreement.

14.6 On the Final Distribution Date, the Scheme Consideration Trustee shall distribute the Surplus New Perpetual Notes (including any Surplus Notes Coupon in respect thereof) as follows:

14.6.1 first, by way of the final Periodic Distribution to those Participating Scheme Creditors or their Designated Recipients, if any, who are not Initial Participating Scheme Creditors or those Participating Scheme Creditors who have already received their entitlement to the Surplus New Perpetual Notes on a prior Periodic Distribution Date, in the aggregate principal amount of the Surplus New Perpetual Notes to which they are entitled, as calculated in accordance with Clause 14.2 above and pursuant to the terms of the Distribution Agreement; and

14.6.2 second, in the event that there is any Remaining Surplus New Perpetual Notes, subject to K.ii.5.5.3 above: (i) Pearl II shall cancel the Remaining Surplus New Perpetual Notes, and the Scheme Consideration Trustee shall, if necessary, deliver the Remaining Surplus Perpetual Notes to Pearl II for cancellation, as soon as reasonably practicable after the Final Distribution Date; and (ii) the Scheme Consideration Trustee shall transfer the Remaining Surplus Notes Coupon (in respect of Remaining Surplus New Perpetual Notes) to Pearl II as soon as reasonably practicable after the Final Distribution Date.

14.7 The obligations of Pearl II to issue and allot the New Perpetual Notes to each Participating Scheme Creditor entitled to receive them under this Scheme shall be satisfied by Pearl II depositing the New Perpetual Notes in global registered form with the New Perpetual Notes Depositary or its nominee for the accounts of the Clearing Systems (to be allocated to Clearing Systems accounts of the Participating Scheme Creditors (or their Designated Recipients, if any), as specified in their Account Holder Letters).

15. Scheme Consideration Trustee

15.1 The Surplus Scheme Consideration (including the Surplus Cash Payment and the book entry interests in respect of the Surplus New Notes and the Surplus New Perpetual Notes) paid, allotted or issued, or acknowledged as indebtedness owed, and any Surplus Notes Coupon paid, to the Scheme Consideration Trustee or its nominee, shall be held by the Scheme Consideration Trustee on separate trusts, one for each element of the Surplus Scheme Consideration, absolutely as to both capital and interest paid in respect of the Surplus New Notes and Surplus New Perpetual Notes for the relevant Participating Scheme Creditors entitled to receive such Surplus Scheme Consideration, in accordance with their respective entitlements under this Scheme and shall be distributed to the Participating Scheme Creditors in accordance with the terms of this Scheme, the Distribution Agreement and the Account Holder Letters lodged pursuant to this Scheme. Distribution by the Scheme Consideration Trustee of the Surplus Scheme Consideration (including the Surplus Cash Payment and the book entry interests in the Surplus New Notes and the Surplus New Perpetual Notes) and any

Surplus Notes Coupon shall be in accordance with the terms of this Scheme and the Distribution Agreement and, subject to any Adjudication, shall be binding on the Participating Scheme Creditors and any Designated Recipients. Thereafter, neither the Scheme Consideration Trustee nor any person other than Participating Scheme Creditors (or their Designated Recipients, as applicable) shall at any time whatsoever, either present or future, have any beneficial interest in any of the Surplus Scheme Consideration (including the Surplus Cash Payment and the book entry interests in the Surplus New Notes or the Surplus New Perpetual Notes) or the Surplus Notes Coupon so distributed.

- 15.2 The Scheme Consideration Trustee shall not exercise any rights attaching to any of the Surplus Scheme Consideration held by it (including rights attaching to book entry interests in the Surplus New Notes or the Surplus New Perpetual Notes), other than receiving or collecting any Surplus Note Coupon to be held in trust in accordance with the terms of this Scheme and the Distribution Agreement.

16. Restrictions

- 16.1 Pearl II or the Company (as applicable) will not issue or pay any Scheme Consideration to a Scheme Creditor (or its Designated Recipient, as applicable) unless that Scheme Creditor (or its Designated Recipient, as applicable) has provided a duly completed Distribution Confirmation (and Designated Recipient Form, if applicable) to the Information Agent by the Bar Date within which it has confirmed that it is not a Disqualified Person or a Prohibited Transferee.
- 16.2 If a Scheme Creditor, being a Disqualified Person or a Prohibited Transferee, has failed to nominate on or before the Bar Date a Designated Recipient that is not a Disqualified Person or a Prohibited Transferee, the New Notes and New Perpetual Notes to which that Scheme Creditor would otherwise be entitled shall form part of the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date, and the Remaining Surplus Notes Coupon (if any) in respect of such New Notes and New Perpetual Notes will be paid by the Scheme Consideration Trustee as soon as reasonably practicable after the Final Distribution Date to the Company and/or Pearl II (as applicable).
- 16.3 Any Scheme Creditor may decline its entitlement to any or all Scheme Consideration and such entitlement shall form part of (i) the Remaining Surplus Cash Payment and the Remaining Surplus Notes Coupon to be transferred by the Scheme Consideration Trustee as soon as reasonably practicable after the Final Distribution Date to the Company and/or Pearl II (as applicable) and (ii) the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable after the Final Distribution Date.

17. Fractional Entitlements

- 17.1 The New Notes and the New Perpetual Notes are indebtedness in principal amounts which are in integral multiples of US\$1.00 and US\$1.00 respectively. Notwithstanding any other provision of this Scheme, Participating Scheme Creditors' entitlements to the New Notes will be rounded down to the nearest US\$1.00 and in the case of the New Perpetual Notes, will be rounded down to the nearest US\$1.00, subject in each case to a minimum denomination of US\$50,000 and integral multiples of US\$1.00 in excess thereof. All entitlements which would have arisen, but for this Clause, shall be disregarded and shall form part of the Remaining Surplus Notes to be cancelled by the Company and/or Pearl II (as applicable) as soon as reasonably practicable.

PART E

GENERAL SCHEME PROVISIONS

18. **Modifications of the Rights Attaching to the New Notes and the New Perpetual Notes**

- 18.1 On and after the Restructuring Effective Date, nothing in this Scheme shall prevent the modification of any of the New Notes or the New Perpetual Notes in accordance with their respective terms.

19. **Releases**

- 19.1 With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in Clauses 5.3.1 to 5.3.6 of this Scheme, each of the Scheme Creditors on behalf of itself and each of its predecessors, successors and assigns (including any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time) (collectively, the **"Scheme Creditor Releasing Parties"**) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

19.1.1 the Company, the Company Advisers and their respective Personnel and Affiliates;

19.1.2 the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates;

19.1.3 the Existing Notes Subsidiary Guarantors and other members of the Group and their respective Personnel and Affiliates; and

19.1.4 the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates,

and each of their predecessors, successors and assigns, and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, including any and all Scheme Claims and Ancillary Claims, arising prior to the Restructuring Effective Date or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date (or in respect of Clause 19.1.2 only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their Personnel and Affiliates pursuant to this Scheme, whether before or after the Restructuring Effective Date) except for:

- (a) any and all claims or causes of action arising from or relating to gross negligence, fraud, dishonesty or wilful misconduct;

- (b) any Liability of any Company Adviser or their Personnel and Affiliates arising under a duty of care to their client;
- (c) any and all Claims or Liabilities that any Scheme Creditor Releasing Party may have against the Company, any Existing Notes Subsidiary Guarantor and/or any other member of the Group, or any of their respective Personnel and Affiliates, which do not arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;
- (d) any Claims against or Liabilities of any Company Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, this Scheme or the negotiation or preparation of any of the foregoing;
- (e) any Claims against or Liabilities of Ad Hoc Committee, the AHC Advisers and their respective Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing; and/or
- (f) in the case of the Existing Notes Trustee, the Security Agent, the Information Agent, the Registrar and the Existing Notes Depositary and their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents,

provided that the foregoing shall not prejudice or impair any right of any Scheme Creditor Releasing Party in respect of any Excluded Liabilities.

19.2 With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in Clauses 5.3.1 to 5.3.6 of this Scheme, each of the Company and the Existing Notes Subsidiary Guarantors on behalf of itself and each of its predecessors, successors and assigns (collectively, the “**Group Releasing Parties**”) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

19.2.1 the Scheme Creditors, their Personnel and Affiliates;

19.2.2 the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates;

19.2.3 the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates; and

19.2.4 the Group Releasing Parties' Personnel,

and each of their predecessors, successors and assigns and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, , arising prior to the Restructuring Effective Date (or in respect of Clause 19.2.3 only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates pursuant to this Scheme, whether before or after the Restructuring Effective Date), or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date, except for:

- (a) any and all claims or causes of action arising from or relating to gross negligence, fraud, dishonesty or wilful misconduct;
- (b) any and all Claims or Liabilities which do not arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;
- (c) any Claims against or Liabilities of any Company Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, this Scheme or the negotiation or preparation of any of the foregoing; and/or
- (d) in the case of the Existing Notes Trustee, the Security Agent, the Registrar and the Existing Notes Depositary and their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents,

provided that the foregoing shall not prejudice or impair any right of any Group Releasing Party created under this Scheme and/or any Restructuring Document.

19.3 Each of the Scheme Creditors hereby authorises the Company from the Restructuring Effective Date to enter into, execute and deliver as a deed on behalf of each Scheme Creditor and any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time or who acquires any interest in or arising out of a Scheme Claim or Ancillary Claim after the Record Time, the Deed of Release, whereby any and all Claims and Liabilities referred to in Clauses 19.1 or 19.2 shall be waived and released fully and absolutely from the Restructuring Effective Date.

19.4 Any Deed of Release to be executed pursuant to the authority conferred by this Clause 19 shall be substantially in the Agreed Form attached at Schedule 5 (*Form of Deed of Release*) of this Scheme subject to any modifications required or approved by the Cayman Court and shall take effect in relation to such Claims and Liabilities as the Cayman Court considers appropriate, provided only that the effect of any such modification is not such as would effect the release of a claim or the imposition of any obligation that is not referred to in Clauses 19.1 or 19.2 (and that any other change which may have a material and adverse impact on the Scheme

Creditors as a whole (or any of the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates) shall be agreed with the AHC Advisers).

19.5 Each Released Beneficiary shall be fully entitled to enforce this Clause 19 in its own name (whether by way of Proceedings or by way of defence or estoppel (or similar) in any jurisdiction whatsoever) and enjoy the benefit of and have full rights thereunder in each case, as if it were a party to this Scheme, pursuant to any applicable law which so permits.

19.6 The releases, waivers and undertakings under this Clause 19 shall:

19.6.1 not prejudice or impair any rights of any Scheme Creditor created under this Scheme, any Restructuring Document or the Deed of Undertaking and/or which arise as a result of a failure by the Company or any party to this Scheme to comply with any terms of this Scheme, any Restructuring Document or the Deed of Undertaking, and all such rights shall remain in full force and effect;

19.6.2 not prejudice or impair any claims or causes of action of any Scheme Creditor, arising from or relating to the gross negligence, fraud, dishonesty or wilful misconduct of any other party which is seeking to rely on such releases, waivers or undertakings; and

19.6.3 not require a Scheme Creditor to procure any undertaking or acknowledgement from, or action by any entity from which such Scheme Creditor acquired its rights in respect of any Scheme Claim or Ancillary Claim and/or to whom such Scheme Creditor has transferred or transfers its rights in respect of any Scheme Claim or Ancillary Claim.

20. **No right to commence or continue Proceedings**

20.1 With effect from the Restructuring Effective Date, no Scheme Creditor Releasing Party shall be entitled to, and each Scheme Creditor Releasing Party hereby covenants not to, commence or continue, or instruct, procure, direct or authorise any other person to commence or continue, any Proceeding in respect of any Scheme Claim, Ancillary Claim or any other Claims or Liabilities that are released in accordance with Clause 19.

20.2 Each Released Beneficiary shall be fully entitled to enforce Clause 20.1 in its own name (whether by way of Proceedings or by way of defence or estoppel (or similar) in any jurisdiction whatsoever) and enjoy the benefit of and have full rights thereunder in each case, as if it were a party hereto, pursuant to any applicable law which so permits.

20.3 Each Scheme Creditor is hereby deemed to acknowledge that if it, or any person claiming through it, takes any Proceedings against any of the Released Beneficiaries in breach of Clause 20.1 and the Deed of Release, such Released Beneficiary shall be entitled to obtain an order as of right staying those Proceedings and providing for payment, by the Scheme Creditor concerned or the person claiming through it (as applicable), of any reasonable costs, charges

or other expenses incurred by such Released Beneficiary as a result of the Scheme Creditor or the person claiming through it (as applicable) taking such Proceedings.

20.4 Subject to any existing contractual restrictions, a Scheme Creditor may commence a Proceeding against the Company after the Restructuring Effective Date in respect of Claims or Liabilities that are not to be released in accordance with this Scheme.

20.5 For the avoidance of doubt, nothing in this Scheme or this Explanatory Statement shall prevent or prohibit any Scheme Creditor from commencing, continuing, instructing, procuring, directing or authorising an Allowed Proceeding.

21. **Future Liquidation**

21.1 This Scheme shall be unaffected by any future liquidation of the Company (including, for the avoidance of doubt, any provisional liquidation of the Company) and shall in those circumstances remain in force according to its terms.

22. **Costs and Fees**

22.1 The Company agrees to be responsible for and shall pay all fees, costs and expenses incurred by the Existing Notes Trustee, the Security Agent, the New Notes Trustee, the New Perpetual Notes Trustee, the Information Agent, the Registrar and the Scheme Consideration Trustee in connection with any and/or all actions taken pursuant to this Scheme, including (without limitation) any and/or all actions taken pursuant to the Existing Notes Trustee Instruction and/or the Security Confirmation Instructions, the execution, delivery, and filing of any releases of security or other documents pursuant thereto, and the distribution of the Scheme Consideration, (*provided* that, with respect to each party, the relevant fees, costs and expenses have been incurred in accordance with the Existing Notes Documents or such other arrangement as may have been agreed between the Company and that party).

22.2 The Company shall pay all professional fees of the AHC Advisers associated with the Restructuring in accordance with the fee letters or fee arrangements as agreed between the Company and the relevant AHC Adviser from time to time.

23. **Modifications to this Scheme**

23.1 The Company may, at any hearing before the Cayman Court to sanction this Scheme, consent on behalf of all Scheme Creditors to any modifications of this Scheme and/or the Restructuring Documents or any additional terms or conditions which the Cayman Court may think fit to approve or impose which would not directly or indirectly have a material adverse effect on the rights or interests of the Scheme Creditors.

24. **Notice**

24.1 Any notice or other written communication to be given under or in relation to this Scheme shall be given in writing and shall be deemed to have been duly given if it is delivered by hand, or sent by courier, post or email to:

24.1.1 in the case of the Company

(a) by courier or registered post to:

C/o Platinum Equity Advisors
12 Marina View #21-05
Asia Square Tower 2
Singapore 018961
(Attention: Soo Jin Goh; Tae Ho Whang; Justin Maroldi)
with a copy to:
Latham & Watkins LLP
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
(Attention: Howard Lam; Flora Innes)

(b) by email to Sgoh@platinumequity.com, Twhang@platinumequity.com and Jmaroldi@platinumequity.com, with a copy to howard.lam@lw.com and flora.innes@lw.com;

24.1.2 in the case of a Scheme Creditor, its last known address according to the records of the Company or the Information Agent or by corporate action notice through the Existing Notes Depositary, the New Notes Depositary and/or the New Perpetual Notes Depositary (as applicable); and

24.1.3 in the case of any other person, any address set forth for that person in any agreement entered into in connection with this Scheme or the last known address according to the Company.

24.2 Notwithstanding Clause 24.1, each notice or other written communication to be given under or in relation to this Scheme to the Scheme Creditors as a group shall be given by:

24.2.1 by notice on the Scheme Website;

24.2.2 by notice through the Existing Notes Depositary;

24.2.3 by notice via electronic mail to each person who has registered as a Scheme Creditor with the Information Agent or otherwise notified the Information Agent of its valid email address (including in connection with the RSA); and

- 24.2.4 by the publishing of an announcement on the website of SGX-ST.
- 24.3 Any notice or other written communication given in accordance with this Scheme shall be deemed to have been served:
- 24.3.1 if delivered by hand or courier, on the first Business Day following delivery;
- 24.3.2 if sent by post, on the second Business Day after posting if the recipient is in the country of despatch, otherwise on the tenth Business Day after posting;
- 24.3.3 if by email, on the Business Day sent; and
- 24.3.4 if published or posted electronically on the Scheme Website, by corporate action notice through the Existing Notes Depositary or on the website of the SGX-ST, on the Business Day of such electronic publication or posting.
- 24.4 In proving service, it shall be sufficient proof in the case of a notice sent by post that the envelope was properly stamped, addressed and placed in the post.
- 24.5 The accidental omission to send any notice, written communication or other document in accordance with this Clause 24 or the non-receipt of any such notice by any Scheme Creditor, shall not affect the provisions of this Scheme.
- 24.6 The Company shall not be responsible for any loss or delay in the transmission of any notices, other documents or payments posted by or to any Scheme Creditors which shall be posted at the risk of such Scheme Creditors.
- 24.7 This Clause 24 shall not apply to the documents comprising Appendix 9 (*Solicitation Packet*) to the Explanatory Statement, which should be completed and returned in accordance with the instructions set out therein.
25. **Exercise of Discretion**
- 25.1 Where under any provision of this Scheme, a matter is to be determined by the Company, the Information Agent or the Scheme Consideration Trustee, as the case may be, it shall be determined by them in their discretion in such manner as they may consider fair and reasonable (subject to (a) any right of a Scheme Creditor to commence Adjudication proceedings under this Scheme and (b) the jurisdiction of the Cayman Court and the right of any person to appeal or bring Proceedings before the Cayman Court under applicable law).
26. **The Adjudicator**
- 26.1 Following the Scheme Effective Date, after being notified (for the first time, or on subsequent occasions where the office of Adjudicator is otherwise vacant) that a Scheme Creditor disputes the determination of its Scheme Claim for the purposes of distributions under the Scheme, the

Company shall, as soon as reasonably practicable and in any event within three (3) Business Days after the Disputed Claim Resolution Deadline (defined below) in respect of that Disputed Scheme Claim (defined below), appoint an individual who meets the criteria specified in Clause 26.5 as the Adjudicator under the Scheme. There shall be one Adjudicator at any given time whose duty will be to act as an expert, and not as an arbitrator, with respect to all matters referred to him under the terms of the Scheme including Clause 27 below. The Adjudicator will be responsible for the determination of Scheme Claims (including any determination as to the existence, amount or any other aspect of any purported Scheme Claim) referred to him under the Scheme and will have the powers, rights, duties and functions conferred upon him by the Scheme. Except in the case of fraud, gross negligence or wilful misconduct, the Adjudicator will not be liable to the Company or any Scheme Creditor for any act or omission by him or her in the performance or purported performance of his or her powers, rights, duties and functions under the Scheme.

- 26.2 The office of Adjudicator shall be vacated if the holder of such office:
- 26.2.1 dies;
 - 26.2.2 is convicted of an indictable offence;
 - 26.2.3 resigns his or her office (which shall be permissible and effective only if he or she gives at least two (2) weeks' notice to the Company prior to such resignation);
 - 26.2.4 becomes bankrupt;
 - 26.2.5 is disqualified from membership of a professional body of which he is a member;
 - 26.2.6 is disqualified for acting as a company director by any court of competent jurisdiction;
 - 26.2.7 becomes mentally disordered; or
 - 26.2.8 has a conflict of interest.
- 26.3 In the event of a vacancy in the office of the Adjudicator, and if there is at least one Disputed Scheme Claim which remains unresolved at the time, the Company shall appoint a suitably qualified replacement who also meets the criteria specified in Clause 26.5.
- 26.4 The Adjudicator shall have the powers, duties and functions, and the rights, conferred upon him by the Scheme. In exercising his powers and carrying out his duties and functions under the Scheme, the Adjudicator shall act in good faith and with due care and diligence in the interests of the Scheme Creditors as a whole, and shall exercise his powers under the Scheme for the purpose of ensuring that the Scheme is implemented in compliance with its terms.
- 26.5 The Company may, in its sole discretion, select any person to act as Adjudicator, provided that the Adjudicator shall be a Senior Counsel in Hong Kong or in Singapore with not less than 10

years' experience in restructuring and insolvency matters, who shall be independent and impartial from the Company and have no conflict of interest in respect of the disputed Scheme Claim that is referred to him or her for adjudication.

27. Dispute Resolution Procedures

- 27.1 Following the Scheme Effective Date, if a Scheme Creditor disputes the determination of its Scheme Claim (including any determination as to the existence, amount or any other aspect of any purported Scheme Claim) for the purposes of distributions under this Scheme (the **"Disputed Scheme Claim"**), the Scheme Creditor and the Company shall discuss in good faith with the view to reaching any agreement in respect of the dispute. In the event that no agreement in respect of the Disputed Scheme Claim can be reached between the Company and the Scheme Creditor by the date falling five (5) Business Days from the date on which the Scheme Creditor first, by written notice to the Company and the Information Agent, raises objections in respect of the Disputed Scheme Claim (the **"Disputed Claim Resolution Deadline"**), the Scheme Creditor shall be entitled within twenty-one (21) calendar days of the Disputed Claim Resolution Deadline to apply in writing to the Company and the Adjudicator to review its Disputed Scheme Claim.
- 27.2 No application to the Adjudicator shall be considered or determined unless the relevant Scheme Creditor or person who purports to be a Scheme Creditor (the **"Applicant"**) confirms in its application that: (a) the determination by the Company and/or the Information Agent is being disputed by the Applicant in good faith; and (b) it shall deliver such documents and perform such acts promptly and without undue delay as may reasonably be requested by the Adjudicator for the purpose of enabling him to make a determination of the application made in accordance with Clause 27.1 and this Clause 27.2.
- 27.3 Failure to apply to the Adjudicator within the timeframe set out in Clause 27.1 and/or provide the confirmation set out in Clause 27.2 shall be deemed to be an irrevocable acceptance by the Scheme Creditor or person who purports to be a Scheme Creditor of the Company's decision in respect of its Scheme Claim (if any) and any right to further challenge the finding of the Company and/or the Information Agent in respect of such Scheme Claim shall be waived.
- 27.4 The Adjudicator shall review the Applicant's application made in accordance with 27.1 and 27.2, including its Disputed Scheme Claim and relevant evidence before him or her (and any additional evidence as he/she may request and receive from the Applicant, the Company and any factual and/or expert witnesses) in relation to the Disputed Scheme Claim and determine, on the balance of probabilities, whether all or part of that Disputed Scheme Claim would be admissible as a proof in the Company's winding up in the Cayman Islands and the outstanding principal amount of the Existing Notes the subject of such admissible proof (if any) which should be accepted under the Scheme for the purposes of calculating Scheme Consideration (**"Accepted Amount"**). The Adjudicator shall notify the Company and the Applicant in writing

of his decision and such decision will be final and binding on the Company and the Applicant, insofar as the law allows.

27.5 The Adjudicator shall have discretion to extend such timeframes and/or adopt procedures in respect of the Adjudication (including, without limitation, requesting written submissions and further evidence from the parties, requesting oral hearings and/or the provision of expert evidence) so as to provide a fair, efficient and expeditious means for the final resolution of the Disputed Scheme Claim. Specifically, the Adjudicator may, in his sole discretion and as he or she considers appropriate:

27.5.1 provide additional directions to the Applicant and/or the Company to submit written submissions and further evidence;

27.5.2 establish the conduct of any oral hearing provided each of the Applicant and the Company is given reasonable notice in writing of any such event; and

27.5.3 extend the timetable set out in Clause 27.6.

27.6 Without prejudice to clause 27.5, if a Disputed Scheme Claim is referred to the Adjudicator for Adjudication in accordance with Clauses 27.1 and 27.2, the following timetable shall apply:

27.6.1 within fourteen (14) calendar days of receiving a Scheme Creditor's application made in accordance with Clauses 27.1 and 27.2, the Adjudicator may call upon the Company and/or the Applicant to produce any further documents or other information which he deems necessary;

27.6.2 if such documentation or other information is not received within fourteen (14) calendar days of the date upon which the Adjudicator makes the request, the Adjudicator shall, subject to paragraph 27.6.3 below, make his determination on the basis of the documents received from the Company and/or the Applicant, as applicable, by such time;

27.6.3 within fourteen (14) calendar days of: (i) such documentation being provided by the Company and/or the Applicant, as applicable; or (ii) the expiry of the period provided for in paragraph 27.6.2 above, the Adjudicator shall provide the Company and the Applicant with a copy of his written decision and thereafter the Accepted Amount in respect of the Disputed Scheme Claim shall be binding on the Company and the Applicant, and (to the fullest extent permitted by applicable law) there shall be no right of challenge or appeal from the decision of the Adjudicator; and

27.6.4 if the Adjudicator does not require further information he shall, within fourteen (14) calendar days of receiving notification of the Disputed Scheme Claim, provide the Company and the Applicant with a copy of his written decision and thereafter the Accepted Amount in respect of the Disputed Scheme Claim shall be binding on the

Company and the Applicant, and (to the fullest extent permitted by applicable law) there shall be no right of challenge or appeal from the decision of the Adjudicator.

27.7 Notwithstanding any other provision of this Scheme:

27.7.1 for the avoidance of doubt, the Company is not required to postpone the Restructuring Effective Date in the event that any Disputed Scheme Claim has not been determined by the Adjudicator prior to the Restructuring Effective Date; and

27.7.2 on the making of a decision by the Adjudicator, the Scheme Creditor's Account Holder Letter shall be deemed to have been varied in accordance with the Adjudicator's written decision by reference to the Accepted Amount and the Scheme Creditor shall be entitled, at the end of the Adjudication process, to Scheme Consideration by reference to such written decision of the Adjudicator.

28. **Application to the Cayman Court for Directions**

28.1 Without prejudice to any rights that the Company might otherwise have in connection with this Scheme or any aspect of it, the Company shall be entitled to make an application to the Cayman Court for directions at any time in connection with any matter arising under or in relation to this Scheme.

29. **Governing Law and Jurisdiction**

29.1 This Scheme and any non-contractual obligations arising out of or in connection with this Scheme shall be governed by, and construed in accordance with, the laws of the Cayman Islands.

29.2 The Company and the Scheme Creditors agree that the courts of the Cayman Islands shall have exclusive jurisdiction to hear and determine any suit, action or Proceedings arising out of or in connection with the terms of this Scheme and/or the implementation and/or the administration of this Scheme and for such purposes, the Company and the Scheme Creditors hereby irrevocably submit to the jurisdiction of the courts of the Cayman Islands.

Schedule 1

Restructuring Documents

1. the Scheme;
2. the Explanatory Statement;
3. Existing Notes Trustee Instruction;
4. Deed of Release;
5. Distribution Agreement;
6. New Notes Indenture;
7. New Notes Global Note;
8. New Notes Agency Agreement
9. New Perpetual Notes Indenture;
10. New Perpetual Notes Global Note;
11. New Perpetual Notes Agency Agreement;
12. Intercreditor Supplemental Documents;
13. Security Confirmation Instructions;
14. Security Confirmations; and
15. all other documents, agreements, instruments, board resolutions, shareholder approvals, releases, notices and legal opinions necessary to implement or consummate the Restructuring in accordance with the terms of the Scheme.

Schedule 2

Form of Deed of Undertaking

DATED _____ 2021

- (1) PEARL HOLDING III LIMITED
- (2) PEARL HOLDING II LIMITED
- (3) THE NEW NOTES SUBSIDIARY GUARANTORS
- (4) THE EXISTING NOTES SUBSIDIARY GUARANTORS
- (5) THE SCHEME CONSIDERATION TRUSTEE
- (6) THE INFORMATION AGENT

DEED OF UNDERTAKING

Contents

1. DEFINITIONS AND INTERPRETATION..... 2

2. UNDERTAKINGS 3

3. FURTHER ASSURANCE 3

4. SEVERABILITY 3

5. AMENDMENTS AND WAIVERS..... 3

6. THIRD PARTY RIGHTS 3

7. GOVERNING LAW AND JURISDICTION 3

8. COUNTERPARTS..... 4

SCHEDULE 1 5

SCHEDULE 2 6

THIS DEED is made on _____ 2021

BETWEEN

1. **PEARL HOLDING III LIMITED**, an exempted company which was incorporated with limited liability under the laws of the Cayman Islands on 11 March 2015 with company number 297460 whose registered office address is currently situated at C/- Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands (in its capacity as issuer of the New Notes) (the “**Company**”);
2. **PEARL HOLDING II LIMITED**, an exempted company incorporated with limited liability in the Cayman Islands with company number 297459 and having its registered office at the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, the Cayman Islands (“**Pearl II**”);
3. **THE NEW NOTES SUBSIDIARY GUARANTORS** listed in Schedule 1 (the “**New Notes Subsidiary Guarantors**”);
4. **THE EXISTING NOTES SUBSIDIARY GUARANTORS** listed in **Error! Reference source not found.** (the “**Existing Notes Subsidiary Guarantors**”);
5. **MADISON PACIFIC TRUST LIMITED**, in its capacity as the scheme consideration trustee holding the Surplus Scheme Consideration (defined below) for and on behalf of the Scheme Creditors (the “**Scheme Consideration Trustee**”); and
6. **MORROW SODALI LIMITED**, established under the laws of England and Wales (company number 5934575) whose registered office is at Nations House, 9th floor, 103 Wigmore Street, W1U 1QS, London in its capacity as the information agent (the “**Information Agent**”).

WHEREAS:

- (A) In December 2017, the Company issued US\$175,000,000 9.50% senior secured notes due 2022 pursuant to the terms of the Existing Notes Indenture. The Existing Notes Subsidiary Guarantors granted certain guarantees in respect of the obligations of the Company under the Existing Notes Indenture.
- (B) A scheme of arrangement was proposed in respect of the Company pursuant to section 86 of the Cayman Islands Companies Act (the “**Scheme**”).
- (C) Pursuant to the Scheme, amongst other things:
 - a. the Scheme Claims and the Ancillary Claims are being released, together with certain other Claims and Liabilities that each of the Scheme Creditors have against the Company and each of the Existing Notes Subsidiary Guarantors;
 - b. the Company is the issuer of the New Notes;
 - c. Pearl II is the Issuer of the New Perpetual Notes;
 - d. the New Notes Subsidiary Guarantors will grant certain guarantees in respect of the obligations of the Company under the New Notes Indenture;
 - e. the Information Agent will act as information agent and perform certain functions under the Scheme including without limitation determining the amount of Scheme

Consideration to be distributed to each Scheme Creditor in accordance with the terms of the Scheme; and

- g. the Scheme Consideration Trustee will hold and distribute the Surplus Scheme Consideration to the Participating Scheme Creditors during the Holding Period.
- (D) In accordance with the Scheme, the Undertakers (as defined below) will enter into a deed of undertaking in the form of this Deed, among other things, to agree to be bound by the terms of the Scheme, and to provide a letter to the Cayman Court to this effect.

IT IS AGREED as follows:

1. Definitions and interpretation

Capitalised terms used in this Deed and not defined herein shall have meanings ascribed to them in the Scheme.

1.1 In this Deed:

“Cayman Court” means the Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom.

“Cayman Islands” means the Cayman Islands.

“Parties” means the parties to this Deed.

“Undertakers” means, together, Pearl II, the New Notes Subsidiary Guarantors, the Existing Notes Subsidiary Guarantors, the Scheme Consideration Trustee and the Information Agent.

1.2 Interpretation

In this Deed, save where the context otherwise requires:

- 1.2.1 the singular shall include the plural and *vice versa*;
- 1.2.2 the headings do not affect the interpretation of this Deed;
- 1.2.3 a reference to a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- 1.2.4 a reference to a regulation includes an regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supernatural body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.5 a reference to a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Deed;
- 1.2.6 a reference to any document is a reference to that document as amended, supplemented, novated or restated; and
- 1.2.7 a reference to a person includes any individual, company, corporation, unincorporated association, trust or body (including a partnership, company,

joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality.

2. Undertakings

In accordance with and subject to the terms of the Scheme, subject to Clause 9 of this Deed, each Undertaker hereby irrevocably and unconditionally undertakes to the Company, the Scheme Creditors and the Cayman Court:

- 2.1.1 to be bound by the terms of the Scheme in such form as may be sanctioned by the Cayman Court; and
- 2.1.2 upon instructions by the Company or, if applicable, the Information Agent, to execute, do or procure to be executed and done all such documents, acts or things as may be necessary or reasonably desirable to be executed or done by it for the purposes of giving effect to the terms of the Scheme.

3. Further assurance

At the request of the Company or, if applicable, the Information Agent, an Undertaker shall execute and deliver such documents, and do such things, as may reasonably be required to give full effect to this Deed and the terms of the Scheme that apply to that Undertaker.

4. Severability

Each provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one of the provisions contained herein becomes invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, neither the validity, legality and enforceability of the remaining provisions under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

5. Amendments and waivers

Any term of this Deed may be amended or waived only with the written consent of (i) the Parties and (iii) the Ad Hoc Committee and any such amendment or waiver will be binding on all Parties.

6. Third Party Rights

Save as expressly stated in this Clause 6 of this Deed, this Deed shall be solely for the benefit of the parties hereto and no other person or entity shall be a third party beneficiary or be able to enforce any of its provisions under the Contracts (Rights of Third Parties) Act 2014. Scheme Creditors and, for the avoidance of doubt, the Cayman Court may enforce this Deed. The consent of any person who is not a party to this Deed is not required to amend or modify this Deed from time to time, save that this Deed may only be amended with the written consent of the Ad Hoc Committee.

7. Governing law and jurisdiction

7.1 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed and construed in accordance with the laws of the Cayman Islands.

7.2 Jurisdiction

The Cayman Courts shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with this Deed or any non-contractual obligations arising out of or in connection with this Deed and, for such purposes, each of the Parties irrevocably submits to the jurisdiction of the courts of the Cayman Islands.

8. Counterparts

This Deed may be executed in any number of counterparts each of which when executed shall constitute a duplicate original and all of which shall constitute one and the same instrument as if the signatures on the counterparts were on a single copy of the instrument.

9. Limitations under Thai Law

The undertakings given by Fischer Tech (Thailand) Co., Ltd under Clause 2 of this Deed and its obligations under Clause 3 are expressly subject to any restrictions and limitations under any applicable law of Thailand. For the avoidance of doubt, nothing in this Deed shall be taken to oblige or require Fischer Tech (Thailand) Co., Ltd to do anything or execute any document which may be contrary to, or in breach of, any applicable law of Thailand

SCHEDULE 1
NEW NOTES SUBSIDIARY GUARANTORS

1. Ying Shing Enterprises Limited 英誠企業有限公司;
2. Ying Tat Investment (Hong Kong) Limited 英達投資(香港)有限公司;
3. Pearl Engineered Solutions Pte Ltd.;
4. Fischer Tech International Pte Ltd.; and
5. (Only after it has entered into a supplemental indenture in respect of the New Notes Indenture) Fischer Tech (Thailand) Co., Ltd.

SCHEDULE 2

EXISTING NOTES SUBSIDIARY GUARANTORS

1. Ying Shing Enterprises Limited 英誠企業有限公司;
2. Ying Tat Investment (Hong Kong) Limited 英達投資(香港)有限公司;
3. Pearl Engineered Solutions Pte Ltd.; and
4. Fischer Tech International Pte Ltd.

EXECUTION PAGE

This Deed was duly executed as a deed and delivered on the date which first appears on page 1.

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **PEARL HOLDING III LIMITED**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **PEARL HOLDING II LIMITED**

Name:

Title: Director

in the presence of witness:

Name:

Address:

NEW NOTES SUBSIDIARY GUARANTORS

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **YING SHING ENTERPRISES LIMITED** 英誠企業有限公司

signed by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **YING TAT INVESTMENT (HONG KONG) LIMITED** 英達投資(香港)有限公司

signed by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **PEARL ENGINEERED SOLUTIONS PTE LTD.**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **FISCHER TECH INTERNATIONAL PTE LTD.**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **FISCHER TECH (THAILAND) CO., LTD**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXISTING NOTES SUBSIDIARY GUARANTORS

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **YING SHING ENTERPRISES LIMITED** 英誠企業有限公司

signed by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **YING TAT INVESTMENT (HONG KONG) LIMITED** 英達投資(香港)有限公司

signed by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **PEARL ENGINEERED SOLUTIONS PTE LTD.**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **FISCHER TECH INTERNATIONAL PTE LTD.**

Name:
Title: Director

in the presence of witness:

Name:
Address:

THE SCHEME CONSIDERATION TRUSTEE

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **MADISON PACIFIC TRUST LIMITED**

Name:

Title:

in the presence of witness:

Name:

Address:

THE INFORMATION AGENT

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **MORROW SODALI LIMITED**

Name:

Title:

in the presence of witness:

Name:

Address:

[End of Schedule 2 – Deed of Undertaking]

Schedule 3

Form of Security Confirmation Instructions

[LETTERHEAD OF THE BANK OF NEW YORK MELLON]

To: **Madison Pacific Trust Limited as the “Security Agent”**

Attention: [●]
Address: [●]
Fax: [●]

_____ 2021

Dear Sirs

Security Confirmation Instructions

1. We refer to:
 - (a) the indenture dated 11 December 2017 (as amended, varied and supplemented from time to time, the “**Existing Notes Indenture**”) between, amongst others, Pearl Holding III Limited (the “**Company**”) as issuer and The Bank of New York Mellon in its capacity as trustee under the Existing Notes Indenture (the “**Existing Notes Trustee**”);
 - (b) the intercreditor agreement dated 27 October 2017 between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time) (the “**Intercreditor Agreement**”);
 - (c) the security assignment of agreement, debentures, equitable share mortgage, share charge, pledge of shares and equity pledge contracts listed in **Schedule 1** hereto (as amended, supplemented, novated and restated from time to time);
 - (d) the scheme of arrangement between the Company and the Scheme Creditors under of section 86 of the Cayman Islands Companies Act (2021 Revision) (the “**Scheme**”);
 - (e) the explanatory statement dated 8 September 2021 (the “**Explanatory Statement**”) relating to the Scheme;
 - (f) the instructions executed and delivered by the Company (for and on behalf of the Scheme Creditors and pursuant to the terms of the Scheme) to the Existing Notes Trustee dated [●] 2021 instructing the Existing Notes Trustee to, amongst other things, deliver these Security Confirmation Instructions to the Security Agent (the “**Existing Notes Trustee Instruction**”), annexed hereto as **Annex 3** (without its attachments);
 - (g) a New York law governed deed of release dated on or around the date of these Security Confirmation Instructions between, among others, the Company, the Existing Notes Subsidiary Guarantors and the Scheme Creditors;
 - (h) the Designation Notice dated [●], a signed copy of which is annexed hereto as **Annex 1**, pursuant to which the Company has notified the Security Agent (in its capacity as Lead Security Representative under the Intercreditor Agreement) that, among other things, the New Notes constitute indebtedness

which shall be treated as “Senior Secured Notes” under the Intercreditor Agreement; and

- (i) the Creditor/Agent Accession Undertaking dated [●], a signed copy of which is annexed hereto as **Annex 2**, pursuant to which Madison Pacific Trust Limited (in its capacity as the Senior Secured Notes Trustee, as defined in the Intercreditor Agreement) acceded to the Intercreditor Agreement.
- 2. Unless the context requires otherwise, terms used herein shall have the same meanings ascribed to them in the Scheme or the Explanatory Statement, as the case may be.
- 3. Based solely in reliance of the authority conferred on us by and under the Scheme and the Existing Notes Trustee Instruction (annexed hereto as **Annex 3**), we hereby instruct you, promptly following your receipt of these Security Confirmation Instructions, to execute, date and deliver the following documents to the Company:
 - (a) the Hong Kong security confirmation in respect of the security interest created pursuant to the Hong Kong Security Documents (as defined therein), substantially in the form set out in **Schedule 2** hereto;
 - (b) the Singapore security confirmation in respect of the security interest created pursuant to the Singapore Security Documents (as defined therein), substantially in the form set out in **Schedule 3** hereto;
 - (c) the Cayman Islands security confirmation in respect of the security interest created pursuant to the Cayman Security Document (as defined therein), substantially in the form set out in **Schedule 4** hereto;
 - (d) the PRC security confirmation in respect of the security interest created pursuant to the PRC Security Documents (as defined therein), substantially in the form set out in **Schedule 5** hereto; and
 - (e) the Thai security confirmation in respect of the security interest created pursuant to the Thai Security Documents (as defined therein), substantially in the form set out in **Schedule 6** hereto.

For and on behalf of

THE BANK OF NEW YORK MELLON,
as Existing Notes Trustee

By:

Name:

Title:

Schedule 1 Security Documents

1. (Hong Kong law governed) Security assignment of agreement dated 6 November 2017 entered into by Pearl Holding II Limited as assignor and Madison Pacific Trust Limited as security agent
2. (Hong Kong law governed) Debenture dated 11 January 2018 entered into by Ying Shing Enterprises Limited (英誠企業有限公司) and Ying Tat Investment (Hong Kong) Limited (英達投資(香港)有限公司), each as chargor, and Madison Pacific Trust Limited as security agent
3. (Hong Kong law governed) Share charge dated 6 November 2017 entered into by the Pearl Holding III Limited as chargor and Madison Pacific Trust Limited as security agent
4. (Singapore law governed) Debenture dated 6 November 2017 entered into by the Pearl Holding III Limited as chargor and Madison Pacific Trust Limited as security agent
5. (Singapore law governed) Debenture dated 6 December 2017 entered into by Fischer Tech International Pte Ltd and Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), each as chargor, and Madison Pacific Trust Limited as security agent
6. (Cayman Islands law governed) Equitable share mortgage dated 6 November 2017 entered into by Pearl Holding II Limited as mortgagor and Madison Pacific Trust Limited as mortgagee
7. (Thai law governed) Pledge of shares dated 6 December 2017 entered into by Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), the financial institutions listed in schedule 1 therein as secured parties and Madison Pacific Trust Limited as security agent
8. (PRC law governed) Equity pledge contract dated 11 January 2018 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Advanced Technology (Suzhou) Co., Ltd (飞讯特精密科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018
9. (PRC law governed) Equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Solution (Suzhou) Co., Ltd (飞讯世通科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018
10. (PRC law governed) Equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Tech (Suzhou) Co., Ltd (飞讯科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent
11. (PRC law governed) Equity pledge contract dated 6 December 2017 entered into by Ying Shing Enterprises Limited (英誠企業有限公司) as pledgor, Zhuhai Yingcheng Electronics Technology Co., Ltd. (珠海市英诚电子科技有限公司) as PRC company and Madison Pacific Trust Limited as pledgee, as amended and restated on 30 October 2018 and as further amended and restated on 29 December 2018

12. (PRC law governed) Equity pledge contract dated 6 December 2017 entered into by Ying Tat Investment (Hong Kong) Limited (英達投資(香港)有限公司) as pledgor, Suzhou Yinghao Precision Molding and Tooling Co., Ltd. (苏州英豪精密塑胶模具有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 March 2019

Schedule 2 Hong Kong Security Confirmation Deed

HONG KONG SECURITY CONFIRMATION DEED

THIS SECURITY CONFIRMATION DEED is made on _____ 2021

BETWEEN:

1. **THE COMPANIES** listed in Schedule 1 (*The Chargors*) (each a “**Chargor**” and together, the “**Chargors**”); and
2. **MADISON PACIFIC TRUST LIMITED** as security agent for the benefit of the Secured Parties (the “**Security Agent**”, which expression includes its successors and assigns).

WHEREAS:

- (A) Pursuant to an indenture dated 11 December 2017 (“**Existing Notes Indenture**”) made between Pearl Holding III Limited (the “**Issuer**”), The Bank of New York Mellon as trustee and certain subsidiaries of the Issuer as guarantors, the Issuer has issued the US\$175,000,000 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)) (the “**Existing Notes**”);
- (B) The Chargors have entered into the Hong Kong Security Documents to secure the Secured Liabilities and the Secured Obligations which include, among others, the Liabilities due under the Existing Notes;
- (C) A scheme of arrangement pursuant to section 86 of the Cayman Islands Companies Act in respect of the Issuer (the “**Scheme**”) was approved and sanctioned by the Grand Court of the Cayman Islands on [●];
- (D) Pursuant to and in accordance with the terms the Scheme, the Existing Notes are cancelled and, the Scheme Claims (as defined under the Scheme), which include the Liabilities under the Existing Notes, are released in consideration for, among other things, the issuance of the USD\$66,500,000 9.0% senior secured notes due 2025 ([●]) (the “**New Notes**”) by the Issuer pursuant to an indenture dated [●] 2021 (the “**New Notes Indenture**”);
- (E) Pursuant to the New Notes Indenture, the New Notes are to be secured by first-ranking liens over the collateral which used to secure the Existing Notes; and
- (F) By executing and delivering this Deed, each Chargor confirms that, upon the cancellation of the Existing Notes and the issuance of the New Notes, (i) the Liabilities under the Existing Notes no longer form part of the Secured Liabilities and Secured Obligations (as applicable) and (ii) the Liabilities under the New Notes are part of the Secured Liabilities and Secured Obligations (as applicable).

IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Deed:

- (a) “**Charged Property**” means all the assets and undertakings of each Chargor which from time to time are expressed to be the subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to the Hong Kong Security Documents and/or this Deed;

- (b) **"Group Member"** means any of the Issuer and its Subsidiaries from time to time;
- (c) **"Hong Kong Debenture"** has the meaning given to it in Schedule 2 (*The Hong Kong Security Documents*) hereto;
- (d) **"Hong Kong Security Assignment"** has the meaning given to it in Schedule 2 (*The Hong Kong Security Documents*) hereto;
- (e) **"Hong Kong Share Charge"** has the meaning given to it in Schedule 2 (*The Hong Kong Security Documents*) hereto;
- (f) **"Hong Kong Security Documents"** means the security documents listed in Schedule 2 (*The Hong Kong Security Documents*); and
- (f) **"Intercreditor Agreement"** means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time);
- (g) **"Restructuring Effective Date"** means [●];
- (h) **"Security"** means a mortgage, charge, pledge, lien or other security interest having a similar effect;
- (i) **"Secured Liabilities"**, for the purposes of the Hong Kong Security Assignment, has the meaning given to it therein;
- (j) **"Secured Obligations"**:
 - (i) for the purposes of the Hong Kong Debenture, has the meaning given to it therein; and
 - (ii) for the purposes of the Hong Kong Share Charge, has the meaning given to it therein; and
- (k) **"Secured Party"** has the meaning given to it in the Intercreditor Agreement.

1.2 Unless this Deed provides otherwise, a term which is defined (or expressed to be subject to a particular construction or interpretation) in the Intercreditor Agreement and/or the relevant Hong Kong Security Document shall have the same meaning (and be subject to the same construction or interpretation) in this Deed.

2. CONSTRUCTION

- 2.1 Any reference in this Deed to any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced.
- 2.2 In construing this Deed, the provisions in clause 1.2 (*Construction*) of each Hong Kong Security Document and clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed with all necessary changes.

3. CONFLICT

- 3.1 This Deed shall be subject to the terms of the Intercreditor Agreement. If and to the extent any provision of this Deed (other than Clause 12 (*Governing law*) and Clause 13 (*Jurisdiction*)) is inconsistent with the provisions of the Intercreditor Agreement, then (to the extent permitted by law) the Intercreditor Agreement shall prevail.
- 3.2 If any conflict or inconsistency exists between this Deed and any other Secured Documents (other than the Intercreditor Agreement), this Deed will govern.

4. THIRD PARTY RIGHTS

- 4.1 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Deed.
- 4.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

5. CONFIRMATION AND ACKNOWLEDGEMENT

- 5.1 Each Chargor hereby confirms, acknowledges and agrees that, on and from the Restructuring Effective Date:
- (a) pursuant to the Scheme and the Deed of Release (as defined in the Scheme), and subject to the terms and conditions therein, any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the Existing Notes and the Existing Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**Existing Notes Liabilities**”) are released and discharged;
 - (b) upon the cancellation of the Existing Notes, Existing Notes Liabilities no longer form part of the Secured Liabilities and Secured Obligations;
 - (c) the New Notes are issued pursuant to the New Notes Indenture;
 - (d) the New Notes have been designated as the “Senior Secured Notes” under the Intercreditor Agreement, and the New Notes Indenture is therefore the “Senior Secured Notes Indenture” and a “Secured Debt Document” under the Intercreditor Agreement and a “Secured Document” under the Hong Kong Security Documents;
 - (e) any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the New Notes and the New Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other

capacity (the “**New Notes Liabilities**”), are part of the Secured Liabilities and the Secured Obligations (as applicable) under, and for the purposes, of the Hong Kong Security Documents, *provided that* the Secured Liabilities and the Secured Obligations (as applicable) in respect of each Chargor shall not include any liability or sum which, were it to be included, would cause all or part of the Security expressed to be created by the relevant Hong Kong Security Document, or the grant by the Chargor thereof, to be illegal or contravene any applicable law or regulation (having the force of law).

- (f) the Security created by it pursuant to each Hong Kong Security Document is and remains in full force and effect and secures, and shall hereafter continue to secure, the Secured Liabilities and the Secured Obligations (as applicable) (hereinafter referred to as the “**Relevant Indebtedness**”), which, for the avoidance of doubt, includes and extends to the New Notes Liabilities and excludes the Existing Notes Liabilities.

6. FURTHER SECURITY

- 6.1 For the avoidance of doubt, each Chargor, as primary obligor, covenants with and undertakes to the Security Agent (for and on behalf of itself and the other Secured Parties) that it will on demand pay the Relevant Indebtedness when they fall due for payment in accordance with the terms of the relevant Secured Debt Document.

- 6.2 If and to the extent the Security created pursuant to the Hong Kong Security Documents do not secure the Relevant Indebtedness, each Chargor shall provide further Security in each case in the manner and to the extent set out in this Clauses 6.3 to 6.7 below.

6.3 Assignments under the Hong Kong Security Assignment

- (a) For the purpose of Clause 6.3, “**Agreements**” has the meaning given to it under the Hong Kong Security Assignment.
- (b) Pearl II, as legal and beneficial owner and as continuing security for the payment, discharge and performance of the Relevant Indebtedness at any time owed or due to the Secured Parties (or any of them) assigns and agrees to assign to the Security Agent (as trustee for itself and on behalf of the Secured Parties) by way of security, all its present and future rights, title, interest and benefit (if any) in and to all its Agreements.
- (c) Pearl II, as legal and beneficial owner and as continuing security for the due and punctual payment and discharge of all Relevant Indebtedness, charges in favour of the Security Agent by way of first fixed charge, all its Agreements, to the extent not validly and effectively assigned under paragraph (a) above.
- (d) Clauses 2.2 (*Documents*) to 2.6 (*Breach*) of the Hong Kong Security Assignment shall apply to this Clause 6.3 as if those clauses were set out herein in full, mutatis mutandis.

6.4 Fixed Charges under the Hong Kong Debenture

- (a) For the purpose of this Clause 6.4 and Clauses 6.5 to 6.6 below, each of the following terms shall have the meaning given to it under the Hong Kong Debenture:
 - (i) Material Property;

- (ii) Receivables;
 - (iii) Bank Accounts;
 - (iv) Investments;
 - (v) Material Intellectual Property;
 - (vi) Assigned Contracts;
 - (vii) Fixtures;
 - (viii) Chargor;
 - (ix) Group.
- (b) Each of Ying Shing and Ying Tat, as Chargor, as legal and beneficial owner and as continuing security for the payment discharge and performance of the Relevant Indebtedness charges in favour of the Security Agent (as trustee for itself and on behalf of the other Secured Parties):
- (i) by way of first legal charge, the Material Property described in Schedule 4 (*Real Property*) of the Hong Kong Debenture;
 - (ii) by way of first legal mortgage, all Material Property, situated outside Hong Kong belonging to it;
 - (iii) (to the extent the same are not the subject of an effective legal charge or legal mortgage under paragraph (i) and/or paragraph (ii) above) by way of first fixed charge, all Material Property now belonging to it and all Material Property acquired by it in the future; and
 - (iv) by way of first fixed charge, all its present and future:
 - (A) Receivables;
 - (B) Bank Accounts;
 - (C) Investments (whether held by it or any nominee on its behalf);
 - (D) uncalled capital and goodwill;
 - (E) Material Intellectual Property (including that described in Schedule 3 (Intellectual Property) of the Hong Kong Debenture);
 - (F) beneficial interest in any pension fund; and
 - (G) plant, machinery and inventory which is, in each case, material to the business of that Chargor or the Group or has a book value or market value to Ying Shing or Ying Tat (as applicable) or the Group equal to or exceeding US\$ 5,000,000 (or its equivalent in another currency or currencies) (except that charged by paragraph (i) and/or (ii) and/or (iii) above).

6.5 Assignments under the Hong Kong Debenture

- (a) Each of Ying Shing and Ying Tat, as legal and beneficial owner and as continuing security for the payment, discharge and performance of the Relevant Indebtedness, assigns and agrees to assign to the Security Agent (as trustee for itself and on behalf of the Secured Parties) absolutely all its present and future rights, title, interest and benefit (if any) in and to:
 - (i) any Assigned Contracts, including all monies payable to Ying Shing or Ying Tat, and any claims, awards and judgments in favour of Ying Shing or Ying Tat, under or in connection with the Assigned Contracts; and
 - (ii) in relation to Material Property (to the extent not assigned under paragraph (i) above):
 - (A) any leases, tenancies, licences, covenants, conditions, agreements, contracts and insurances relating to Material Property, including all moneys payable to Ying Shing or Ying Tat (as applicable);
 - (B) any claims, awards and judgments in favour of Ying Shing or Ying Tat (as applicable), under or in connection with any agreements, contracts and insurances relating to Material Property; and
 - (C) all rights against all past, present and future undertenants of its Material Property and their respective guarantors and sureties),

provided that, in each case, unless and until Ying Shing or Ying Tat (as applicable) obtained the consent of the relevant counterparty (each a **"Consenting Party"**) the assignment shall not extend to any contract, arrangement or document (including anything referred to in paragraphs (i) to (ii) above) (each of which is hereinafter referred to as a **"Restricted Asset"**) if and to the extent that the terms of the relevant contract, arrangement or document (including anything referred to in paragraphs (i) to (ii) above) prohibit (either absolutely or without the consent of the relevant Consenting Party) the assignment, or other creation, of Security pursuant to this Clause 6.5 over the relevant Restricted Asset. However, if the consent of the relevant Consenting Party for Ying Shing or Ying Tat (as applicable) to assign, or otherwise create, the Security pursuant to this Clause 6.5 over the relevant Restricted Asset is subsequently obtained, the relevant Restricted Asset shall thereupon automatically become subject to the assignment under this Clause 6.5.

- (b) Clauses 4.2 to 4.3 of the Hong Kong Debenture shall apply to this Clause 6.5 as if those clauses were set out herein in full, mutatis mutandis.

6.6 Floating Charge under the Hong Kong Debenture

- (a) Each of Ying Shing and Ying Tat, as legal and beneficial owner and as continuing security for the due and punctual payment discharge and performance of the Relevant Indebtedness, charges in favour of the Security Agent (as trustee for itself and on behalf of the Secured Parties) by way of first floating charge its undertaking and all its assets, both present and future (including assets expressed to be charged by Clause 6.4 and Clause 6.5.

- (b) Clauses 5.2 to 5.4 the Hong Kong Debenture shall apply to this Clause 6.6 as if those clauses were set out herein in full, mutatis mutandis.

6.7 Security under the Hong Kong Share Charge

- (a) For the purpose of this Clause 6.7, each of the following terms shall have the meaning given to it under the Hong Kong Share Charge:
 - (i) Shares; and
 - (ii) Dividends.
- (b) The Issuer, as legal and beneficial owner of all Shares and Dividends and as continuing security for the due and punctual payment, discharge and performance of the Relevant Indebtedness at any time owed or due to the Secured Parties (or any of them), charges in favour of the Security Agent (as trustee for itself and on behalf of the Secured Parties) by way of first fixed charge all its present and future Shares and Dividends.
- (c) Clause 3.2 of the Hong Kong Share Charge shall apply to this Clause 6.7 as if it was set out herein in full, mutatis mutandis.

6.8 The Security Agent shall, in relation to the Security created by this Deed (if any), have the same rights and obligations in relation to the Charged Property as are expressed to be granted to it or assumed by it under each Hong Kong Security Document.

6.9 To the extent that a Security is created pursuant to Clauses 6.3 to 6.7 of this Deed, without prejudice to Clause 6.8 above, each Chargor expressly acknowledges and agrees that:

- (a) clause 3 (*Restrictions and Further Assurance*) to clause 23 (*Counterparts*) and schedule 1 (*Rights of Receivers*) of the Hong Kong Security Assignment;
- (b) clause 6 (*Restrictions and further assurance*) to clause 28 (*Counterparts*), schedule 1 (*Rights of Receivers*) to schedule 7 (*Form of Notice of Charge and Acknowledgement in relation to Bank Account*) of the Hong Kong Debenture; and/or
- (c) clause 4 (*Restrictions and further assurance*) to clause 21 (*Counterparts*) and schedule 1 (*Rights of Receiver*) to schedule 5 (*Form of Resolutions*) of the Hong Kong Share Charge,

shall apply to this Deed and the Security created pursuant to this Deed as if those clauses were set out in this Deed in full, mutatis mutandis.

6.10 The Security created by each Chargor under this Deed (if any) shall be separate and distinct from, and shall not merge with nor exclude or prejudice, the Security created

by each Chargor over its Charged Property pursuant to the relevant Hong Kong Security Document.

7. RATIFICATION OF EXISTING SECURITY DOCUMENT

- 7.1 Each Chargor hereby ratifies and confirms that each Hong Kong Security Document shall continue to apply and remain in full force and effect on its terms.
- 7.2 The parties agree that nothing in this Deed is intended or shall be construed as an amendment to any Hong Kong Security Document.

8. SECURITY FILINGS

- 8.1 Each Chargor incorporated in the Cayman Islands shall as soon as reasonably practicable and in any event within 10 Business Days of the date of this Deed, instruct its registered office provider to:

- (a) enter particulars of the creation, confirmation and any variation of the security interests created, varied and/or confirmed pursuant to the relevant Hong Kong Security Documents in the register of mortgages and charges of that Chargor maintained by it in accordance with section 54 of the Companies Act (as amended) of the Cayman Islands (the “**Cayman Register of Charges**”);
- (b) enter particulars of any security interest created, varied and/or confirmed pursuant to this Deed in the Cayman Register of Charges; and
- (c) deliver or procure to be delivered to the Security Agent a certified true copy of the updated Cayman Register of Charges.

- 8.2 Each Chargor incorporated in Hong Kong or incorporated under Part 16 of the Companies Ordinance shall, to the extent required by the provisions of the Companies Ordinance:

- (a) ensure that particulars of this Deed are submitted (or procure the submission thereof) to the Hong Kong Companies Registry for registration within the period provided for in the Companies Ordinance; and
- (b) promptly, upon receipt, deliver (or procure the delivery of) the original certificate of registration of charge issued by the Hong Kong Companies Registry for registration of this Deed to the Security Agent.

9. SEVERABILITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

10. EFFECT AS A DEED

This document is intended to take effect as a deed notwithstanding the fact that the parties may have executed it under hand only.

11. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Deed, and all of those counterparts taken together will be deemed to constitute one and the same instrument.

12. GOVERNING LAW

This Deed is governed by Hong Kong law.

13. JURISDICTION

- 13.1 The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a “**Dispute**”).
- 13.2 Each Chargor agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes and accordingly no Chargor will argue to the contrary.
- 13.3 This Clause 13 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

14. SERVICE OF PROCESS

- 14.1 Without prejudice to any other mode of service allowed under any relevant law, each Chargor:
- (a) irrevocably appoints Ying Shing as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with this Deed; and
 - (b) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned.

15. FAILURE TO EXECUTE

Failure by one or more parties (“**Non-Signatories**”) to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent date and will thereupon become bound by its provisions.

16. WAIVER OF IMMUNITY

Each Chargor irrevocably and unconditionally:

- (a) agrees that if the Security Agent brings proceedings against it or its assets in relation to this Deed, no immunity from those proceedings (including, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of itself or with respect to its assets;

- (b) waives any such right of immunity which it or its assets now has or may subsequently acquire; and
- (c) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in those proceedings.

IN WITNESS WHEREOF this Deed has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
(To the Hong Kong Security Confirmation Deed)

THE CHARGORS

	Name of Chargor	Place of Incorporation
1.	PEARL HOLDING II LIMITED (“ Pearl II ”)	Cayman Islands
2.	YING SHING ENTERPRISES LIMITED (英誠企業有限公司) (“ Ying Shing ”)	Hong Kong
3.	YING TAT INVESTMENT (HONG KONG) LIMITED (英達投資(香港)有限公司) (“ Ying Tat ”)	Hong Kong
4.	PEARL HOLDING III LIMITED	Cayman Islands

SCHEDULE 2

(To the Hong Kong Security Confirmation Deed)

THE HONG KONG SECURITY DOCUMENTS

1.	Security assignment of agreement dated 6 November 2017 entered into by Pearl Holding II Limited as assignor and Madison Pacific Trust Limited as security agent (the "Hong Kong Security Assignment")
2.	Debenture dated 11 January 2018 entered into by Ying Shing Enterprises Limited (英誠企業有限公司) and Ying Tat Investment (Hong Kong) Limited (英達投資(香港)有限公司), each as chargor, and Madison Pacific Trust Limited as security agent (the "Hong Kong Debenture")
3.	Share charge dated 6 November 2017 entered into by Pearl Holding III Limited as chargor and Madison Pacific Trust Limited as security agent (the "Hong Kong Share Charge")

SIGNATORIES

CHARGOR

Executed and Delivered as a Deed by

Pearl Holding II Limited

by:

Director:

Name:

Address:

Email Address:

in the presence of:

Witness

Name:

Address:

Occupation:

CHARGOR

Executed and Delivered as a Deed by

Pearl Holding III Limited

by:

Director:

Name:

Email Address:

in the presence of:

Witness

Name:

Address:

Occupation:

CHARGOR

Executed and Delivered as a Deed by

YING SHING ENTERPRISES LIMITED

英誠企業有限公司¹

signed on behalf of the company by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

¹ Signatures of both signatories must be on the same page.

CHARGOR

Executed and Delivered as a Deed by

**YING TAT INVESTMENT (HONG KONG)
LIMITED 英達投資(香港)有限公司²**

signed on behalf of the company by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

² Signatures of both signatories must be on the same page.

SECURITY AGENT

)

SIGNED by

)

for and on behalf of

)

)

MADISON PACIFIC TRUST LIMITED

)

Signature of authorised signatory

in the presence of:

)

Signature of Witness

Witness's Name:

Address:

Occupation:

Address:

Fax:

Email

Attention:

Schedule 3 – Singapore Security Confirmation Deed

SINGAPORE SECURITY CONFIRMATION DEED

THIS SECURITY CONFIRMATION DEED is made on _____ 2021

BETWEEN:

1. **THE COMPANIES** listed in Schedule 1 (*The Chargors*) (each a “**Chargor**” and together, the “**Chargors**”); and
2. **MADISON PACIFIC TRUST LIMITED** as security agent for the benefit of the Secured Parties (the “**Security Agent**”, which expression includes its successors and assigns).

WHEREAS:

- (A) Pursuant to an indenture dated 11 December 2017 (“**Existing Notes Indenture**”) made between Pearl Holding III Limited (the “**Issuer**”), The Bank of New York Mellon as trustee and certain subsidiaries of the Issuer as guarantors, the Issuer has issued the US\$175,000,000 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)) (the “**Existing Notes**”);
- (B) The Chargors have entered into the Singapore Security Documents to secure the Secured Obligations which include, among others, the Liabilities due under the Existing Notes;
- (C) A scheme of arrangement pursuant to section 86 of the Cayman Islands Companies Act in respect of the Issuer (the “**Scheme**”) was approved and sanctioned by the Grand Court of the Cayman Islands on [●] 2021;
- (D) Pursuant to and in accordance with the terms the Scheme, the Existing Notes are cancelled and, the Scheme Claims (as defined under the Scheme), which include the Liabilities under the Existing Notes, are released in consideration for, among other things, the issuance of the USD\$66,500,000 9.0% senior secured notes due 2025 ([●]) (the “**New Notes**”) by the Issuer pursuant to an indenture dated [●] 2021 (the “**New Notes Indenture**”);
- (E) Pursuant to the New Notes Indenture, the New Notes are to be secured by first-ranking liens over the collateral which used to secure the Existing Notes; and
- (F) By executing and delivering this Deed, each Chargor confirms that, upon the cancellation of the Existing Notes and the issuance of the New Notes, (i) the Liabilities under the Existing Notes no longer form part of the Secured Obligations and (ii) the Liabilities under the New Notes are part of the Secured Obligations.

IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Deed:

- (a) “**Charged Property**” means all the assets and undertakings of each Chargor which from time to time are expressed to be the subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to the Singapore Security Documents and/or this Deed;

- (b) **"FTI and PES Debenture"** has the meaning given to it in Schedule 2 (*The Singapore Security Documents*) hereto;
- (c) **"Group Member"** means any of the Issuer and its Subsidiaries from time to time;
- (d) **"Intercreditor Agreement"** means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time);
- (e) **"Pearl III Debenture"** has the meaning given to it in Schedule 2 (*The Singapore Security Documents*) hereto;
- (f) **"Restructuring Effective Date"** means [●];
- (g) **"Security"** means a mortgage, charge, pledge, lien or other security interest having a similar effect;
- (h) **"Secured Obligations"**:
 - (i) for the purposes of the Pearl III Debenture, has the meaning given to it therein; and
 - (ii) for the purposes of the FTI and PES Debenture, has the meaning given to it therein;
- (i) **"Secured Party"** has the meaning given to it in the Intercreditor Agreement; and
- (j) **"Singapore Security Documents"** means the security documents listed in Schedule 2 (*The Singapore Security Documents*).

1.2 Unless this Deed provides otherwise, a term which is defined (or expressed to be subject to a particular construction or interpretation) in the Intercreditor Agreement and/or the relevant Singapore Security Document shall have the same meaning (and be subject to the same construction or interpretation) in this Deed.

2. CONSTRUCTION

- 2.1 Any reference in this Deed to any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced.
- 2.2 In construing this Deed, the provisions in clause 1.2 (*Construction*) of each Singapore Security Document and clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed with all necessary changes.

3. CONFLICT

- 3.1 This Deed shall be subject to the terms of the Intercreditor Agreement. If and to the extent any provision of this Deed (other than Clause 12 (*Governing law*) and Clause

13 (*Jurisdiction*)) is inconsistent with the provisions of the Intercreditor Agreement, then (to the extent permitted by law) the Intercreditor Agreement shall prevail.

- 3.2 If any conflict or inconsistency exists between this Deed and any other Secured Documents (other than the Intercreditor Agreement), this Deed will prevail.

4. THIRD PARTY RIGHTS

- 4.1 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce or to enjoy the benefit of any term of this Deed.
- 4.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

5. CONFIRMATION AND ACKNOWLEDGEMENT

- 5.1 Each Chargor hereby confirms, acknowledges and agrees that, on and from the Restructuring Effective Date:
- (a) pursuant to the Scheme and the Deed of Release (as defined in the Scheme), and subject to the terms and conditions therein, any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the Existing Notes and the Existing Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**Existing Notes Liabilities**”) are released and discharged;
 - (b) upon the cancellation of the Existing Notes, Existing Notes Liabilities no longer form part of the Secured Obligations;
 - (c) the New Notes are issued pursuant to the New Notes Indenture;
 - (d) the New Notes have been designated as the “Senior Secured Notes” under the Intercreditor Agreement, and the New Notes Indenture is therefore the “Senior Secured Notes Indenture” and a “Secured Debt Document” under the Intercreditor Agreement and a “Secured Document” under the Singapore Security Documents;
 - (e) any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the New Notes and the New Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**New Notes Liabilities**”), are part of the Secured Obligations under, and for the purposes, of the Singapore Security Documents, *provided that* the Secured Obligations in respect of each Chargor shall not include any liability or sum which, were it to be included, would cause all or part of the Security expressed to be created by the relevant Singapore Security Document, or the grant by the Chargor thereof, to be illegal or contravene any applicable law or regulation (having the force of law).
 - (f) the Security created by it pursuant to each Singapore Security Document is and remains in full force and effect and secures, and shall hereafter continue to secure, the Secured Obligations (hereinafter referred to as the “**Relevant Indebtedness**”), which, for the avoidance of doubt, includes and extends to the New Notes Liabilities and excludes the Existing Notes Liabilities.

6. FURTHER SECURITY

- 6.1 For the avoidance of doubt, each Chargor, as primary obligor, covenants with and undertakes to the Security Agent (for and on behalf of itself and the other Secured Parties) that it will on demand pay the Relevant Indebtedness when they fall due for payment in accordance with the terms of the relevant Secured Debt Document.
- 6.2 To the extent the Security created pursuant to the Singapore Security Documents do not secure the Relevant Indebtedness, each Chargor, as continuing security for the payment of the Relevant Indebtedness, charges in favour of the Security Agent as beneficial owner the Charged Property in each case in the manner and to the extent described in clause 3 (*Fixed Charges*), clause 4 (*Assignments*) and clause 5 (*Floating Charge*) of each Singapore Security Document as if those clauses were set out in this Deed in full, mutatis mutandis.
- 6.3 The Security Agent shall, in relation to the Security created by this Deed (if any), have the same rights and obligations in relation to the Charged Property as are expressed to be granted to it or assumed by it under each Singapore Security Document.
- 6.4 To the extent that a Security is created pursuant to Clause 6.2 of this Deed, without prejudice to Clause 6.3 above, each Chargor expressly acknowledges and agrees that:
- (a) clause 6 (*Restrictions and further assurance*) to clause 26 (*Counterparts*), schedule 1 (*Rights of Receivers*), schedule 2 (*Form of Notice of Assignment of Assigned Contracts*) and schedule 4 (*Form of Notice of Charge and Acknowledgement in relation to Bank Account*) of the Pearl III Debenture; and
 - (b) clause 6 (*Restrictions and further assurance*) to clause 30 (*Counterparts*), schedule 2 (*Rights of Receivers*) to schedule 6 (*Form of Notice of Assignment of Assigned Contracts*) and schedule 8 (*Form of Notice of Charge and Acknowledgement in relation to Bank Account*) of the FTI and PES Debenture,
- shall apply to this Deed and the Security created pursuant to this Deed as if those clauses were set out in this Deed in full, mutatis mutandis.
- 6.5 The Security created by each Chargor under this Deed (if any) shall be separate and distinct from, and shall not merge with nor exclude or prejudice, the Security created by each Chargor over its Charged Property pursuant to the relevant Singapore Security Document.

7. RATIFICATION OF EXISTING SECURITY DOCUMENT

- 7.1 Each Chargor hereby ratifies and confirms that each Singapore Security Document shall continue to apply and remain in full force and effect on its terms.
- 7.2 The parties agree that nothing in this Deed is intended or shall be construed as an amendment to any Singapore Security Document.

8. SECURITY FILINGS

- 8.1 Each Chargor incorporated in the Cayman Islands shall as soon as reasonably practicable and in any event within 10 Business Days of the date of this Deed, instruct its registered office provider to:

- (a) enter particulars of the creation, confirmation and any variation of the security interests created, varied and/or confirmed pursuant to the relevant Singapore Security Documents in the register of mortgages and charges of that Chargor maintained by it in accordance with section 54 of the Companies Act (as amended) of the Cayman Islands (the “**Cayman Register of Charges**”);
 - (b) enter particulars of any security interest created, varied and/or confirmed pursuant to this Deed in the Cayman Register of Charges; and
 - (c) deliver or procure to be delivered to the Security Agent a certified true copy of the updated Cayman Register of Charges.
- 8.2 Each Chargor incorporated in Singapore or registered under Division 2 of Part XI of the Companies Act, shall, to the extent required by the provisions of the Companies Act:
 - (a) ensure that the statement of particulars of charge in relation to this Deed are filed, either by or on behalf of the Security Agent or by that Chargor with the Accounting and Corporate Regulatory Authority of Singapore for registration within the period provided for in the Companies Act; and
 - (b) promptly, upon receipt, deliver evidence satisfactory to the Security Agent of the confirmation of registration of charge issued by the Accounting and Corporate Regulatory Authority of Singapore for the registration of this Deed.

9. SEVERABILITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

10. EFFECT AS A DEED

This document is intended to take effect as a deed notwithstanding the fact that the parties may have executed it under hand only.

11. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Deed, and all of those counterparts taken together will be deemed to constitute one and the same instrument.

12. GOVERNING LAW

This Deed is governed by Singapore law.

13. JURISDICTION

- 13.1 The courts of Singapore have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or

termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a “**Dispute**”).

- 13.2 Each Chargor agrees that the courts of Singapore are the most appropriate and convenient courts to settle Disputes and accordingly no Chargor will argue to the contrary.
- 13.3 This Clause 13 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

14. SERVICE OF PROCESS

- 14.1 Without prejudice to any other mode of service allowed under any relevant law, Pearl Holding III Limited:
- (a) irrevocably appoints Pearl Engineered Solutions Pte. Ltd. as its agent for service of process in relation to any proceedings before the Singapore courts in connection with this Deed; and
 - (b) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned.

15. FAILURE TO EXECUTE

Failure by one or more parties (“**Non-Signatories**”) to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent date and will thereupon become bound by its provisions.

16. WAIVER OF IMMUNITY

Each Chargor irrevocably and unconditionally:

- (d) agrees that if the Security Agent brings proceedings against it or its assets in relation to this Deed, no immunity from those proceedings (including, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of itself or with respect to its assets;
- (e) waives any such right of immunity which it or its assets now has or may subsequently acquire; and
- (f) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in those proceedings.

IN WITNESS WHEREOF this Deed has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
(To the Singapore Security Confirmation Deed)

THE CHARGORS

	Name of Chargor	Place of Incorporation
1.	Pearl Holding III Limited	Cayman Islands
2.	Fischer Tech International Pte Ltd	Singapore
3.	Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.)	Singapore

SCHEDULE 2

(To the Singapore Security Confirmation Deed)

THE SINGAPORE SECURITY DOCUMENTS

1.	Debenture dated 6 November 2017 entered into by the Pearl Holding III Limited as chargor and Madison Pacific Trust Limited as security agent (" Pearl III Debenture ")
2.	Debenture dated 6 December 2017 entered into by Fischer Tech International Pte Ltd and Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.), each as chargor, and Madison Pacific Trust Limited as security agent (" FTI and PES Debenture ")

SIGNATORIES

CHARGOR

)

SIGNED, SEALED AND DELIVERED AS A

)

DEED for and on behalf of

)

PEARL HOLDING III LIMITED

)

)

Director

)

Name:

)



in the presence of:

Signature of Witness

Name:

Address:

Occupation:

Address:

Fax:

Email

Attention:

CHARGOR

)

EXECUTED AS A DEED for and on behalf of

)

FISCHER TECH INTERNATIONAL PTE LTD

)

)

)

)

Director

Name:

in the presence of:

Signature of Witness

Name:

Address:

Occupation:

Address:

Fax:

Email

Attention:

CHARGOR

)

EXECUTED AS A DEED for and on behalf of

)

**PEARL ENGINEERED SOLUTIONS PTE.
LTD.**

)

)

)

)

Director

Name:

in the presence of:

Signature of Witness

Name:

Address:

Occupation:

Address:

Fax:

Email

Attention:

SIGNED, SEALED AND DELIVERED AS A DEED

for and on behalf of

MADISON PACIFIC TRUST LIMITED

by _____

Signature of authorised signatory



in the presence of:

Signature of Witness

Name:

Address:

Occupation:

Schedule 4 – Cayman Islands Security Confirmation Deed

CAYMAN ISLANDS SECURITY CONFIRMATION DEED

THIS SECURITY CONFIRMATION DEED is made on _____ 2021

BETWEEN:

1. **PEARL HOLDING II LIMITED**, an exempted company incorporated with limited liability in the Cayman Islands with company number 297459 and having its registered office at the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands (the “**Mortgagor**”); and
2. **MADISON PACIFIC TRUST LIMITED** as security agent for the benefit of the Secured Parties (the “**Security Agent**”, which expression includes its successors and assigns).

WHEREAS:

- (A) Pursuant to an indenture dated 11 December 2017 (“**Existing Notes Indenture**”) made between Pearl Holding III Limited (the “**Issuer**”), The Bank of New York Mellon as trustee and certain subsidiaries of the Issuer as guarantors, the Issuer has issued the US\$175,000,000 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)) (the “**Existing Notes**”);
- (B) The Mortgagor has entered into an equitable share mortgage dated 6 November 2017 in favour of the Security Agent (the “**Cayman Security Document**”) to secure the Secured Obligations which include, among others, the Liabilities due under the Existing Notes;
- (C) A scheme of arrangement pursuant to section 86 of the Cayman Islands Companies Act in respect of the Issuer (the “**Scheme**”) was approved and sanctioned by the Grand Court of the Cayman Islands on [●];
- (D) Pursuant to and in accordance with the terms the Scheme, the Existing Notes are cancelled and, the Scheme Claims (as defined under the Scheme), which include the Liabilities under the Existing Notes, are released in consideration for, among other things, the issuance of the USD\$66,500,000 9.0% senior secured notes due 2025 ([●]) (the “**New Notes**”) by the Issuer pursuant to an indenture dated [●] 2021 (the “**New Notes Indenture**”);
- (E) Pursuant to the New Notes Indenture, the New Notes are to be secured by first-ranking liens over the collateral which used to secure the Existing Notes; and
- (F) By executing and delivering this Deed, the Mortgagor confirms that, upon the cancellation of the Existing Notes and the issuance of the New Notes, (i) the Liabilities under the Existing Notes no longer form part of the Secured Obligations and (ii) the Liabilities under the New Notes are part of the Secured Obligations.

IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Deed:

- (a) **"Group Member"** means any of the Issuer and its Subsidiaries from time to time;
- (b) **"Intercreditor Agreement"** means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time);
- (c) **"Mortgaged Property"** means all the assets and undertakings of the Mortgagor which from time to time are expressed to be the subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to the Cayman Security Document and/or this Deed;
- (d) **"Restructuring Effective Date"** means [●];
- (e) **"Security"** means a mortgage, charge, pledge, lien or other security interest having a similar effect;
- (f) **"Secured Obligations"** has the meaning given to it in the Cayman Security Document; and
- (g) **"Secured Party"** has the meaning given to it in the Intercreditor Agreement.

1.2 Unless this Deed provides otherwise, a term which is defined (or expressed to be subject to a particular construction or interpretation) in the Intercreditor Agreement and/or the Cayman Security Document shall have the same meaning (and be subject to the same construction or interpretation) in this Deed.

2. CONSTRUCTION

2.1 Any reference in this Deed to any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced.

2.2 In construing this Deed, the provisions in clauses 1.2 to 1.6 of the Cayman Security Document and clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed with all necessary changes.

3. CONFLICT

3.1 This Deed shall be subject to the terms of the Intercreditor Agreement. If and to the extent any provision of this Deed (other than Clause 12 (*Governing law and*

jurisdiction)) is inconsistent with the provisions of the Intercreditor Agreement, then (to the extent permitted by law) the Intercreditor Agreement shall prevail.

- 3.2 If any conflict or inconsistency exists between this Deed and any other Secured Documents (other than the Intercreditor Agreement), this Deed will govern.

4. THIRD PARTY RIGHTS

- 4.1 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act, 2014 to enforce or to enjoy the benefit of any term of this Deed.
- 4.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

5. CONFIRMATION AND ACKNOWLEDGEMENT

The Mortgagor hereby confirms, acknowledges and agrees that, on and from the Restructuring Effective Date:

- (a) pursuant to the Scheme and the Deed of Release (as defined in the Scheme), and subject to the terms and conditions therein, any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the Existing Notes and the Existing Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**Existing Notes Liabilities**”) are released and discharged;
- (b) upon the cancellation of the Existing Notes, Existing Notes Liabilities no longer form part of the Secured Obligations;
- (c) the New Notes are issued pursuant to the New Notes Indenture;
- (d) the New Notes have been designated as the “Senior Secured Notes” under the Intercreditor Agreement, and the New Notes Indenture is therefore the “Senior Secured Notes Indenture” and a “Secured Debt Document” under the Intercreditor Agreement and the Cayman Security Document;
- (e) any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the New Notes and the New Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**New Notes Liabilities**”), are part of the Secured Obligations under, and for the purposes, of Cayman Security Document, *provided that* the Secured Obligations in respect of the Mortgagor shall not include any liability or sum which, were it to be included, would cause all or part of the Security expressed to be created by the Cayman Security Document, or the grant by the Mortgagor thereof, to be illegal or contravene any applicable law or regulation (having the force of law); and
- (f) the Security created by it pursuant to the Cayman Security Document is and remains in full force and effect and secures, and shall hereafter continue to secure, the Secured Obligations (hereinafter referred to as the “**Relevant Indebtedness**”), which, for the avoidance of doubt, includes and extends to the New Notes Liabilities and excludes the Existing Notes Liabilities.

6. FURTHER SECURITY

- 6.1 For the avoidance of doubt, the Mortgagor, as primary obligor, covenants with and undertakes to the Security Agent (for and on behalf of itself and the other Secured Parties) that it will on demand pay the Relevant Indebtedness when they fall due for payment in accordance with the terms of the relevant Secured Debt Document.
- 6.2 In order to ensure that sufficient security is granted in favour of the Security Agent and notwithstanding and without prejudice to clause 5(f) above, the Mortgagor, as continuing security for the payment of the Relevant Indebtedness, further mortgages in favour of the Security Agent by way of equitable mortgage the Mortgaged Shares (subject to the prior security created pursuant to the Cayman Security Document) and further charges in favour of the Security Agent by way of fixed charge, all of its right, title and interest in and to the Mortgaged Property including all benefits, present and future, actual and contingent accruing in respect of the Mortgaged Property (subject to the prior security created pursuant to the Cayman Security Document), in each case as legal and beneficial owner and in the manner and to the extent described in clause 4 (*Security*) of the Cayman Security Document as if those clauses were set out in this Deed in full, mutatis mutandis.
- 6.3 The Security Agent shall, in relation to the Security created by this Deed (if any), have the same rights and obligations in relation to the Mortgaged Property as are expressed to be granted to it or assumed by it under the Cayman Security Document.
- 6.4 Without prejudice to Clause 6.3 above, the Mortgagor expressly acknowledges and agrees that clause 2 (*Representation and Warranties*), clause 3 (*Covenant to Pay*), clause 5 (*Rights in respect of Mortgaged Property*) to clause 18 (*Miscellaneous*), and schedule 1 to schedule 7 of the Cayman Security Document shall apply to this Deed and the Security created pursuant to this Deed as if those clauses were set out in this Deed in full, mutatis mutandis.
- 6.5 The Security created by the Mortgagor under this Deed (if any) shall be separate and distinct from, and shall not merge with nor exclude or prejudice, the Security created by the Mortgagor over its Mortgaged Property pursuant to the Cayman Security Document.

7. RATIFICATION OF EXISTING SECURITY DOCUMENT

- 7.1 The Mortgagor hereby ratifies and confirms that the Cayman Security Document shall continue to apply and remain in full force and effect on its terms.
- 7.2 The parties agree that nothing in this Deed is intended or shall be construed as an amendment to the Cayman Security Document.

8. SECURITY FILINGS

- 8.1 The Mortgagor shall as soon as reasonably practicable and in any event within 10 Business Days of the date of this Deed, instruct its registered office provider to:
- (a) enter particulars of the creation, confirmation and any variation of the security interests created, varied and/or confirmed pursuant to the Cayman Security Document in the register of mortgages and charges of the Mortgagor maintained by it in accordance with section 54 of the Companies Act (as amended) of the Cayman Islands (the “**Cayman Register of Charges**”);

- (b) enter particulars of any security interest created, varied and/or confirmed pursuant to this Deed in the Cayman Register of Charges;
- (c) deliver or procure to be delivered to the Security Agent a certified true copy of the updated Cayman Register of Charges; and
- (d) procure that the following notation be entered on the register of members ("**Register of Members**") maintained by the Issuer in accordance with the Companies Act:

"All the shares issued as fully paid up and registered in the name of Pearl Holding II Limited are mortgaged and charged in favour of Madison Pacific Trust Limited pursuant to a share mortgage dated 6 November 2017, as confirmed by a security confirmation deed dated [●] 2021, as amended from time to time."

- (e) as soon as reasonably practicable, but in any event within 10 Business Days from the date of this Deed, provide the Security Agent with a certified true copy of the Register of Members of the Company with the annotation referred to in Clause (d) above.

9. SEVERABILITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

10. EFFECT AS A DEED

This document is intended to take effect as a deed notwithstanding the fact that the parties may have executed it under hand only.

11. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Deed, and all of those counterparts taken together will be deemed to constitute one and the same instrument.

12. GOVERNING LAW AND JURISDICTION

This Deed is governed by and construed in accordance with the laws of the Cayman Islands and the parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the Cayman Islands, provided that nothing in this clause shall affect the right of the Security Agent to serve process in any manner permitted by law or limit the right of the Security Agent to take proceedings with respect to this Mortgage against the Mortgagor in any jurisdiction nor shall the taking of proceedings with respect to this Mortgage in any jurisdiction preclude the Security Agent from taking proceedings with respect to this Deed in any other jurisdiction, whether concurrently or not.

13. FAILURE TO EXECUTE

Failure by one or more parties ("**Non-Signatories**") to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent

date and will thereupon become bound by its provisions.

14. WAIVER OF IMMUNITY

The Mortgagor irrevocably and unconditionally:

- (a) agrees that if the Security Agent brings proceedings against it or its assets in relation to this Deed, no immunity from those proceedings (including, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of itself or with respect to its assets;
- (b) waives any such right of immunity which it or its assets now has or may subsequently acquire; and
- (c) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in those proceedings.

IN WITNESS WHEREOF this Deed has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SIGNATORIES

MORTGAGOR

)

EXECUTED AND DELIVERED AS A DEED

)

for and on behalf of

)

PEARL HOLDING II LIMITED

)

in the presence of:

)

Director

Name:

)

Signature of Witness

Name:

Address:

Occupation:

SECURITY AGENT

)

EXECUTED AS A DEED for and on behalf of

)

MADISON PACIFIC TRUST LIMITED

)

)

)

Duly Authorised Signatory

Name:

)

Title:

in the presence of:

Signature of Witness

Name:

Address:

Occupation:

Schedule 5 – PRC Security Confirmation Agreement

PRC SECURITY CONFIRMATION AGREEMENT

THIS SECURITY CONFIRMATION AGREEMENT is made on _____ 2021

BETWEEN:

1. **THE COMPANIES** listed in Schedule 1 (*The Pledgors*) (each a “**Pledgor**” and together, the “**Pledgors**”);
2. **THE COMPANIES** listed in Schedule 2 (*The PRC Companies*) (each a “**PRC Company**” and together, “**PRC Companies**”); and
3. **MADISON PACIFIC TRUST LIMITED** as security agent for the benefit of the Secured Parties (the “**Security Agent**”, which expression includes its successors and assigns).

WHEREAS:

- (A) Pursuant to an indenture dated 11 December 2017 (“**Existing Notes Indenture**”) made between Pearl Holding III Limited (the “**Issuer**”), The Bank of New York Mellon as trustee and certain subsidiaries of the Issuer as guarantors, the Issuer has issued the US\$175,000,000 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)) (the “**Existing Notes**”);
- (B) The Pledgors and the PRC Companies have entered into the PRC Security Documents to secure the Secured Obligations which include, among others, the Liabilities due under the Existing Notes;
- (C) A scheme of arrangement pursuant to section 86 of the Cayman Islands Companies Act in respect of the Issuer (the “**Scheme**”) was approved and sanctioned by the Grand Court of the Cayman Islands on [●];
- (D) Pursuant to and in accordance with the terms the Scheme, the Existing Notes are cancelled and, the Scheme Claims (as defined under the Scheme), which include the Liabilities under the Existing Notes, are released in consideration for, among other things, the issuance of the USD\$66,500,000 9.0% senior secured notes due 2025 ([●]) (the “**New Notes**”) by the Issuer pursuant to an indenture dated [●] 2021 (the “**New Notes Indenture**”);
- (E) Pursuant to the New Notes Indenture, the New Notes are issued in exchange for, amongst other things, the cancellation of the Existing Notes and are to be secured by first-ranking liens over the collateral which used to secure the Existing Notes; and
- (F) By executing and delivering this Agreement, each of the Pledgors and the PRC Companies confirms that, upon the cancellation of the Existing Notes and the issuance of the New Notes, (i) the Liabilities under the Existing Notes no longer form part of the Secured Obligations and (ii) the Liabilities under the New Notes are part of the Secured Obligations.

IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Agreement:

- (a) **"FAT Equity Pledge"** has the meaning given to it in Schedule 3 (*The PRC Security Documents*) hereto;
- (b) **"FSS Equity Pledge"** has the meaning given to it in Schedule 3 (*The PRC Security Documents*) hereto;
- (c) **"FTS Equity Pledge"** has the meaning given to it in Schedule 3 (*The PRC Security Documents*) hereto;
- (d) **"Group Member"** means any of the Issuer and its Subsidiaries from time to time;
- (e) **"Intercreditor Agreement"** means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time);
- (f) **"Pledged Property"** means all the assets and undertakings of each Pledgor which from time to time are expressed to be the subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to the PRC Security Documents and/or this Agreement;
- (g) **"PRC Security Documents"** means the security documents listed in Schedule 2 (*The PRC Security Documents*); and
- (h) **"Restructuring Effective Date"** means [●];
- (i) **"Security"** means a mortgage, charge, pledge, lien or other security interest having a similar effect;
- (j) **"SZYH Equity Pledge"** has the meaning given to it in Schedule 3 (*The PRC Security Documents*) hereto;
- (k) **"Secured Obligations"**:
 - (i) for the purposes of the FAT Equity Pledge, has the meaning given to it therein;
 - (ii) for the purposes of the FSS Equity Pledge, has the meaning given to it therein;
 - (iii) for the purposes of the FTS Equity Pledge, has the meaning given to it therein;
 - (iv) for the purposes of the ZHYC Equity Pledge, has the meaning given to it therein; and

- (v) for the purposes of the SZTH Equity Pledge, has the meaning given to it therein;
 - (l) **"Secured Party"** has the meaning given to it in the Intercreditor Agreement; and
 - (m) **"ZHYC Equity Pledge"** has the meaning given to it in Schedule 3 (*The PRC Security Documents*) hereto.
- 1.2 Unless this Agreement provides otherwise, a term which is defined (or expressed to be subject to a particular construction or interpretation) in the Intercreditor Agreement and/or the relevant PRC Security Document shall have the same meaning (and be subject to the same construction or interpretation) in this Agreement.

2. CONSTRUCTION

- 2.1 Any reference in this Agreement to any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced.
- 2.2 In construing this Agreement, the provisions in clause 1.2 (*Construction*) of each of FAT Equity Pledge, FSS Equity Pledge, FTS Equity Pledge and ZHYC Equity Pledge, clause 2.2 (*Construction*) of SZYH Equity Pledge PRC Security Document and clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Agreement with all necessary changes.

3. CONFLICT

- 3.1 This Agreement shall be subject to the terms of the Intercreditor Agreement. If and to the extent any provision of this Agreement (other than Clause 10 (*Governing law*) and Clause 11 (*Enforcement*)) is inconsistent with the provisions of the Intercreditor Agreement, then (to the extent permitted by law) the Intercreditor Agreement shall prevail.
- 3.2 If any conflict or inconsistency exists between this Agreement and any other Secured Documents (other than the Intercreditor Agreement), this Agreement will govern.

4. CONFIRMATION AND ACKNOWLEDGEMENT

- 4.1 Each of the Pledgors and PRC Companies hereby confirms, acknowledges and agrees that, on and from the Restructuring Effective Date:
- (g) pursuant to the Scheme and the Deed of Release (as defined in the Scheme), and subject to the terms and conditions therein, any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the Existing Notes and the Existing Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the **"Existing Notes Liabilities"**) are released and discharged;
 - (h) upon the cancellation of the Existing Notes, Existing Notes Liabilities no longer form part of the Secured Obligations;
 - (i) the New Notes are issued pursuant to the New Notes Indenture;

- (j) the New Notes have been designated as the “Senior Secured Notes” under the Intercreditor Agreement, and the New Notes Indenture is therefore the “Senior Secured Notes Indenture” and a “Secured Debt Document” under the Intercreditor Agreement;
- (k) any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the New Notes and the New Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**New Notes Liabilities**”), are part of the Secured Obligations under, and for the purposes, of the PRC Security Documents, *provided that* the Secured Obligations in respect of each Pledgor shall not include any liability or sum which, were it to be included, would cause all or part of the Security expressed to be created by the relevant PRC Security Document, or the grant by the Pledgor thereof, to be illegal or contravene any applicable law or regulation (having the force of law).
- (l) the Security created by it pursuant to each PRC Security Document is and remains in full force and effect and secures, and shall hereafter continue to secure, the Secured Obligations (hereinafter referred to as the “**Relevant Indebtedness**”), which, for the avoidance of doubt, includes and extends to the New Notes Liabilities and excludes the Existing Notes Liabilities.

5. FURTHER SECURITY

- 5.1 For the avoidance of doubt, each Pledgor, as primary obligor, covenants with and undertakes to the Security Agent (for and on behalf of itself and the other Secured Parties) that it will on demand pay the Relevant Indebtedness when they fall due for payment in accordance with the terms of the relevant Secured Debt Document.
- 5.2 To the extent the Security created pursuant to the PRC Security Documents do not secure the Relevant Indebtedness, each Pledgor, as continuing security for the payment of the Relevant Indebtedness, pledges in favour of the Security Agent as beneficial owner the Charged Property in each case in the manner and to the extent described in clause 2 (*Pledge*) of each of FAT Equity Pledge, FSS Equity Pledge, FTS Equity Pledge and ZHYC Equity Pledge and clause 3 (*Pledge*) of SZYH Equity Pledge as if it was set out in this Agreement in full, mutatis mutandis.
- 5.3 The Security Agent shall, in relation to the Security created by this Agreement (if any), have the same rights and obligations in relation to the Pledged Property as are expressed to be granted to it or assumed by it under each PRC Security Document.
- 5.4 To the extent that a Security is created pursuant to Clause 5.2 of this Agreement, without prejudice to Clause 5.3 above, each of the Pledgors and PRC Companies expressly acknowledges and agrees that clause 3 (*Scope of Pledge*) to clause 16 (*Counterparts*) and schedule II (*Form of Supplemental Pledge*) of each of FAT Equity Pledge, FSS Equity Pledge, FTS Equity Pledge and ZHYC Equity Pledge and clause 4 (*Scope of Pledge*) to clause 17 (*Counterparts*) of SZYH Equity Pledge shall apply to this Agreement and the Security created pursuant to this Agreement as if those clauses were set out in this Agreement in full, mutatis mutandis.
- 5.5 The Security created by each Pledgor under this Agreement (if any) shall be separate and distinct from, and shall not merge with nor exclude or prejudice, the Security

created by each Pledgor over its Pledged Property pursuant to the relevant PRC Security Document.

6. RATIFICATION OF EXISTING SECURITY DOCUMENT

- 6.1 Each Pledgor hereby ratifies and confirms that each PRC Security Document shall continue to apply and remain in full force and effect on its terms.

7. SECURITY FILINGS

- 7.1 Each Pledgor incorporated in Hong Kong or incorporated under Part 16 of the Companies Ordinance shall, to the extent required by the provisions of the Companies Ordinance:

- (a) ensure that particulars of this Agreement are submitted (or procure the submission thereof) to the Hong Kong Companies Registry for registration within the period provided for in the Companies Ordinance; and
- (b) promptly, upon receipt, deliver (or procure the delivery of) the original certificate of registration of charge issued by the Hong Kong Companies Registry for registration of this Agreement to the Security Agent.

- 7.2 Each Pledgor incorporated in Singapore or registered under Division 2 of Part XI of the Companies Act, shall, to the extent required by the provisions of the Companies Act:

- (c) ensure that the statement of particulars of charge in relation to this Agreement are filed, either by or on behalf of the Security Agent or by that Pledgor with the Accounting and Corporate Regulatory Authority of Singapore for registration within the period provided for in the Companies Act; and
- (d) promptly, upon receipt, deliver (or procure the delivery of) the original certificate of registration of charge issued by the Accounting and Corporate Regulatory Authority of Singapore for registration of this Agreement to the Security Agent.

8. SEVERABILITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

9. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Agreement, and all of those counterparts taken together will be deemed to constitute one and the same instrument.

10. GOVERNING LAW

This Agreement is governed by PRC law.

11. ENFORCEMENT

11.1 Arbitration

Any dispute arising out of or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (the “**Commission**”) for arbitration in Beijing which shall be conducted in accordance with the arbitration rules of the Commission in effect at the time of applying for arbitration (the “**Commission Rules**”).

11.2 Formation of arbitral tribunal and language of arbitration

11.2.1 There shall be three arbitrators, the first of whom shall be appointed by the applicant of the arbitral proceeding, the second of whom shall be appointed by the defendant party or jointly appointed by the defendant parties, and the third arbitrator, who shall be the presiding arbitrator, shall be appointed according to the decision of all parties to the relevant arbitration. The appointment of the third arbitrator shall be made within 15 days from the receipt by the parties to the relevant arbitration of the Notice of Arbitration from the Commission. If the parties to the relevant arbitration cannot agree on the third arbitrator and upon failure of the parties within 15 days from the receipt by them of the Notice of Arbitration from the Commission to agree upon a third arbitrator, the third arbitrator shall be appointed by the Commission in accordance with the Commission Rules. If the defendant parties cannot jointly appoint the second arbitrator and upon failure of the defendant parties within 15 days from the receipt by the defendant parties of the Notice of Arbitration from the Commission to jointly appoint the second arbitrator, all three arbitrators (including the presiding arbitrator) shall be appointed by the Commission in accordance with the Commission Rules.

11.2.2 All arbitration proceedings shall be conducted in English.

11.2.3 The arbitral award shall be final and binding upon all parties to this Agreement.

11.3 Consent to enforcement etc.

Each Pledgor irrevocably and generally consents in respect of any proceedings anywhere in connection with this Agreement to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those proceedings.

12. FAILURE TO EXECUTE

Failure by one or more parties (“**Non-Signatories**”) to execute this Agreement on the date hereof will not invalidate the provisions of this Agreement as between the other parties who do execute this Agreement. Such Non-Signatories may execute this Agreement on a subsequent date and will thereupon become bound by its provisions.

13. WAIVER OF IMMUNITY

Each Pledgor irrevocably and unconditionally:

- (d) agrees that if the Security Agent brings proceedings against it or its assets in relation to this Agreement, no immunity from those proceedings (including, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of itself or with respect to its assets;
- (e) waives any such right of immunity which it or its assets now has or may subsequently acquire; and
- (f) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in those proceedings.

IN WITNESS WHEREOF this Agreement has been executed and delivered on the date stated at the beginning of this Agreement.

SCHEDULE 1
(To the PRC Security Confirmation Agreement)

THE PLEDGORS

	Name of Pledgor	Place of Incorporation
1.	Fischer Tech International Pte Ltd	Singapore
2.	Ying Shing Enterprises Limited 英誠企業有限公司	Hong Kong
3.	Ying Tat Investment (Hong Kong) Limited 英達投資(香港)有限公司	Hong Kong

SCHEDULE 2
(To the PRC Security Confirmation Agreement)

THE PRC COMPANIES

	Name of PRC Company	Place of Incorporation
1.	Fischer Advanced Technology (Suzhou) Co., Ltd (飞讯特精密科技(苏州)有限公司)	PRC
2.	Fischer Solution (Suzhou) Co., Ltd (飞讯世通科技(苏州)有限公司)	PRC
3.	Fischer Tech (Suzhou) Co., Ltd (飞讯科技(苏州)有限公司)	PRC
4.	Zhuhai Yingcheng Electronics Technology Co., Ltd. (珠海市英诚电子科技有限公司)	PRC
5.	Suzhou Yinghao Precision Molding and Tooling Co., Ltd. (苏州英豪精密塑胶模具有限公司)	PRC

SCHEDULE 3
(To the PRC Security Confirmation Agreement)

THE PRC SECURITY DOCUMENTS

1.	Equity pledge contract dated 11 January 2018 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Advanced Technology (Suzhou) Co., Ltd (飞讯特精密科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018 (“ FAT Equity Pledge ”)
2.	Equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Solution (Suzhou) Co., Ltd (飞讯世通科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 January 2018 (“ FSS Equity Pledge ”)
3.	Equity pledge contract dated 6 December 2017 entered into by Fischer Tech International Pte Ltd as pledgor, Fischer Tech (Suzhou) Co., Ltd (飞讯科技(苏州)有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent (“ FTS Equity Pledge ”)
4.	Equity pledge contract dated 6 December 2017 entered into by Ying Shing Enterprises Limited (英誠企業有限公司) as pledgor, Zhuhai Yingcheng Electronics Technology Co., Ltd. (珠海市英誠电子科技有限公司) as PRC company and Madison Pacific Trust Limited as pledgee, as amended and restated on 30 October 2018 and further amended and restated on 29 December 2018 (“ ZHYC Equity Pledge ”)
5.	Equity pledge contract dated 6 December 2017 entered into by Ying Tat Investment (Hong Kong) Limited (英達投資(香港)有限公司) as pledgor, Suzhou Yinghao Precision Molding and Tooling Co., Ltd. (苏州英豪精密塑胶模具有限公司) as PRC company and Madison Pacific Trust Limited as PRC security agent, as amended and restated on 11 March 2019 (“ SZYH Equity Pledge ”)

SIGNATORIES

PLEDGOR

Executed and delivered by and in the name of
FISCHER TECH INTERNATIONAL PTE LTD acting by:

By: _____

Name:

Title:

PLEDGOR

Executed and delivered as a deed by

YING SHING ENTERPRISES LIMITED

英誠企業有限公司³

signed on behalf of the company by two
directors or one director and the secretary

Director

Name:

Director / Secretary

Name:

³ Signatures of both signatories must be on the same page.

PLEDGOR

Executed and delivered as a deed by

YING TAT INVESTMENT (HONG KONG) LIMITED

英達投資(香港)有限公司⁴

signed on behalf of the company by two
directors or one director and the secretary

Director
Name:

Director / Secretary
Name:

⁴ Signatures of both signatories must be on the same page.

PRC COMPANY

SIGNED by

FISCHER ADVANCED TECHNOLOGY (SUZHOU) CO., LTD
(飞讯特精密科技(苏州)有限公司)

(Official Seal)

Authorised Signatory

PRC COMPANY

SIGNED by

FISCHER SOLUTION (SUZHOU) CO., LTD
(飞讯世通科技(苏州)有限公司)

(Official Seal)

Authorised Signatory

PRC COMPANY

SIGNED by

FISCHER TECH (SUZHOU) CO., LTD
(飞讯科技(苏州)有限公司)

(Official Seal)

Authorised Signatory

PRC COMPANY

SIGNED by

ZHUHAI YINGCHENG ELECTRONICS TECHNOLOGY CO., LTD.
(珠海市英诚电子科技有限公司)

(Official Seal)

Authorised Signatory

PRC COMPANY

SIGNED by

SUZHOU YINGHAO PRECISION MOLDING AND TOOLING CO., LTD.
(苏州英豪精密塑胶模具有限公司)

(Official Seal)

Authorised Signatory

SECURITY AGENT

SIGNED by

for and on behalf of

MADISON PACIFIC TRUST LIMITED

Authorised Signatory

Schedule 6 – Thai Security Confirmation Agreement

THAI SECURITY CONFIRMATION AGREEMENT

THIS SECURITY CONFIRMATION AGREEMENT is made on _____ 2021

BETWEEN:

1. **PEARL ENGINEERED SOLUTIONS PTE. LTD.** (formerly known as Fischer Tech Pte. Ltd.), a private company incorporated with limited liability in Singapore with company registration number 199404532R and registered address at 3 Ang Mo Kio Street 62 #02-08 Link@AMK Singapore 569139 (the “**Pledgor**”);
2. **THE FINANCIAL INSTITUTIONS LISTED IN SCHEDULE A** (the “**Secured Parties**”), represented by the Security Agent (as defined below); and
3. **MADISON PACIFIC TRUST LIMITED** as security agent for the benefit of the Secured Parties (the “**Security Agent**”, which expression includes its successors and assigns).

WHEREAS:

- (A) Pursuant to an indenture dated 11 December 2017 (“**Existing Notes Indenture**”) made between Pearl Holding III Limited (the “**Issuer**”), The Bank of New York Mellon as trustee and certain subsidiaries of the Issuer as guarantors, the Issuer has issued the US\$175,000,000 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)) (the “**Existing Notes**”);
- (B) The Pledgor has entered into a pledge of shares dated 6 December 2017 (the “**Thai Security Document**”) in favour of the Secured Parties and the Security Agent to secure the Secured Obligations which include, among others, the Liabilities due under the Existing Notes;
- (C) A scheme of arrangement pursuant to section 86 of the Cayman Islands Companies Act in respect of the Issuer (the “**Scheme**”) was approved and sanctioned by the Grand Court of the Cayman Islands on [●];
- (D) Pursuant to and in accordance with the terms the Scheme, the Existing Notes are cancelled and, the Scheme Claims (as defined under the Scheme), which include the Liabilities under the Existing Notes, are released in consideration for, among other things, the issuance of the USD\$66,500,000 9.0% senior secured notes due 2025 ([●]) (the “**New Notes**”) by the Issuer pursuant to an indenture dated [●] 2021 (the “**New Notes Indenture**”);
- (E) Pursuant to the New Notes Indenture, the New Notes are to be secured by first-ranking liens over the collateral which used to secure the Existing Notes; and
- (F) By executing and delivering this Agreement, the Pledgor confirms that, upon the cancellation of the Existing Notes and the issuance of the New Notes, (i) the Liabilities under the Existing Notes no longer form part of the Secured Obligations and (ii) the Liabilities under the New Notes are part of the Secured Obligations.

IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Agreement:

- (a) **"FTT"** means Fischer Tech (Thailand) Co., Ltd., a limited company incorporated in Thailand with company registration number 0145547001260 and registered address at 109/519-520 Moo 7 Tumbol Klongsong Amphur Klongluang Pathumthani 12129 Thailand;
- (b) **"Group Member"** means any of the Issuer and its Subsidiaries from time to time;
- (c) **"Intercreditor Agreement"** means the intercreditor agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time);
- (d) **"Pledged Property"** means all the assets and undertakings of the Pledgor which from time to time are expressed to be the subject of the Security created or expressed to be created in favour of the Security Agent and the Secured Parties by or pursuant to the Thai Security Document and/or this Agreement;
- (e) **"Restructuring Effective Date"** means [●];
- (f) **"Security"** means a mortgage, charge, pledge, lien or other security interest having a similar effect;
- (g) **"Secured Obligations"** for the purposes of the Thai Security Document, has the meaning given to it therein; and
- (h) **"Secured Party"** has the meaning given to it in the Intercreditor Agreement.

- 1.2 Unless this Agreement provides otherwise, a term which is defined (or expressed to be subject to a particular construction or interpretation) in the Intercreditor Agreement and/or the Thai Security Document shall have the same meaning (and be subject to the same construction or interpretation) in this Agreement.

2. CONSTRUCTION

- 2.1 Any reference in this Agreement to any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced.
- 2.2 In construing this Agreement, the provisions in clause 1.2 (*Construction*) of the Thai Security Document and clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Agreement with all necessary changes.

3. CONFLICT

- 3.1 This Agreement shall be subject to the terms of the Intercreditor Agreement. If and to the extent any provision of this Agreement (other than Clause 11 (*Governing law*) and Clause 12 (*Jurisdiction*)) is inconsistent with the provisions of the Intercreditor

Agreement, then (to the extent permitted by law) the Intercreditor Agreement shall prevail.

- 3.2 If any conflict or inconsistency exists between this Agreement and any other Secured Documents (other than the Intercreditor Agreement), this Agreement will govern.

4. CONFIRMATION AND ACKNOWLEDGEMENT

- 4.1 The Pledgor hereby confirms, acknowledges and agrees that, on and from the Restructuring Effective Date:

- (g) pursuant to the Scheme and the Deed of Release (as defined in the Scheme), and subject to the terms and conditions therein, any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the Existing Notes and the Existing Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**Existing Notes Liabilities**”) are released and discharged;
- (h) upon the cancellation of the Existing Notes, Existing Notes Liabilities no longer form part of the Secured Obligations;
- (i) the New Notes are issued pursuant to the New Notes Indenture;
- (j) the New Notes have been designated as the “Senior Secured Notes” under the Intercreditor Agreement, and the New Notes Indenture is therefore the “Senior Secured Notes Indenture” and a “Secured Debt Document” under the Intercreditor Agreement and a “Secured Document” under the Thai Security Document;
- (k) any and all Liabilities and all other present and future obligations at any time, due, owing or incurred by any Group Member under or in connection with the New Notes and the New Notes Indenture, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the “**New Notes Liabilities**”), are part of the Secured Obligations under, and for the purposes, of the Thai Security Document, *provided that* the Secured Obligations in respect of the Pledgor shall not include any liability or sum which, were it to be included, would cause all or part of the Security expressed to be created by the Thai Security Document, or the grant by the Pledgor thereof, to be illegal or contravene any applicable law or regulation (having the force of law).
- (l) the Security created by it pursuant to the Thai Security Document is and remains in full force and effect and secures, and shall hereafter continue to secure, the Secured Obligations (hereinafter referred to as the “**Relevant Indebtedness**”), which, for the avoidance of doubt, includes and extends to the New Notes Liabilities and excludes the Existing Notes Liabilities.

5. FURTHER SECURITY

- 5.1 For the avoidance of doubt, the Pledgor, as primary obligor, covenants with and undertakes to the Security Agent (for and on behalf of itself and the other Secured

Parties) that it will on demand pay the Relevant Indebtedness when they fall due for payment in accordance with the terms of the relevant Secured Debt Document.

- 5.2 To the extent the Security created pursuant to the Thai Security Documents do not secure the Relevant Indebtedness, the Pledgor, as continuing security for the payment of the Relevant Indebtedness, pledges in favour of the Security Agent and the Secured Parties as beneficial owner the Pledged Property in each case in the manner and to the extent described in clause 2 (*Pledge of Shares*) of the Thai Security Document as if that clause was set out in this Agreement in full, mutatis mutandis.
- 5.3 The Security Agent and the Secured Parties shall, in relation to the Security created by this Agreement (if any), have the same rights and obligations in relation to the Pledged Property as are expressed to be granted to any of them or assumed by any of them under the Thai Security Document.
- 5.4 To the extent that a Security is created pursuant to Clause 5.2 of this Agreement, without prejudice to Clause 5.3 above, the Pledgor expressly acknowledges and agrees that clause 3 (*Continuing security*) to clause 15 (*Counterparts*) of the Thai Security Document shall apply to this Agreement and the Security created pursuant to this Agreement as if those clauses were set out in this Agreement in full, mutatis mutandis.
- 5.5 The Security created by the Pledgor under this Agreement (if any) shall be separate and distinct from, and shall not merge with nor exclude or prejudice, the Security created by the Pledgor over its Pledged Property pursuant to the Thai Security Document.

6. RATIFICATION OF EXISTING SECURITY DOCUMENT

- 6.1 The Pledgor hereby ratifies and confirms that the Thai Security Document shall continue to apply and remain in full force and effect on its terms.
- 6.2 The Pledgor shall as soon as reasonably practicable and in any event no later than 20 (twenty) Business Days after the date of this Agreement,

- (a) deliver the notice in the form set out in Schedule B (*Notice to the Company*) of this Deed and shall procure that FTT confirms its receipt of the notice by delivery of an acknowledgement in the form set out in the attachment of Schedule B (*Notice to the Company*) of this Deed;

- (b) procure that FTT amends the record of the pledge of the shares in the FTT's share register book as follows:

"The shares numbers 1 – 499993 and 500001 - 1400000, represented by the share certificate no. 40 held by Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.) are pledged in favour of DBS Bank Ltd as Senior Lender; Goldman Sachs Bank USA as Senior Arranger; Madison Pacific Trust Limited as Senior Facility Agent; Madison Pacific Trust Limited as Cayman Security Agent, HK Security Agent, Singapore Security Agent and PRC Security Agent; (upon accession) Madison Pacific Trust Limited as Senior Secured Notes Trustee and any successors, assignees and transferees of any of these entities pursuant to the Secured Documents and any other person which has become a Secured Party according to the Intercreditor Agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time), represented by Madison Pacific Trust

Limited as Security Agent for the Secured Parties at 54/F Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, collectively as the Secured Parties, in accordance with the terms and conditions of the Pledge of Shares dated 6 December 2017 made among Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.) as pledgor ("Pledgor"), the financial institutions listed therein as Secured Parties and Madison Pacific Trust Limited as the Security Agent, and as hereby confirmed under the Thai Security Confirmation Agreement dated [] made among the Pledgor, the financial institutions listed therein as Secured Parties and Madison Pacific Trust Limited as the Security Agent."

or such other form as may be prescribed by the Security Agent.

- (c) deliver to the Security Agent copies, certified true and correct by the authorised director(s) of FTT, of the relevant pages of the share register book of the Company evidencing such new notation of the pledge.

- 6.3 The parties agree that nothing in this Agreement is intended or shall be construed as an amendment to the Thai Security Document.

7. SECURITY FILINGS

The Pledgor shall, to the extent required by the provisions of the Companies Act of Singapore:

- (a) ensure that the statement of particulars of charge in relation to this Agreement are filed, either by or on behalf of the Security Agent or by the Pledgor with the Accounting and Corporate Regulatory Authority of Singapore for registration within the period provided for in the Companies Act of Singapore; and
- (b) promptly, upon receipt, deliver (or procure the delivery of) the original certificate of registration of charge issued by the Accounting and Corporate Regulatory Authority of Singapore for registration of this Agreement to the Security Agent.

8. SEVERABILITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

9. [Reserved.]

10. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Agreement, and all of those counterparts taken together will be deemed to constitute one and the same instrument.

11. GOVERNING LAW

This Agreement is governed by Thai law.

12. JURISDICTION

- 12.1 The courts of Thailand 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 or the rights and obligations of the parties hereunder) (a “**Dispute**”).
- 12.2 The Pledgor agrees that the courts of Thailand are the most appropriate and convenient courts to settle Disputes and accordingly it will argue to the contrary.
- 12.3 This Clause 12 is for the benefit of the Security Agent only. As a result, the Security Agent and the Secured Parties shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent and the Secured Parties may take concurrent proceedings in any number of jurisdictions.

13. [RESERVED]

14. FAILURE TO EXECUTE

Failure by one or more parties (“**Non-Signatories**”) to execute this Agreement on the date hereof will not invalidate the provisions of this Agreement as between the other parties who do execute this Agreement. Such Non-Signatories may execute this Agreement on a subsequent date and will thereupon become bound by its provisions.

15. WAIVER OF IMMUNITY

The Pledgor irrevocably and unconditionally:

- (a) agrees that if the Security Agent brings proceedings against it or its assets in relation to this Agreement, no immunity from those proceedings (including, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of itself or with respect to its assets;
- (b) waives any such right of immunity which it or its assets now has or may subsequently acquire; and
- (c) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in those proceedings.

Schedule A

1. DBS Bank Ltd as Senior Lender;
 2. Goldman Sachs Bank USA as Senior Arranger;
 3. Madison Pacific Trust Limited as Senior Facility Agent;
 4. Madison Pacific Trust Limited as Cayman Security Agent, HK Security Agent, Singapore Security Agent and PRC Security Agent;
 5. (upon accession) Madison Pacific Trust Limited as Senior Secured Notes Trustee,
- and any successors, assignees and transferees of any of the above pursuant to the Secured Documents and any other person which has become a Secured Party according to the Intercreditor Agreement.

Schedule B
Notice to the Company

Date [_____]

To: Fischer Tech (Thailand) Co., Ltd. (the "**Company**")
[Address]

Attention: [_____]

Cc: Madison Pacific Trust Limited
[Address]

acting for itself as Security Agent and for the Secured Parties

Attention: [_____]

Dear Sirs

Unless the context requires otherwise, terms used herein shall have the same meanings ascribed to them in the Pledge of Shares (as defined below) or the Thai Security Confirmation Agreement (as defined below), as the case may be.

1. We refer to a pledge of shares dated 6 December 2017 among Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.) as pledgor, the financial institutions listed therein as secured parties and Madison Pacific Trust Limited as security agent (the "**Pledge of Shares**") in respect of the share serial numbers [_____] represented by share certificate numbers [_____] and a Notice to the Company dated [_____].
2. We hereby give you notice that by a Thai Security Confirmation Agreement dated [_____] (the "**Thai Security Confirmation Agreement**") among Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.) as pledgor, the financial institutions listed therein as secured parties and Madison Pacific Trust Limited as security agent, we expressly agree and confirm that the pledge and Security Interests granted under the Pledge of Shares shall remain in full force and effect and secures, and shall hereafter continue to secure, the Secured Obligations, which, for the avoidance of doubt, includes and extends to the New Notes Liabilities and excludes the Existing Notes Liabilities.
3. Please update the record of the pledge in the following wording in the share register book of the Company and send to the Security Agent, copies of the share register book evidencing the updated record of the pledge certified true and correct by authorised director(s) of the Company.

“The shares numbers 1 – 499993 and 500001 - 1400000, represented by the share certificate no. 40 held by Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.) are pledged in favour of DBS Bank Ltd as Senior Lender; Goldman Sachs Bank USA as Senior Arranger; Madison Pacific Trust Limited as Senior Facility Agent; Madison Pacific Trust Limited as Cayman Security Agent, HK Security Agent, Singapore Security Agent and PRC Security Agent; (upon accession) Madison Pacific Trust Limited as Senior Secured Notes Trustee and any successors, assignees and transferees of any of these entities pursuant to the Secured Documents and any other person which has become a Secured Party according to the Intercreditor Agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and the Security Agent (as amended, supplemented, novated and restated from time to time), represented by Madison Pacific Trust Limited as Security Agent for the Secured Parties at 54/F Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, collectively as the Secured Parties, in accordance with the terms and conditions of the Pledge of Shares dated 6 December 2017 made among Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.) as pledgor (“Pledgor”), the financial institutions listed therein as Secured Parties and Madison Pacific Trust Limited as the Security Agent, and as hereby confirmed under the Thai Security Confirmation Agreement dated [] made among the Pledgor, the financial institutions listed therein as Secured Parties and Madison Pacific Trust Limited as the Security Agent.”

4. This notice forms parts of the Thai Security Confirmation Agreement and be irrevocable and is governed by and construed in accordance with the laws of Thailand.
5. Please sign the acknowledgement in the form attached to this notice and return a copy of which to the Pledgor and the other copy to the Security Agent at [], to the attention of [].

The Pledgor:

PEARL ENGINEERED SOLUTIONS PTE. LTD.

(FORMERLY KNOWN AS FISCHER TECH PTE. LTD.)

By: _____

Name: [_____]

Title: [_____]

The Security Agent:

MADISON PACIFIC TRUST LIMITED

acting for and on behalf of the Secured Parties

By: _____

Name: [_____]

Title: [_____]

Attachment: Acknowledgement

Attachment
Acknowledgement from the Company

Date: [_____]

To: Madison Pacific Trust Limited ("**Security Agent**")

Pearl Engineered Solutions Pte. Ltd. (formerly known as Fischer Tech Pte. Ltd.)
(the "**Pledgor**")

Dear Sirs

Reference is made to the notification letter dated [_____] of the Security Agent and the Pledgor to us regarding Share Pledge Agreement dated 6 December 2017 and the Thai Security Confirmation Agreement dated [_____] (the "**Notice**").

We hereby acknowledge receipt of the Notice and confirm that we acknowledge and agree with its contents.

We enclose a copy of each relevant page of the share register book evidencing the updated record of the pledge certified true and correct by authorised director(s) of the Company for your reference.

FISCHER TECH (THAILAND) CO., LTD.⁵

By: _____

Name:

Title:

By: _____

Name:

Title:

⁵ Signing must be done by two authorised directors with the Company's seal affixed

SIGNATORIES

EXECUTION: This Agreement has been executed by the duly authorised representatives of the parties to it on the date first mentioned above.

THE PLEDGOR:

**PEARL ENGINEERED SOLUTIONS PTE. LTD. (FORMERLY KNOWN AS FISCHER
TECH PTE. LTD.)**

By: _____

Name:

Title:

THE SECURED PARTIES:

MADISON PACIFIC TRUST LIMITED

The Security Agent acting for and on behalf of the Secured Parties

By: _____

Name:

Title

THE SECURITY AGENT

MADISON PACIFIC TRUST LIMITED

By: _____

Name:

Title

Annex 1 – Designation Notice

To:

Madison Pacific Trust Limited as Lead Security Representative under the Intercreditor Agreement (as defined below), of 54/F Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Intercreditor Agreement dated 27 October 2017

Dear Sirs

1. BACKGROUND

- (a) We refer to the Intercreditor Agreement dated 27 October 2017 made between, amongst others, FT Holding I Limited, FT Holding II Limited and Madison Pacific Trust Limited as Senior Facility Agent (as amended, acceded to and supplemented from time to time) ("**Intercreditor Agreement**"). Terms defined in the Intercreditor Agreement have the same meaning in this letter, unless the context otherwise requires. The provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this letter as though they were set out in full in this letter except that the references to "this Agreement" are to be construed as references to this letter.
- (b) Pursuant to an indenture dated 11 December 2017 ("**Existing Notes Indenture**") made between Pearl Holding III Limited (the "**Issuer**"), The Bank of New York Mellon as trustee and certain subsidiaries of the Existing Notes Issuer as guarantors, the Existing Notes Issuer has issued the US\$175,000,000 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A)) (the "**Existing Notes**").
- (c) The Existing Notes were treated as the "Senior Secured Notes" for the purpose of the Intercreditor Agreement.
- (d) A scheme of arrangement pursuant to section 86 of the Cayman Islands Companies Act in respect of the Issuer was sanctioned by the Grand Court of the Cayman Islands on [●] (the "**Scheme**"). Pursuant to and in accordance with the terms the Scheme, amongst other things, as set out more fully in the Scheme, the Existing Notes are cancelled and the Scheme Claims (as defined under the Scheme), which include the Liabilities under or in connection with the Existing Notes, are released in consideration for, among others, the issuance of the USD\$66,500,000 9.0% senior secured notes due 2025 ([●]) (the "**New Notes**") by the Issuer pursuant to an indenture dated [●] 2021 (the "**New Notes Indenture**").

2. SENIOR SECURED NOTES DESIGNATION

We hereby give you notice in writing that:

- (a) the New Notes are indebtedness to be treated as "Senior Secured Notes" for the purposes of the Intercreditor Agreement;
- (b) the New Notes Indenture is a "Senior Secured Notes Indenture" for the purposes of the Intercreditor Agreement; and

- (c) for the avoidance of doubt, the New Notes and the New Notes Indenture therefore form part of the "Senior Secured Notes Finance Documents", "Secured Debt Documents", "Senior Secured Finance Documents", "Notes Finance Documents" and "Debt Documents" for the purpose of the Intercreditor Agreement.

3. MISCELLANEOUS

- (a) This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (b) The provisions of Clause 29 (*Enforcement*) of the Intercreditor Agreement apply to this notice as though they were set out in full in this notice, except that references to "this Agreement" are to be construed as references to this notice.
- (c) The provisions of the Intercreditor Agreement shall, save as amended by this notice, continue in full force and effect.

Yours faithfully

PEARL HOLDING III LIMITED

By:

Name:

Title:

Annex 2 - Creditor/Agent Accession Undertaking

To: **Madison Pacific Trust Limited** as Lead Security Representative under the Intercreditor Agreement (as defined below), of 54/F Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

From: **Madison Pacific Trust Limited** as Acceding Senior Secured Notes Trustee

THIS UNDERTAKING is made on _____ 2021 by Madison Pacific Trust Limited (the "**Acceding Senior Secured Notes Trustee**") in relation to the intercreditor agreement (the "**Intercreditor Agreement**") dated 27 October 2017 between, among others, FT Holding I Limited, FT Holding II Limited and Madison Pacific Trust Limited as Senior Facility Agent, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement) (as amended, acceded to and supplemented from time to time). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking. In consideration of the Acceding Senior Secured Notes Trustee being accepted as a Senior Secured Notes Trustee for the purposes of the Intercreditor Agreement, the Acceding Senior Secured Notes Trustee confirms that, as of the date of this Undertaking, it intends to be party to the Intercreditor Agreement as a Senior Secured Notes Trustee and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Secured Notes Trustee and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS UNDERTAKING has been entered into on the date stated above.

Acceding Senior Secured Notes Trustee

Madison Pacific Trust Limited

By:

Address:

Fax:

Accepted by **Madison Pacific Trust Limited** as Lead Security Representative (*for and on behalf of the Secured Parties*)

Date:

Annex 3 - Existing Notes Trustee Instructions (without attachments)

[Per Schedule 4 to the Scheme.]

[End of Schedule 3 – Security Confirmation Instructions]

Schedule 4

Form of Existing Notes Trustee Instruction

OFFICER'S CERTIFICATE
(Existing Notes Trustee Instruction)

By Email (Ctsingaporegcs@bnymellon.com)
and By Courier

To:

The Bank of New York Mellon
240 Greenwich Street
New York
NY 10286
United States of America

With a copy to:

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192
Facsimile: +65 6883 0338
Attention: Global Corporate Trust – Pearl Holding III Limited

Reference is made to the indenture dated 11 December 2017 (the “**Existing Notes Indenture**”) between, amongst others, Pearl Holding III Limited (the “**Issuer**”), certain of its subsidiaries and The Bank of New York Mellon in its capacity as trustee under the Existing Notes Indenture (the “**Existing Notes Trustee**”) as amended, varied and supplemented from time to time, providing for the issuance of 9.50% senior secured notes due 11 December 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A), Common Code: 173236778 (Reg S) and 173236743 (144A)) (the “**Existing Notes**”).

We also refer to the explanatory statement dated 8 September 2021 (the “**Explanatory Statement**”) relating to the scheme of arrangement between the Issuer and the Scheme Creditors (as defined therein) under section 86 of the Companies Act (2021 Revision) (the “**Scheme**”), which provide for the release and discharge of claims under the Existing Notes pursuant to the terms of the Scheme.

Unless the context requires otherwise, terms used in this Officer's Certificate shall have the same meanings ascribed to them in the Explanatory Statement.

A copy of this Officer's Certificate is also provided to and for the benefit of the Security Agent.

- 1 The undersigned, being an “Officer” (as defined in the Existing Notes Indenture) of the Issuer, hereby certifies that:
 - 1.1 pursuant to an order of the Grand Court of the Cayman Islands made on [●] 2021 (the “**Cayman Order**”) (copy of which is attached hereto at **Annex 1**), the Scheme was sanctioned by the Grand Court of the Cayman Islands;
 - 1.2 [relief in respect of the Scheme under [Chapter 15 of the United States Bankruptcy Code]/[the Third Schedule of the Singapore IRDA] was granted by

an order of the [US Bankruptcy Court//High Court of the Republic of Singapore] made on [●] 2021, a copy of which is attached at hereto at **Annex 2;**

- 1.3 the undersigned has read the terms, conditions, covenants, provisions and related definitions in the Existing Notes Indenture, the Security Documents, the Intercreditor Agreement (as such terms are defined in the Existing Notes Indenture) and have examined such other agreements, instruments and documents deemed necessary or appropriate as a basis for the certifications herein expressed (including, without limitation, the Scheme, the Explanatory Statement and the Cayman Order); in the opinion of the undersigned, the undersigned have made such examination or investigation as is necessary to enable the undersigned to express an informed opinion as to whether or not such conditions have been complied with; and, in the opinion of the undersigned, the replacement of the Issuer's and its subsidiaries' Liabilities under and in connection with the Existing Notes and the Existing Notes Indenture with their Liabilities under and in connection the New Notes and the New Notes Indenture, as part of the "Secured Liabilities" and "Secured Obligations" (as applicable) under the relevant Security Documents (the "**Proposed Replacement**"), complies with the terms of the Existing Notes Indenture and the relevant Security Documents (as such term is defined in the Existing Notes Indenture), and all conditions precedent, if any, provided for in the Existing Notes Indenture relating to the Proposed Replacement have been complied with;
 - 1.4 the undersigned have read the conditions and the related definitions with respect to compliance with the termination and discharge of the Existing Notes Indenture and have examined such other agreements, instruments and documents deemed necessary or appropriate as a basis for the certifications herein expressed; in the opinion of the undersigned, the undersigned have made such examination or investigation as is necessary to enable the undersigned to express an informed opinion as to whether or not such conditions have been complied with; and, in the opinion of the undersigned, all conditions precedent to the termination and discharge of the Existing Notes Indenture have been complied with and satisfied;
 - 1.5 the Issuer has complied with each of the steps listed in Clause 5.3.1 to Clause 5.3.6 of the Scheme; and
 - 1.6 the Issuer is authorised (for and on behalf of the Scheme Creditors) by the Scheme to execute and deliver this instruction and the Directions (as defined below) set forth herein.
- 2 Accordingly, the Issuer (for and on behalf of the Scheme Creditors and in accordance with the instructions provided to it by the Scheme Creditors under the Scheme), hereby directs the Existing Notes Trustee to take the following actions (collectively the "**Directions**"):
- 2.1 issue the security confirmation instructions substantially in the form attached hereto at **Annex 3** (including its schedules, annexures and attachments) to the Security Agent;
 - 2.2 take such steps as may be necessary to mark down, cancel and discharge all outstanding Existing Notes, being the US\$175,000,000 9.50% Senior Secured Notes due 11 December 2022 issued by the Issuer pursuant to the Existing Notes Indenture (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN:

USG44527AA02 (Reg S) / US70477NAA46 (144A); Common Code:
173236778 (Reg S) and 173236743 (144A)).)

- 3 This Officer's Certificate and any obligations arising out of or in connection with it are governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has hereunto signed his/her name as of the _____ day of _____, 2021.

Name:

Title: Director of Pearl Holding III Limited

Annex 1
Cayman Order

Annex 2

[Chapter 15 Recognition Order // IRDA Recognition Order]

Annex 3

Security Confirmation Instructions

(to be given by the Existing Notes Trustee to the Security Agent)

[End of Schedule 4 – Existing Notes Trustee Instructions]

Schedule 5

Form of Deed of Release

DATED _____ 2021

(1) PEARL HOLDING III LIMITED

(2) THE EXISTING NOTES SUBSIDIARY GUARANTORS

(3) THE SCHEME CREDITORS

DEED OF RELEASE

THIS DEED is made on _____ 2021

BETWEEN

- (1) **PEARL HOLDING III LIMITED**, an exempted company incorporated with limited liability under the laws of the Cayman Islands with company number 297460 with its registered office address situated at C/- Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands (the **"Company"**);
- (2) **THE EXISTING NOTES SUBSIDIARY GUARANTORS** listed in Schedule 1 (the **"Existing Notes Subsidiary Guarantors"**); and
- (3) **THE SCHEME CREDITORS**, as defined in the Explanatory Statement (the **"Scheme Creditors"**).

WHEREAS:

- (A) In December 2017, the Company issued US\$175,000,000 in aggregate principal amount of 9.50% senior notes due 2022 pursuant to the terms of the Existing Notes Indenture (as defined below). The Existing Notes Subsidiary Guarantors granted certain guarantees in respect of the obligations of the Company under the Existing Notes Indenture.
- (B) Pursuant to and in accordance with the terms of the Scheme (as defined below), the Scheme Claims are being released.
- (C) Under the authority conferred by the Scheme, the Company has been authorised and instructed to execute and deliver this Deed.
- (D) The Parties intend that the other Released Parties (as defined below) should have the benefit of this Deed.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless the context requires otherwise, capitalised terms used in this Deed and not defined herein shall have the meanings ascribed to them in the Scheme or, if they are not defined in the Scheme, the meanings ascribed to them in the Explanatory Statement (as defined in the Scheme).

1.2 In this Deed:

"Group Releasing Parties" has the meaning given to it in Clause 3.1.

"Parties" means the parties to this Deed.

"Released Parties" means the beneficiaries of a release pursuant to this Deed.

"Scheme" means the scheme of arrangement between the Company and the Scheme Creditors under section 86 of the Companies Act (as amended) of the Cayman Islands, as sanctioned by the Grand Court of the Cayman Islands on [●].

"Scheme Creditor Releasing Parties" has the meaning given to it in Clause 2.1.

1.3 Interpretation

In this Deed, save where the context otherwise requires:

- 1.3.1 the singular shall include the plural and vice versa;
- 1.3.2 the headings do not affect the interpretation of this Deed;
- 1.3.3 a reference to a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- 1.3.4 a reference to a regulation includes an regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supernatural body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.3.5 a reference to a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Deed;
- 1.3.6 a reference to any document is a reference to that document as amended, supplemented, novated or restated;
- 1.3.7 a reference to a person includes any individual, company, corporation, unincorporated association, trust or body (including a partnership, company, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality; and
- 1.3.8 a reference to time is to Hong Kong/Singapore time (unless otherwise agreed in writing by all of the Parties).

2. RELEASE BY SCHEME CREDITORS

- 2.1 With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in clauses 5.3.1 to 5.3.6 of the Scheme, each of the Scheme Creditors on behalf of itself and each of its predecessors, successors and assigns (including any person to whom a Scheme Creditor has transferred its rights in respect of its Scheme Claim or Ancillary Claim after the Record Time) (collectively, the **"Scheme Creditor Releasing Parties"**) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

- 2.1.1 the Company, the Company Advisers and their respective Personnel and Affiliates;
- 2.1.2 the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates;
- 2.1.3 the Existing Notes Subsidiary Guarantors and other members of the Group and their respective Personnel and Affiliates; and
- 2.1.4 the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates,

and each of their predecessors, successors and assigns, and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, including any and all Scheme Claims and Ancillary Claims, arising prior to

the Restructuring Effective Date or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date (or in respect of Clause 2.1.2 only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their Personnel and Affiliates pursuant to the Scheme, whether before or after the Restructuring Effective Date) except for:

- (a) any and all claims or causes of action arising from or relating to gross negligence, fraud, dishonesty or wilful misconduct;
- (b) any Liability of any Company Adviser or their Personnel and Affiliates arising under a duty of care to their client;
- (c) any and all Claims or Liabilities that any Scheme Creditor Releasing Party may have against the Company, any Existing Notes Subsidiary Guarantor and/or any other member of the Group, or any of and their respective Personnel and Affiliates, which do not arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;
- (d) any Claims against or Liabilities of any Company Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing;
- (e) any Claims against or Liabilities of the Ad Hoc Committee, the AHC Advisers, and their respective Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing; and/or
- (f) in the case of the Existing Notes Trustee, the Security Agent, the Information Agent, the Registrar and the Existing Notes Depositary and their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents,

provided that the foregoing shall not prejudice or impair any right of any Scheme Creditor Releasing Party in respect of any Excluded Liabilities.

3. RELEASE BY THE COMPANY AND EXISTING NOTES SUBSIDIARY GUARANTORS

- 3.1 With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in clauses 5.3.1 to 5.3.6 of the Scheme, each of the Company and the Existing Notes Subsidiary Guarantors on behalf of itself and each of its predecessors, successors and assigns (collectively, the “**Group Releasing Parties**”) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

- 3.1.1 the Scheme Creditors, their Personnel and Affiliates;
- 3.1.2 the Ad Hoc Committee, the AHC Advisers and their respective Personnel and Affiliates;

3.1.3 the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their respective Personnel and Affiliates; and

3.1.4 the Group Releasing Parties' Personnel,

and each of their predecessors, successors and assigns and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, arising prior to the Restructuring Effective Date (or in respect of Clause 3.1.3 only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their Personnel and Affiliates pursuant to the Scheme, whether before or after the Restructuring Effective Date), or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date, except for:

- (a) any and all claims or causes of action arising from or relating to gross negligence fraud, dishonesty or wilful misconduct;
- (b) any and all Claims or Liabilities which do not arise directly or indirectly pursuant to, under or in connection with any of the Existing Notes Documents;
- (c) any Claims against or Liabilities of any Company Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing; and/or
- (d) in the case of the Existing Notes Trustee, the Security Agent, the Registrar, the Existing Notes Depositary, the Information Agent and their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;

provided that the foregoing shall not prejudice or impair any right of any Group Releasing Party created under the Scheme and/or any Restructuring Document.

4. UNRELEASED RIGHTS

The releases, waivers and undertakings under this Deed shall:

- (a) not prejudice or impair any rights of any Scheme Creditor created under the Scheme, any Restructuring Document or the Deed of Undertaking and/or which arise as a result of a failure by the Company or any party to the Scheme to comply with any terms of the Scheme, any Restructuring Document or the Deed of Undertaking, and all such rights shall remain in full force and effect;
- (b) not prejudice or impair any claims or causes of action of any Scheme Creditor, arising from or relating to the gross negligence, fraud, dishonesty or wilful misconduct of any other party which is seeking to rely on such releases, waivers or undertakings; and
- (c) not require a Scheme Creditor to procure any undertaking or acknowledgement from, or action by any entity from which such Scheme Creditor acquired its rights in respect of any Scheme Claim or Ancillary Claim and/or to whom such

Scheme Creditor has transferred or transfers its rights in respect of any Scheme Claim or Ancillary Claim.

5. FURTHER ASSURANCE

- 5.1 At the reasonable request and cost of any Released Party, the other Parties shall execute and deliver such documents, and do such things, as may reasonably be required to give full effect to this Deed, including without limitation, to perfect or evidence any release, waiver or discharge referred to in this Deed.

6. CONFLICT

If any provision or part provision of this Deed is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision or part provision.

7. SEVERABILITY

Each provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one of the provisions contained herein becomes invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, neither the validity, legality and enforceability of the remaining provisions under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

8. THIRD PARTIES

- 8.1 The Parties intend that each Released Party and all of their respective firms' and companies' current, future and former direct and indirect affiliates, equity holders, members, managing members, officers, directors, employees, advisers, principals, attorneys, professional advisers, accountants, investment bankers, consultants, agents, and representatives (including their affiliates) should have the benefit of this Deed and may enforce any of its terms as if it were a party to this Deed.
- 8.2 Except as set forth in Clause 8.1, nothing in this Deed is intended or shall be construed to give any person, other than the Parties, their successors and permitted assigns, any equitable right, remedy or claim under or in respect of this Deed or any provision contained herein.
- 8.3 Notwithstanding any provision of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

9. AMENDMENT AND WAIVERS

Any term of this Deed may be amended or waived only with the consent of the Parties and any such amendment or waiver will be binding on all Parties.

10. GOVERNING LAW AND JURISDICTION

10.1 Governing law

This Deed shall be governed by, and construed in accordance with, the laws of the State of New York.

10.2 Jurisdiction

Any New York state or United States federal court located in the Borough of Manhattan, The City of New York shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with this Deed and, for such purposes, each of the Parties irrevocably submits to the jurisdiction of any New York state or United States federal court located in the Borough of Manhattan, The City of New York.

11. COUNTERPARTS

This Deed may be executed in any number of counterparts each of which when executed shall constitute a duplicate original and all of which shall constitute one and the same instrument as if the signatures on the counterparts were on a single copy of the instrument.

SCHEDULE 1
EXISTING NOTES SUBSIDIARY GUARANTORS

1. Ying Shing Enterprises Limited 英誠企業有限公司;
2. Ying Tat Investment (Hong Kong) Limited 英達投資(香港)有限公司;
3. Pearl Engineered Solutions Pte Ltd.; and
4. Fischer Tech International Pte Ltd..

EXECUTION PAGE

This Deed was duly signed and sealed as a deed and delivered on the date which first appears on page 1.

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **PEARL HOLDING III LIMITED**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXISTING NOTES SUBSIDIARY GUARANTORS

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **YING SHING ENTERPRISES LIMITED** 英誠企業有限公司

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **YING TAT INVESTMENT (HONG KONG) LIMITED** 英達投資(香港)有限公司

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **PEARL ENGINEERED SOLUTIONS PTE LTD.**

Name:

Title: Director

in the presence of witness:

Name:

Address:

EXECUTED AND DELIVERED AS A DEED

For and on behalf of **FISCHER TECH INTERNATIONAL PTE LTD.**

Name:

Title: Director

in the presence of witness:

Name:

Address:

THE SCHEME CREDITORS

EXECUTED AND DELIVERED AS A DEED

Executed and delivered as a deed by Pearl III Holding Limited as duly appointed agent on behalf of and under the authority granted to it by each Scheme Creditor.

Name: []

Title:

Address:

Fax:

Attention:

Email:

in the presence of witness:

Name:

Address

Appendix 7

NOTICE OF SCHEME MEETING

NOTICE OF SCHEME MEETING

THIS NOTICE DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE ANY SUCH OFFER OR INVITATION OR SOLICITATION IN SUCH JURISDICTION. NONE OF THE SECURITIES REFERRED TO IN THIS NOTICE MAY BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THEY ARE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ARE EXEMPT FROM SUCH REGISTRATION. THE SECURITIES PROPOSED TO BE ISSUED PURSUANT TO THE SCHEME WILL NOT BE, AND ARE NOT REQUIRED TO BE, REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) UNDER THE SECURITIES ACT OR THE SECURITIES LAW OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN THE SECURITIES ACT) UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT IS AVAILABLE.

NOTEHOLDERS WHO ARE IN THE UNITED STATES OR WHO ARE U.S. PERSONS AND WHO ARE NEITHER QUALIFIED INSTITUTIONAL BUYERS (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) NOR ACCREDITED INVESTORS (WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE SECURITIES ACT) ARE NOT ELIGIBLE TO RECEIVE THE NEW NOTES OR THE NEW PERPETUAL NOTES (AS EACH SUCH TERM IS DEFINED IN THE EXPLANATORY STATEMENT (AS DEFINED BELOW)) UNDER THE TERMS OF THE SCHEME.

THIS NOTICE WILL NOT BE FILED WITH THE SEC AND THE SCHEME AND THE RESTRUCTURING DOCUMENTS WILL NOT BE REVIEWED BY THE SEC OR ANY STATE SECURITIES AUTHORITY AND NONE OF THEM HAS OR WILL APPROVE, DISAPPROVE, PASS UPON OR ENDORSE THE MERITS OF THE SCHEME OR THE ACCURACY, ADEQUACY OR COMPLETENESS OF THIS NOTICE OR OTHER RESTRUCTURING DOCUMENTS. IT IS UNLAWFUL TO MAKE ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

THE SCHEME CREDITORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE SCHEME, INCLUDING THE MERITS AND RISKS INVOLVED.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

FSD CAUSE NO: FSD 254 of 2021 (DDJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2021 REVISION)

AND

IN THE MATTER OF PEARL HOLDING III LIMITED

NOTICE OF SCHEME MEETING

Terms used in this Notice have the same meanings as in the explanatory statement (the “**Explanatory Statement**”) relating to the proposed scheme of arrangement between Pearl Holding III Limited (the “**Company**”) and the Scheme Creditors (as defined therein) under section 86 of the Companies Act (2021 Revision) (the “**Scheme**”).

NOTICE IS HEREBY GIVEN that, by an Order dated 6 September 2021 (the “**Convening Order**”), the Grand Court of the Cayman Islands (the “**Cayman Court**”) has directed that a meeting of Scheme Creditors (the “**Scheme Meeting**”) be convened for the purposes of considering and, if thought fit, approving the Cayman Scheme (with or without modification, addition or condition approved or imposed by the Cayman Court).

The Scheme Meeting will be held at the offices of Latham & Watkins LLP at 18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong at 10 a.m. on 30 September 2021 (Hong Kong/Singapore time), the equivalent time being 9 p.m. on 29 September 2021 (Cayman Islands time), with any adjournment as may be appropriate. A video conferencing facility and telephone dial-in details will be made available. Scheme Creditors will be able to obtain the relevant dial-in details for the Scheme Meeting from the Scheme Website or from the Information Agent (contact details below).

All Scheme Creditors are requested to attend the Scheme Meeting at such place and time either in person, by a duly authorised representative (if a corporation) or by proxy.

A copy of the Scheme is incorporated in the Explanatory Statement of which this Notice forms part.

Scheme Creditors may vote in person, by a duly authorised representative or by proxy. Scheme Creditors may appoint proxies to vote at the Scheme Meeting by filling out all of Part 2 of the Account Holder Letter (the “*Voting and Appointment of Proxy*” at pages 33 to 36 of the Solicitation Packet, including Section 2 thereof at pages 35 to 36 of the Solicitation Packet). Unless a Scheme Creditor is

an individual, it must appoint a corporate authorised representative or a proxy to vote on its behalf at the Scheme Meeting by filling out all of Part 2 of the Account Holder Letter in order to be entitled to vote at the Scheme Meeting.

The Existing Notes Trustee and the Existing Notes Depository will not vote in respect of the Existing Notes at the Scheme Meeting.

Each Scheme Creditor or its proxy intending to vote in person at the Scheme Meeting will be required to register its attendance at the Scheme Meeting no later than fifteen minutes prior to the scheduled start time of the Scheme Meeting, such start time being 10.00 a.m. on 30 September 2021 (Hong Kong/Singapore time), the equivalent time being 9.00 p.m. on 29 September 2021 (Cayman Islands time).

Any Scheme Creditor who wishes to attend the Scheme Meeting in person should produce at the Scheme Meeting a duplicate copy of the Account Holder Letter that was executed and delivered on its behalf, evidence of personal identity (for example, a passport, driving license or other picture identification) and, in the case of a corporation, evidence of corporate authority (for example, a valid power of attorney and/or board minutes).

Each proxy must bring to the Scheme Meeting a copy of the Account Holder Letter of the Scheme Creditor, including Part 2 of the Account Holder Letter (at pages 33 to 36 of the Solicitation Packet) having been duly completed, authorising him or her to act as proxy on behalf of the Scheme Creditor and evidence of personal identity (for example, a passport, driving license or other picture identification).

If the appropriate personal identification and authorisation evidence is not produced, that person may not be permitted to attend or vote.

The Initial Deadline for the Scheme is 11 a.m. on 27 September 2021 (New York time), the equivalent being 10 a.m. on 27 September 2021 (Cayman Islands time) and 11 p.m. on 27 September 2021 (Hong Kong/Singapore time). The Record Time for the Scheme is 5 p.m. on 27 September 2021 (New York time), the equivalent being 4 p.m. on 27 September 2021 (Cayman Islands time) and 5 a.m. on 28 September 2021 (Hong Kong/Singapore time).

In order to vote on the Scheme and attend the Scheme Meeting (in person, by duly authorised representative, if a corporation, or by proxy), a Scheme Creditor must ensure that its Account Holder Letter (including Part 2 thereof) is duly completed in accordance with the instructions set out in the Account Holder Letter and the Solicitation Packet, and submitted online via at the Scheme Portal (<https://portal.morrowsodali.com/Pearl>), by no later than the Initial Deadline of 11 a.m. on 27 September 2021 (New York time), the equivalent being 10 a.m. on 27 September 2021 (Cayman Islands time) and 11 p.m. on 27 September 2021 (Hong Kong/Singapore time)

Scheme Creditors should also ensure that they submit their blocking instructions prior to submission of their Account Holder Letters and (where an Account Holder Letter is being submitted prior to the Initial

Deadline) before the Blocking Instructions Deadline of 11 a.m. on 23 September 2021 (New York time), the equivalent being 10 a.m. on 23 September 2021 (Cayman Islands time) and 11 p.m. on 23 September 2021 (Hong Kong/Singapore time) (or, if earlier, the relevant deadline imposed by the Clearing Systems).

Copies of the Scheme, the Explanatory Statement and the Solicitation Packet (this will include the Account Holder Letter to be completed by all Scheme Creditors) are available to download from the Scheme Website (<https://bonds.morrowsodali.com/pearl>).

Pursuant to the Convening Order, the Cayman Court appointed Howard Lam (of Latham & Watkins LLP) to act as the Chairperson of the Scheme Meeting and directed Howard Lam in his capacity as the Chairperson of the Scheme Meeting to report the results of the Scheme Meeting to the Cayman Court within 7 days of the date of the Scheme Meeting. The results of the Scheme Meeting will also be made available on the Scheme Website and will be the subject of a public announcement to be published on the Singapore Stock Exchange.

The Scheme will be subject to the subsequent approval and sanction of the Cayman Court.

The Scheme Sanction Hearing is presently scheduled to take place at 10 a.m. on 8 October 2021 (Cayman Islands time) at the Cayman Court. Any Scheme Creditor is entitled (but not obliged) to attend the Scheme Sanction Hearing, through legal counsel, to support or oppose the sanction of the Scheme.

For further information please contact the Information Agent by email to pearl@investor.morrowsodali.com.

PEARL HOLDING III LIMITED

Dated: 8 September 2021

This notice 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 under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any offering (or any portion thereof) in the United States or to conduct any public offering of securities in the United States.

Appendix 8
SOLICITATION PACKET

SOLICITATION PACKET

THIS SOLICITATION PACKET IS IMPORTANT AND CONCERNS MATTERS WHICH MAY AFFECT YOUR RIGHTS AS A SCHEME CREDITOR OF THE COMPANY. IT REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE ENSURE THAT YOU SUBMIT YOUR BLOCKING INSTRUCTIONS THROUGH THE CLEARING SYSTEMS BY THE BLOCKING INSTRUCTIONS DEADLINE OF 11 A.M. NEW YORK TIME ON 23 SEPTEMBER 2021 (THE EQUIVALENT BEING 10 A.M. CAYMAN ISLANDS TIME ON 23 SEPTEMBER 2021 / 11 P.M. HONG KONG/SINGAPORE TIME ON 23 SEPTEMBER 2021) (OR, IF EARLIER, THE RELEVANT DEADLINE IMPOSED BY THE CLEARING SYSTEMS) AND SUBMIT ALL OTHER REQUISITE DOCUMENTS BY THE INITIAL DEADLINE OF 11 A.M. NEW YORK TIME ON 27 SEPTEMBER 2021 (THE EQUIVALENT BEING 10 A.M. CAYMAN TIME ON 27 SEPTEMBER 2021 / 11 P.M. HONG KONG/SINGAPORE TIME ON 27 SEPTEMBER 2021) IN ORDER TO VOTE IN RESPECT OF THE SCHEME AND PARTICIPATE IN THE INITIAL DISTRIBUTION OF SCHEME CONSIDERATION.

This Solicitation Packet performs a number of important functions:

Firstly, the Company is soliciting votes from the Scheme Creditors in respect of the Scheme. This Solicitation Packet sets out instructions and guidance for voting at the Scheme Meeting.

Secondly, in order to receive any Scheme Consideration if the Scheme becomes effective in accordance with its terms, Scheme Creditors are required to ensure that a duly completed Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) are submitted to the Information Agent by the relevant deadlines. This Solicitation Packet includes the forms of those documents, as well as instructions and guidance for how to complete them.

The New Notes and the New Perpetual Notes will be eligible for clearing and settlement only through Euroclear and Clearstream. It is highly recommended that each Scheme Creditor instructs its Account Holder to move its Existing Notes from DTC (if its Existing Notes are currently held in a DTC account) to an account with Euroclear or Clearstream without delay and, in any event, before the Record Time. It will not be possible for a Scheme Creditor to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account). Further, if a Scheme Creditor provides relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive its entitlements until the first Periodic Distribution Date at the earliest, that is, after the Restructuring Effective Date.

- Please read the Explanatory Statement and the Scheme and follow the instructions contained herein before completing your online Account Holder Letter.
- Please check the appropriate boxes on the Account Holder Letter to indicate your acceptance or rejection of the Scheme or, alternatively, indicate your desire to attend and vote at the Scheme Meeting in person or by proxy.
- If you wish to vote in respect of the Scheme, please ensure that the Account Holder Letter is duly completed, executed and submitted via the Scheme AHL Portal in accordance with the instructions set out therein so that it is received by the Information Agent by the **Initial Deadline** being **no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman time on 27 September 2021 and 11 p.m. Hong Kong/Singapore time on 27 September 2021.**

- If you wish to participate in the initial distribution of Scheme Consideration on the Restructuring Effective Date, please ensure that the Account Holder Letter, Distribution Confirmation and, if applicable, Designated Recipient Form are duly completed, executed and returned in accordance with the instructions set out therein so that they are received by the Information Agent by the **Initial Deadline**, being **no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman time on 27 September 2021 and 11 p.m. Hong Kong/Singapore time on 27 September 2021.**
- Otherwise, in order to receive any Scheme Consideration, please ensure that the Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) are duly completed, executed and submitted via the Scheme AHL Portal in accordance with the instructions set out therein so that they are received by the Information Agent by **no later than the Bar Date**, being **a time to be specified on the date falling approximately five months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Scheme.** There will be a Holding Period from the Restructuring Effective Date up to and including the Final Distribution Date during which the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors in accordance with the terms of the Distribution Agreement. Periodic Distributions of the Surplus Scheme Consideration will be made during the Holding Period (including on the Final Distribution Date) to settle Surplus Scheme Consideration in respect of Account Holder Letters, Distribution Confirmations and, if applicable, Designated Recipient Forms which are received after the Initial Deadline and by the Bar Date (but note that Scheme Claims will be determined as at the Record Time).
- If you wish to nominate a Designated Recipient to receive any Scheme Consideration to which you may be entitled, please ensure that a duly completed and executed Designated Recipient Form is also submitted with the other documents via the Scheme AHL Portal to the Information Agent. Any Designated Recipient appointed by a Scheme Creditor must hold its Euroclear or Clearstream account with the same Account Holder as that Scheme Creditor.
- The Account Holder Letter and, if applicable, the Designated Recipient Form will need to be completed and signed by the Account Holder on behalf of the Scheme Creditor or its Designated Recipient, if any. However, the **Distribution Confirmation must be executed as a deed by the Scheme Creditor or its Designated Recipient, if any.** In all cases, the Account Holder Letter, Distribution Confirmation (executed by the Scheme Creditor or its Designated Recipient) and, if applicable, Designated Recipient Form must be submitted by the Account Holder, rather than the Scheme Creditor, to the Information Agent via the Scheme AHL Portal.
- The Information Agent will accept all documents submitted online via the Scheme AHL Portal for the purposes of the deadlines specified in this Solicitation Packet, the Scheme and the Explanatory Statement.
- Any Scheme Creditor that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must block its Existing Notes by ensuring that its Account Holder, prior to submitting the Account Holder Letter to the Information Agent via the Scheme AHL Portal and (where an Account Holder Letter is being submitted prior to the Initial Deadline) before the Blocking Instructions Deadline of 11 a.m. on 23 September 2021 (New York time), the equivalent being 10 a.m. (Cayman Islands time) on 23 September 2021 / 11 p.m. (Hong Kong/Singapore time) on 23 September 2021 (or if earlier, the relevant deadline imposed by the Clearing Systems):**
 - Submits relevant custody instructions to block its Existing Notes held with Euroclear or Clearstream (“**Blocking Instructions**”) and includes in the relevant Account Holder Letter the custody instruction reference number (“**Blocking Reference Number**”),

save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, in order to block its Existing Notes the Scheme Creditor must confirm the instructions contained in the Account Holder Letter (which among other things confirms to the Company and the Information Agent that the Scheme Creditor holds the Existing Notes as at the Record Time and will not trade the Existing Notes) and arrange for the Existing Notes referred to in the Account Holder Letter to be signature medallion guarantee stamped by the Account Holder.

- An Account Holder Letter will not be valid and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Blocking Reference Number (if the Existing Notes are held through Euroclear and Clearstream as at the Record Time) or affix a signature medallion guarantee stamp (if the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time).
- In the case of an Early Consenting Creditor, the unique code provided by the Information Agent to the Early Consenting Creditor following its valid execution of, or its accession to, the RSA (as applicable) (“**Accession Code**”) should also be specified in the Account Holder Letter in order for that Early Consenting Creditor to receive its entitlement to Consent Fee.
- **Please note that the Clearing System in which you hold your Existing Notes (or your custodian) may impose an earlier deadline for the submission of the relevant blocking instructions and/or Account Holder Letter. To ensure timely submission of your relevant blocking instructions and Account Holder Letter, please ask your custodian to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your relevant blocking instructions and/or Account Holder Letter are received before any applicable deadline. This is particularly important if you wish to submit an Account Holder Letter by the Initial Deadline in order to vote at the Scheme Meeting and receive Scheme Consideration on the Restructuring Effective Date.**
- Additionally, by completing the Account Holder Letter, the Scheme Creditor undertakes that it will not from the date of submission of its Account Holder Letter sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Existing Notes. Such undertaking will terminate immediately upon the occurrence of certain circumstances (described below).

For the purposes of this document, the Explanatory Statement and the Scheme:

- “**Scheme Creditors**” are those persons with a beneficial interest as principal in the Existing Notes held in global form or global restricted form through the Clearing Systems as at the Record Time and which have a right, upon satisfaction of certain conditions, to be issued definitive notes in accordance with the terms of the Existing Notes and the Existing Notes Indenture; and
- “**Account Holders**” are those persons who are direct participants in the Clearing Systems with their interests in the Existing Notes being recorded directly in the books or other records maintained by the Clearing System.

Unless otherwise defined herein, defined words shall have the meaning given to them in the Explanatory Statement.

IMPORTANT

IF A DULY COMPLETED ACCOUNT HOLDER LETTER IS NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT BY THE INITIAL DEADLINE OF 11 A.M. NEW YORK TIME ON 27 SEPTEMBER 2021, THE EQUIVALENT BEING 10 A.M. CAYMAN TIME ON 27 SEPTEMBER 2021 AND 11 P.M. HONG KONG/SINGAPORE TIME ON 27 SEPTEMBER 2021, THAT SCHEME CREDITOR WILL NOT BE ELIGIBLE TO VOTE IN RESPECT OF THE SCHEME AT THE SCHEME MEETING.

IF A DULY COMPLETED ACCOUNT HOLDER LETTER, DISTRIBUTION CONFIRMATION AND, IF APPLICABLE, DESIGNATED RECIPIENT FORM ARE NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT BY THE INITIAL DEADLINE OF 11 A.M. NEW YORK TIME ON 27 SEPTEMBER 2021, THE EQUIVALENT BEING 10 A.M. CAYMAN TIME ON 27 SEPTEMBER 2021 AND 11 P.M. HONG KONG/SINGAPORE TIME ON 27 SEPTEMBER 2021, THAT SCHEME CREDITOR WILL NOT BE ELIGIBLE TO VOTE IN RESPECT OF THE SCHEME AT THE SCHEME MEETING AND THAT SCHEME CREDITOR WILL NOT RECEIVE SCHEME CONSIDERATION ON THE RESTRUCTURING EFFECTIVE DATE.

IF A DULY COMPLETED ACCOUNT HOLDER LETTER, DISTRIBUTION CONFIRMATION AND, IF APPLICABLE, DESIGNATED RECIPIENT FORM ARE NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT BY NO LATER THAN THE BAR DATE, BEING A TIME TO BE SPECIFIED ON THE DATE FALLING FIVE MONTHS AFTER THE RESTRUCTURING EFFECTIVE DATE (OR IF SUCH DATE IS NOT A BUSINESS DAY, THE NEXT BUSINESS DAY AFTER THAT DATE) AS NOTIFIED BY THE COMPANY TO SCHEME CREDITORS PURSUANT TO THE PROVISIONS OF THE SCHEME, THAT SCHEME CREDITOR WILL RECEIVE ZERO SCHEME CONSIDERATION.

ALL COMPLETED DOCUMENTS SHOULD BE SUBMITTED VIA THE SCHEME AHL PORTAL. FOR ASSISTANCE SCHEME CREDITORS AND/OR ACCOUNT HOLDERS SHOULD CONTACT, THE INFORMATION AGENT WHOSE DETAILS ARE AS FOLLOWS:

MORROW SODALI LIMITED

Attn: Debt Service Team

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

Scheme AHL Portal: <https://portal.morrowsodali.com/pearl>

Phone: +852 2319 4130 (Hong Kong) / +44 204 513 6917 (London) / +1 203 609 4910 (Stamford)

E-Mail: pearl@investor.morrowsodali.com

**ACTIONS TO BE TAKEN – DOCUMENTS AND DEADLINES
SUMMARY TABLE**

<i>Action</i>	<i>Documents¹ / blocking instructions² to submit</i>	<i>Deadline</i>
To vote at the Scheme Meeting	<ul style="list-style-type: none"> Relevant blocking instructions 	<ul style="list-style-type: none"> <u>Prior to submission of the Account Holder Letter; and, in any event, before the Blocking Instructions Deadline (of 11 a.m. New York time on 23 September 2021 / 10 a.m. Cayman time on 23 September 2021 / 11 p.m. Hong Kong/ Singapore time on 23 September 2021 (or, if earlier, the relevant deadline imposed by the Clearing Systems))</u> <p>(Please also check relevant deadlines with your custodian and/or Clearing System)</p>
	<ul style="list-style-type: none"> Account Holder Letter (to include Blocking Reference Number and, if available in the case of a Consenting Creditor, Accession Code)³ 	<ul style="list-style-type: none"> <u>Initial Deadline (11 a.m. New York time on 27 September 2021/ 10 a.m. Cayman time on 27 September 2021 / 11 p.m. Hong Kong/ Singapore time on 27 September 2021)</u>
To receive Scheme Consideration	<ul style="list-style-type: none"> Relevant blocking instructions 	<ul style="list-style-type: none"> <u>Prior to submission of the Account Holder Letter; and, (where an Account Holder Letter is being submitted prior to the Initial Deadline) before the Blocking Instructions Deadline</u> <p>(Please also check relevant deadlines with custodian and Clearing System)</p>
	<ul style="list-style-type: none"> Account Holder Letter (to include Blocking Reference Number; and, if available in 	<ul style="list-style-type: none"> <u>Initial Deadline (11 a.m. New York time on 27 September 2021/ 10 a.m. Cayman time on 27 September 2021 / 11 p.m. Hong Kong/ Singapore time on 27 September 2021)</u> (to receive Scheme

¹ All documents must be submitted to the Information Agent by Account Holders.

² Blocking Instructions to block the Existing Notes in the Clearing Systems must be submitted by Account Holders to Clearstream / Euroclear, save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream the Existing Notes must be blocked in accordance with paragraph 4.3 below.

³ Save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, the Account Holder Letter must be affixed with a signature medallion guarantee stamp in accordance with paragraph 4.3 below.

	<p>the case of a Consenting Creditor, its Accession Code)⁴</p> <ul style="list-style-type: none"> • Distribution Confirmation 	<p>Consideration on <u>the Restructuring Effective Date</u>)</p> <ul style="list-style-type: none"> • No later than the <u>Bar Date</u>⁵ (to receive Scheme Consideration by the <u>Final Distribution Date</u>)⁶
To appoint a Designated Recipient to receive Scheme Consideration on your behalf	<ul style="list-style-type: none"> • Designated Recipient Form 	<ul style="list-style-type: none"> • To be submitted <u>together with the Account Holder Letter and the Distribution Confirmation</u>

⁴ Save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, the Account Holder Letter must be affixed with a signature medallion guarantee stamp in accordance with paragraph 4.3 below.

⁵ **Being a time to be specified on the date falling five months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Scheme.**

⁶ There will be a Holding Period from the Restructuring Effective Date up to and including the Final Distribution Date during which the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors in accordance with the terms of the Distribution Agreement. Periodic Distributions of the Surplus Scheme Consideration will be made during the Holding Period (including on the Final Distribution Date) to settle Surplus Scheme Consideration in respect of Account Holder Letters, Distribution Confirmations and, if applicable, Designated Recipient Forms which are received after the Initial Deadline and by the Bar Date (but note that Scheme Claims will be determined as at the Record Time).

TABLE OF CONTENTS

1.	GENERAL GUIDANCE	10
2.	VOTING INSTRUCTIONS.....	12
3.	INSTRUCTIONS RELATING TO SCHEME CONSIDERATION	15
4.	BLOCKING EXISTING NOTES AND UNDERTAKING NOT TO TRADE	18
	SCHEDULE 1 FORM OF ACCOUNT HOLDER LETTER	22
	PART 1 SCHEME CREDITOR, ACCOUNT HOLDER AND HOLDINGS DETAILS	27
	PART 2 VOTING AND APPOINTMENT OF PROXY	33
	APPENDIX 1 TO THE ACCOUNT HOLDER LETTER.....	37
	APPENDIX 2 TO THE ACCOUNT HOLDER LETTER.....	39

1. GENERAL GUIDANCE

1.1 Introduction

- (a) These instructions have been prepared to assist Account Holders in completing the Account Holder Letter located at Schedule 1 to this Solicitation Packet and the documents enclosed therewith.
- (b) The Account Holder Letter encloses the following documents:
 - (i) The Designated Recipient Form, being a form that Account Holders may complete in order to appoint a Designated Recipient to be the recipient of the Scheme Consideration that would otherwise be issued to a Scheme Creditor. The Designated Recipient Form is located at Appendix 1 to the Account Holder Letter.
 - (ii) The Distribution Confirmation, being a confirmation, that must be completed by the Scheme Creditor (or its Designated Recipient, if any) in order to confirm (amongst other things) that the Scheme Creditor (or its Designated Recipient, if any) may lawfully be issued the Scheme Consideration. The Distribution Confirmation is located at Appendix 2 to the Account Holder Letter.
- (c) The Depository Trust Company (“DTC”), in its capacity as depository for the Existing Notes and on behalf of its nominee (Cede & Co.) as registered holder of the Existing Notes, will not vote in respect of the Existing Notes at the Scheme Meeting.
- (d) The Existing Notes Trustee is not a Scheme Creditor and will not vote at the Scheme Meeting.
- (e) The Information Agent has been appointed to facilitate communications with Scheme Creditors concerning the Scheme. The Information Agent’s remuneration and expenses, and costs incurred by it on behalf of the Company, shall be met by the Company.

1.2 RSA

- (a) The Consent Fee Cut-Off Time has expired at 5:00 p.m. Hong Kong/Singapore time on 16 June 2021. Scheme Creditors who did not accede to the RSA prior to the Consent Fee Cut-Off Time will no longer be eligible to receive the Consent Fee, save for Scheme Creditors who take valid transfer from an Early Consenting Creditor in respect of the latter’s Consenting Notes.
- (b) For the avoidance of doubt, Scheme Creditors are not required to accede to the RSA in order to vote on the Scheme or receive Scheme Consideration (other than the Consent Fee).

1.3 Voting at the Scheme Meeting

- (a) Before the Scheme can become effective and binding on the Company and the Scheme Creditors, a majority in number representing at least 75% (by value) of the Scheme Claims of the Scheme Creditors present and voting (whether in person or by proxy) at the Scheme Meeting must vote to approve the Scheme.
- (a) The Scheme Meeting will be held at the offices of Latham & Watkins, 18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong, with any adjournment as may be appropriate, at 10 a.m. Hong Kong / Singapore time on 30

September 2021, the equivalent time being 9 p.m. Cayman Islands time on 29 September 2021 / 10 p.m. New York time on 29 September 2021.

- (b) Scheme Creditors will be able to attend the Scheme Meeting in person or by proxy, and will also be able to join by video conference or by telephone using the dial-in details which will be published on the Scheme Website.
- (c) A formal notice convening the Scheme Meeting is set out in Appendix 7 (*Notice of Scheme Meeting*) to the Explanatory Statement.
- (d) The dates referred to in paragraph (b) above assume that the Scheme Meeting will not be adjourned or delayed.

1.4 Process and deadline for voting at the Scheme Meeting

- (a) Voting on the Scheme will take place at the Scheme Meeting by Scheme Creditors appearing in person, by a duly authorised representative or by proxy as explained in more detail in paragraph 2 below.
- (b) For voting purposes, a Scheme Creditor must ensure that its Account Holder Letter and/or its instructions in respect of its Account Holder Letter are transmitted to its Account Holder for submission to the Information Agent via the Scheme AHL Portal before the **Initial Deadline**, being **no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman time on 27 September 2021 / 11 p.m. Hong Kong/Singapore time on 27 September 2021**. Each Scheme Creditor must submit its voting instructions to its Account Holder sufficiently in advance of the Initial Deadline to enable its respective Account Holder to complete and return the Account Holder Letter to the Information Agent by no later than the Initial Deadline. Scheme Creditors should also ensure that their Existing Notes are blocked prior to submission of their Account Holder Letters and (where an Account Holder Letter is being submitted prior to the Initial Deadline) before the **Blocking Instructions Deadline**, being **no later than 11 a.m. on 23 September 2021 (New York time) on 23 September 2021, the equivalent being 10 a.m. (Cayman Islands time) on 23 September 2021 / 11 p.m. on 23 September 2021 (Hong Kong/Singapore time) (or, if earlier, the relevant deadline imposed by the Clearing Systems)**.
- (c) The Company reserves the right to terminate or amend this solicitation at any time prior to the Initial Deadline, or change the Initial Deadline to a later time or date, with the written agreement of the Ad Hoc Committee. Any such extension will be followed as promptly as practicable by notice thereof. If the Company extends the Initial Deadline, it also reserves the right to establish a later Record Time.
- (d) Subject to paragraph (e) below, the failure to submit a valid Account Holder Letter on behalf of a Scheme Creditor by the Initial Deadline will mean that the voting instructions, votes and elections contained in any Account Holder Letter subsequently received by the Information Agent will be disregarded for the purposes of voting at the Scheme Meeting.
- (e) Notwithstanding any other provision of the Explanatory Statement, the Chairperson of the Scheme Meeting will be entitled, at the sole discretion of the Chairperson, to permit a Scheme Creditor in respect of which a completed Account Holder Letter has not been submitted prior to the Initial Deadline to vote at the Scheme Meeting if the Chairperson considers that the relevant Scheme Creditor has produced sufficient proof that it is a Scheme Creditor.

1.5 Assessment of Scheme Claims for voting purposes

- (a) The amount of the Scheme Claims of each Scheme Creditor who submits a valid Account Holder Letter will be determined as at the Record Time based on that Account Holder Letter, as verified by the Information Agent against the books and records of the Existing Notes Depository. This information will be used by the Chairperson to determine whether each resolution is passed at the Scheme Meeting.
- (b) Only those persons who are Scheme Creditors as at the Record Time are entitled to attend and vote, either in person or by proxy, at the Scheme Meeting.
- (c) The assessment of Scheme Claims for voting purposes shall be carried out by the Chairperson. The Chairperson may, for voting purposes only, reject a Scheme Claim in whole or in part if the Chairperson considers that the relevant Scheme Creditor has not complied with the voting procedures described in this Solicitation Packet and the Explanatory Statement. If a Scheme Claim is disputed, the Chairperson may value the Scheme Claim at US\$1 for voting purposes.
- (d) Votes cast by Scheme Creditors will be applied against the positions and held by such entities in the Existing Notes as at the Record Time. Votes submitted by an Account Holder pursuant to the Account Holder Letter will not be counted in excess of the Scheme Claim held by such Account Holder. To the extent that conflicting votes or “over-votes” are submitted by an Account Holder, the Chairperson, in good faith and in consultation with the Information Agent, will attempt to reconcile discrepancies, failing which such votes shall not be counted for or against.
- (e) For the purposes of tabulating votes, each Scheme Creditor who validly casts a vote will be deemed to have voted the outstanding principal amount in respect of such Scheme Claim.
- (f) The Chairperson will report to the Cayman Court at the hearings to sanction the Scheme with his or her decision to reject the Scheme Claims (if any), with details of those Scheme Claims and the reasons for rejection.
- (g) The determination, admission and valuation of any Scheme Claim for voting purposes does not (in itself) constitute an admission of the existence or value of the Scheme Claim and will not bind the Company or the Scheme Creditors for any purpose other than voting at the Scheme Meeting.

1.6 Transfers / Assignments after the Record Time

Under the Scheme, the Company is under no obligation to recognise any assignment or transfer of any Scheme Claim after the Record Time for the purposes of determining entitlements under the Scheme, save that where the Company has received from the relevant parties written notice of an assignment or transfer of the Scheme Claim, the Company may, in its discretion (acting reasonably) and subject to such evidence as it may reasonably require and any other terms and conditions which the Company may consider necessary or desirable, agree to recognise such assignment or transfer for the purposes of determining entitlements under the Scheme.

2. VOTING INSTRUCTIONS

2.1 General

- (a) Each Scheme Creditor who is not an Account Holder shall submit its voting instructions through its Account Holder. If you are a Scheme Creditor who is not an Account Holder, in order to ensure your vote is counted, your **Account Holder** must:

- (i) complete the relevant portion of the Account Holder Letter in accordance with these instructions and the instructions contained therein;
 - (ii) indicate the decision to either vote in favour or against the Scheme or attend the meeting (in person or by proxy) and vote at the Scheme Meeting at your discretion or that of your proxyholder; and
 - (iii) sign and return the Account Holder Letter to the Information Agent in accordance with the instructions contained therein.
- (b) Each Scheme Creditor who is not an Account Holder should procure that its Account Holder submits an Account Holder Letter to the Information Agent allowing sufficient time for the Account Holder to receive the Account Holder Letter, complete the Account Holder Letter, and submit the Account Holder Letter to the Information Agent via the Scheme AHL Portal so that it is actually received by the Initial Deadline.
 - (c) It will be the responsibility of Account Holders to obtain from the Scheme Creditor (through any Intermediaries, if applicable) on whose behalf they are acting, in accordance with the procedures established between them, whatever information or instructions they may require to identify in an Account Holder Letter the relevant Scheme Creditor and to provide the information, instructions and confirmations required by the Account Holder Letter. Subject to the inherent jurisdiction of the Cayman Court and any Adjudication pursuant to the terms of the Scheme, none of the Company, the Information Agent or any other person will be responsible for any loss or liability (other than any loss or liability arising as a result of the gross negligence, fraud, dishonesty or wilful misconduct) incurred by a Scheme Creditor as a result of any determination by the Company that an Account Holder Letter contains an error or is incomplete even if this is subsequently shown not to have been the case.
 - (d) If a person is in any doubt as to whether or not it is a Scheme Creditor or an Account Holder, such person should contact the Information Agent using the contact details set out in the Account Holder Letter to this Solicitation Packet.

2.2 Completion of an Account Holder Letter by a Scheme Creditor

- (a) Each Scheme Creditor who is not an Account Holder will need to provide its voting instructions to its Account Holder for the purposes of completing the Account Holder Letter.

Elections relating to Scheme Meeting

- (b) In summary, each Scheme Creditor may decide, among other things:
 - (i) to attend and vote at the Scheme Meeting in person or, if a corporation, by a duly authorised representative; or
 - (ii) to instruct the Chairperson as its proxy to cast its vote in accordance with the wishes of such Scheme Creditor or at the Chairperson's discretion; or
 - (iii) to appoint someone else as its proxy to attend and vote at the Scheme Meeting in person on its behalf in accordance with the wishes of such Scheme Creditor or at such person's discretion.

in each case, by ensuring that such election is recorded in the Account Holder Letter submitted on its behalf and that Part 2 (*Voting and Appointment of Proxy*) of the Account Holder Letter is completed.

- (c) Each Scheme Creditor is recommended to appoint a proxy (either the Chairperson or someone else of its choice who would be willing to attend the Scheme Meeting) in any event, even if that Scheme Creditor intends to attend and vote in person or, if a corporation, by a duly authorised representative, in case such Scheme Creditor is unable to do so for some reason. If a Scheme Creditor appoints a proxy and then decides to attend and vote at the Scheme Meeting in person or, if a corporation, by a duly authorised representative, that Scheme Creditor will be entitled to do so.

Instructions to be included

- (d) Each Scheme Creditor should ensure that the following is included in the Account Holder Letter submitted on its behalf:
 - (i) its identity;
 - (ii) details of the Existing Notes which are the subject of the Account Holder Letter, including the CUSIP/ISIN code, the principal amount of the Existing Notes held, the Clearing System account number of the Account Holder, in respect of the relevant blocking instructions the relevant Blocking Reference Number (in respect of Existing Notes held through Euroclear or Clearstream as at the Record Time) or affixing a signature medallion guarantee stamp (in respect of Existing Notes held through DTC and outside of Euroclear and Clearstream as at the Record Time);
 - (iii) the appropriate confirmations to be given by the Account Holder;
 - (iv) (in the case of a Consenting Creditor) its Accession Code; and
 - (v) its voting instructions with respect to the Scheme.
- (e) Each Scheme Creditor that submits, delivers or procures the submission or delivery of an Account Holder Letter shall be deemed to make the representations, warranties and undertakings to the Company and the Information Agent set out in the Account Holder Letter.

2.3 Completion and submission of an Account Holder Letter by the Account Holder

- (a) The Solicitation Packet (including the Account Holder Letter), the Explanatory Statement, the Scheme and related materials are available for inspection on the Scheme Website to Scheme Creditors. The Scheme Website is <https://bonds.morrowsodali.com/pearl>. The Account Holders shall also forward the Solicitation Packet, the Explanatory Statement, the Scheme and any related materials (or, if this is impracticable for technical reasons, directions to the Scheme Website where all such documents may be accessed) to the beneficial holders of the Existing Notes for voting. After individual holders of Scheme Claims return their voting instructions, votes and elections to the Account Holder, the Account Holder must ensure the Account Holder Letter is fully completed and then submit the Account Holder Letter to the Information Agent via the Scheme AHL Portal.
- (b) All Account Holder Letters should be submitted by Account Holders as soon as possible to the Information Agent via the Scheme AHL Portal (and before any relevant deadline of the custodian in the Clearing System) to ensure your forms are in order. **PLEASE NOTE THAT ACCOUNT HOLDER LETTERS SUBMITTED WITHIN 24 HOURS OF THE INITIAL DEADLINE MAY NOT RECEIVE CONFIRMATION OF RECEIPT UNTIL AFTER THE INITIAL DEADLINE HAS PASSED.** Any Account Holder Letter received by the Information Agent after

the Initial Deadline will be disregarded for voting purposes and the applicable Scheme Creditor shall not be entitled to vote at the Scheme Meeting, except as may be permitted by the Chairperson in their sole discretion.

- (c) By submitting an Account Holder Letter to the Information Agent (with Part 2 (*Voting and Appointment of Proxy*) thereof completed) via the Scheme AHL Portal, the Account Holder gives the confirmations required by the Account Holder Letter in favour of the Company and the Information Agent.

2.4 Attending the Scheme Meeting

- (a) The Scheme Meeting will take place at the time and place described in paragraph 1.3(b) above.
- (b) If a Scheme Creditor wishes to attend the Scheme Meeting, it should produce a duplicate copy of the Account Holder Letter submitted on its, his or her behalf, evidence of personal identity (for example, a passport or other government-issued picture identification) and, in the case of a corporation, evidence of corporate authority (for example, a valid power of attorney and/or board minutes) at the registration desk by no later than fifteen minutes before the scheduled time of the Scheme Meeting.
- (c) Any proxy attending the Scheme Meeting on behalf of a Scheme Creditor should produce a duplicate copy of the Account Holder Letter in which he/she is named as proxy. Where this copy can be matched against one of the copies provided by the relevant Account Holder to the Information Agent on behalf of the Company, that Scheme Creditor's proxy will be admitted to the Scheme Meeting upon providing evidence of his/her personal identity (as described above). Where the Account Holder Letter cannot be produced by the person purporting to have been appointed by a Scheme Creditor as its proxy, that person will need to provide evidence of his/her personal identity (as described above) and, provided that the evidenced identity conforms with the details in the relevant copy of the Account Holder Letter provided by the relevant Account Holder to the Information Agent on behalf of the Company, that person will be admitted to the Scheme Meeting.
- (d) If a Scheme Creditor appoints the Chairperson as its proxy, there is no need for the Chairperson to take the Account Holder Letter to the Scheme Meeting.

3. INSTRUCTIONS RELATING TO SCHEME CONSIDERATION

3.1 General

- (a) The Scheme Creditors will be entitled to participate in a distribution of certain amounts of the following payments and securities under the terms of the Scheme comprising the following:
 - (i) Cash Payment of US\$23,250,000;
 - (ii) New Notes to be issued by the Company in the aggregate principal amount of US\$66,500,000 as constituted pursuant to the New Notes Indenture;
 - (iii) New Perpetual Notes in the aggregate principal amount of US\$83,500,000 to be issued by Pearl II pursuant to the New Perpetual Notes Indenture; and
 - (iv) (in the case of the Early Consenting Creditors, as defined in the RSA, only) the Consent Fee in the fixed aggregate amount of US\$1,750,000.

- (b) The Scheme Consideration will be distributed on **four separate dates** under the terms of the Scheme:
- (i) on the **Restructuring Effective Date**, as notified to Scheme Creditors by the Company, a proportion of the Scheme Consideration will be distributed among those Scheme Creditors that have submitted, to the Information Agent, the documentation described in paragraph (c) below by the Initial Deadline (the “**Initial Participating Scheme Creditors**”); and
 - (ii) **during the Holding Period, three Periodic Distributions of the Surplus Scheme Consideration will be made (the last Periodic Distribution taking place on the Final Distribution Date being the date falling 10 Business Days after the Bar Date as notified to Scheme Creditors by the Company)** to settle Surplus Scheme Consideration in respect of Participating Scheme Creditors who participate after the Initial Deadline, provided such Participating Scheme Creditors have submitted the documentation described in paragraph 3.3(b) below **by no later than the Bar Date**.
- (c) In order for any Scheme Creditor (or its Designated Recipient) to receive any Scheme Consideration under the Scheme, it must ensure that:
- (i) duly completed and signed copies of the Account Holder Letter, the Distribution Confirmation and a Designated Recipient Form (if applicable) are submitted by its Account Holder via the Scheme AHL Portal so that they are received by the Information Agent by the deadlines described below; and
 - (ii) instructions are submitted by its Account Holder via the relevant Clearing System to both: (i) confirm its status as a Participating Scheme Creditor; and (ii) block its Existing Notes,
- in each case by the deadlines specified below.
- (d) For the avoidance of doubt, Part 2 of the Account Holder Letter need not be completed, if the Account Holder Letter is submitted after the date of the Scheme Meeting.
- (e) **The New Notes and the New Perpetual Notes will be eligible for clearing and settlement only through Euroclear and Clearstream. It is highly recommended that each Scheme Creditor instructs its Account Holder to move its Existing Notes from DTC to an account with Euroclear or Clearstream without delay, before taking any other steps set out in this Solicitation Packet and, in any event, before the Record Time. It will not be possible for a Scheme Creditor to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account). Further, if a Scheme Creditor does provide relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive its entitlements until the first Periodic Distribution Date at the earliest, that is, after the Restructuring Effective Date.**

3.2 Restructuring Effective Date

- (a) In order to become an Initial Participating Scheme Creditor (and, therefore, to receive any Scheme Consideration on the Restructuring Effective Date), a Scheme Creditor must ensure that duly completed and signed copies of the Account Holder Letter, the Distribution Confirmation and, if applicable, a Designated Recipient Form are submitted via the Scheme AHL Portal so that they are received by the Information Agent by the **Initial Deadline**, being **no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman time on 27 September 2021 / 11 p.m. Hong Kong/Singapore time on 27 September 2021** or, in the event that the Scheme Meeting is adjourned, being such later time and date as may be agreed between the Company and the Ad Hoc Committee and notified to Scheme Creditors in the same manner in which the notice of the Scheme Meeting was notified to them).
- (b) A Scheme Creditor may be an Initial Participating Scheme Creditor even if it votes against, or does not submit a vote in respect of, the Scheme.
- (c) Any Scheme Creditor that fails to comply with paragraph 3.2(a) above (and fails to have provided valid relevant blocking instructions through a Clearing System by the Initial Deadline) shall receive no Scheme Consideration on the Restructuring Effective Date but, subject to compliance with the instructions in paragraph 3.3(a) below, shall receive its entitlement to the Surplus Scheme Consideration as a Periodic Distribution (being a date no later than the Final Distribution Date).

3.3 Periodic Distribution Dates (including the Final Distribution Date) and Bar Date

- (a) The **Bar Date**, being **a time to be specified on the date falling five months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Scheme**, is the final deadline for a Scheme Creditor to submit the documentation required to receive any Scheme Consideration under the terms of the Scheme.
- (b) If a Scheme Creditor has not already done so on or before the Initial Deadline, it must ensure that duly completed and signed copies of the Account Holder Letter, the Distribution Confirmation and, if applicable, a Designated Recipient Form are submitted via the Scheme AHL Portal so that they are received by the Information Agent by no later than the Bar Date. There will be a Holding Period from the Restructuring Effective Date up to and including the Final Distribution Date during which the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors in accordance with the terms of the Distribution Agreement. Periodic Distributions of the Surplus Scheme Consideration will be made during the Holding Period (including on the Final Distribution Date) to settle Surplus Scheme Consideration in respect of Account Holder Letters, Distribution Confirmations and, if applicable, Designated Recipient Forms which are received after the Initial Deadline and by the Bar Date (but note that Scheme Claims will be determined as at the Record Time).

IF A SCHEME CREDITOR FAILS TO DO THE ABOVE, IT WILL RECEIVE ZERO SCHEME CONSIDERATION BUT SHALL HAVE ITS SCHEME CLAIMS AND ANCILLARY CLAIMS RELEASED IRREVOCABLY UNDER THE TERMS OF THE SCHEME AND SHALL BE BOUND BY THE RELEASES THEREUNDER.

- (c) After the Final Distribution has been made on the Final Distribution Date, subject to any ongoing Adjudication, any amount of Remaining Surplus Cash Payment and the

Remaining Surplus Notes Coupon will be paid shall be by the Scheme Consideration Trustee to the Company and Remaining Surplus Notes will be cancelled.

4. BLOCKING EXISTING NOTES AND UNDERTAKING NOT TO TRADE

4.1 General

- (a) Subject to paragraph 4.1(f) below, a Scheme Creditor that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must prior to submitting the Account Holder Letter to the Information Agent (and, where an Account Holder Letter is being submitted prior to the Initial Deadline, prior to the Blocking Instructions Deadline) block its Existing Notes by ensuring that its Account Holder** follows the instructions set out in paragraphs 4.2 or 4.3 below (as applicable).
- (b) An Account Holder Letter will not be valid and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Blocking Reference Number (if the Existing Notes are held through Euroclear and Clearstream as at the Record Time) or affix a signature medallion guarantee stamp (if the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time) in accordance with paragraphs 4.2 or 4.3 below (as applicable).
- (c) **Please note that the Clearing System in which you hold your Existing Notes (or your custodian) may impose an earlier deadline for the submission of the relevant blocking instructions and/or Account Holder Letter. To ensure timely submission of your relevant blocking instructions and Account Holder Letter, please ask your custodian to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your relevant blocking instructions and/or Account Holder Letter are received before any applicable deadline. This is particularly important if you wish to submit an Account Holder Letter by the Initial Deadline in order to vote at the Scheme Meeting and receive Scheme Consideration on the Restructuring Effective Date.**
- (d) For Existing Notes held through Euroclear and Clearstream, such Existing Notes should be blocked in accordance with the standard practices and procedures of Euroclear and Clearstream's clearing systems and by the deadlines required by Euroclear or Clearstream, their Account Holders and any Intermediary. Euroclear or Clearstream, as applicable, will automatically assign a Blocking Reference Number (as defined above) in respect of each Blocking Instruction (as defined above) and, as noted above, the Blocking Reference Number must be cross referenced in the Account Holder Letter relating to the Existing Notes in respect of which the Blocking Reference Number has been obtained. It is the responsibility of Account Holders (and Scheme Creditors to ensure that their Account Holders) to comply with any particular deadlines required by such persons or the Information Agent in order to meet the Initial Deadline. As such, Account Holders should ensure that Euroclear or Clearstream has received Blocking Instructions regarding the subject of each Account Holder Letter and each Scheme Creditor procuring the submission of an Account Holder Letter by its Account Holder should instruct its Account Holder to confirm that (and the Account Holder should ensure that) the Account Holder Letter cross references the Blocking Reference Number.
- (e) For Existing Notes held through DTC and outside of Euroclear and Clearstream, such Existing Notes should be blocked in accordance with paragraph 4.3 below. You should note that DTC's ATOP (Automated Tender Offer Program) system may not be used. Scheme Creditors who hold their Existing Notes through DTC and outside of Euroclear and Clearstream, and whose Account Holders do not move their Existing Notes to a

Euroclear or Clearstream account before submitting their Account Holder Letter and before the Record Time, will not receive their Scheme Consideration until the first Periodic Distribution Date at the earliest (that is, after the Restructuring Effective Date), even if they have provided their relevant Euroclear and Clearstream account details (and details of a linked cash account) in their Account Holder Letters.

- (f) The Existing Notes will be cancelled in the Clearing Systems as at the Restructuring Effective Date and thereafter will not be capable of being traded in the Clearing Systems.
- (g) At any time prior to the Initial Deadline, a Scheme Creditor may revoke any relevant blocking instructions already submitted (and the related submission of any Account Holder Letter, Distribution Confirmation and/or Designated Recipient Form) by requesting that its Account Holder (i) withdraw its Account Holder Letter and (ii) if applicable, by withdrawing through the Clearing System and by providing confirmation of the same to the Information Agent. Upon doing so, its Existing Notes shall cease to be blocked and it shall be treated for the purposes of the Scheme as if it had taken no action. Any such Scheme Creditor (or any transferee of its Existing Notes) may subsequently submit further documentation and relevant blocking instructions in accordance with this Solicitation Packet. On and after the Initial Deadline, any documentation and relevant blocking instructions submitted by or on behalf of a Scheme Creditor shall be irrevocable for all purposes in connection with the Scheme.
- (h) The Company has provided an irrevocable instruction to the Information Agent to immediately cause the Existing Notes to be unblocked if one of the circumstances set out in paragraph 4.4(b) below occurs (save in circumstances in which the Existing Notes are cancelled as set out in paragraph 4.4(b)(i)).

4.2 Procedure for blocking where Existing Notes are held through Euroclear / Clearstream

- (a) Subject to paragraph 4.1(f) above, where interests in the Existing Notes are held through **Euroclear or Clearstream**, a Scheme Creditor that procures submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must ensure that its Account Holder, prior to submitting the Account Holder Letter to the Information Agent via the Scheme AHL Portal:**
 - (i) submits relevant custody instructions to block its Existing Notes in Euroclear or Clearstream (“**Blocking Instructions**”) in accordance with the standard practices and procedures required by Euroclear or Clearstream, and doing so (where an Account Holder Letter is being submitted before the Initial Deadline) no later than the Blocking Instructions Deadline; and
 - (ii) includes in the relevant Account Holder Letter the custody instruction reference number (“**Blocking Reference Number**”).
- (b) The relevant Clearing System will provide the Information Agent with confirmation that the Existing Notes that are the subject of the relevant Account Holder Letter have been blocked with effect from or before the date of the relevant Account Holder Letter. In the event that the Clearing System has not received blocking instructions prior to its relevant deadline the Company may reject the Account Holder Letter.

4.3 Procedure for blocking where Existing Notes are held through DTC and outside of Euroclear / Clearstream

- (a) Subject to paragraph 4.1(f) above, where interests in the Existing Notes are held through **DTC outside of Euroclear or Clearstream as at the Record Time**, a Scheme

Creditor that procures submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must ensure that its Account Holder, prior to submitting the Account Holder Letter to the Information Agent:**

- (i) confirms the instructions contained in the Account Holder Letter (which among other things confirms to the Company and the Information Agent that the Scheme Creditor holds the Existing Notes as at the Record Time and will not trade the Existing Notes); and
 - (ii) arranges for the Existing Notes referred to in the Account Holder Letter to be signature medallion guarantee stamped by the Account Holder.
- (b) The Company, directly or via the Existing Notes Trustee, will request DTC to provide an omnibus proxy confirming the identity of the Account Holders and their positions in the Existing Notes as of the Record Time. In the event that the positions in the Account Holder Letters do not match the positions in the omnibus proxy, the Company or the Information Agent may reject the Existing Notes Account Holder Letter.
- (c) The New Notes and the New Perpetual Notes will be eligible for clearing and settlement only through Euroclear and Clearstream. It is highly recommended that each Scheme Creditor instructs its Account Holder to move its Existing Notes from DTC to an account with Euroclear or Clearstream without delay, before taking any other steps set out in this Solicitation Packet and, in any event, before the Record Time. It will not be possible for a Scheme Creditor to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account). Further, if a Scheme Creditor does provide relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive its Scheme Consideration until the first Periodic Distribution Date at the earliest (that is, after the Restructuring Effective Date).

4.4 Undertaking not to trade

- (a) By completion of the Account Holder Letter, the Scheme Creditor undertakes that it will not, from the date of submission of its Account Holder Letter, sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Existing Notes.
- (b) Such undertaking and any Blocking Instruction (or confirmation in lieu of a Blocking Instruction contained in the Account Holder Letter, in the case of Existing Notes held through DTC) will terminate immediately upon the earliest of the following circumstances:
 - (i) the Restructuring Effective Date (at which time the Existing Notes will be cancelled);
 - (ii) the Scheme not being approved by the requisite majorities of the Scheme Creditors at the Scheme Meeting;
 - (iii) the Scheme not being sanctioned by a final and unappealable order of the Cayman Court;
 - (iv) the Longstop Date; and

- (v) the Company giving Scheme Creditors written notice of an intention not to proceed with the Scheme.
- (c) The Company has provided an irrevocable instruction to the Information Agent to immediately cause the Existing Notes to be unblocked if one of the circumstances set out in paragraph 4.4(b) above occurs (save in circumstances in which the Existing Notes are cancelled as set out in paragraph 4.4(b)(i) above).

SCHEDULE 1
FORM OF ACCOUNT HOLDER LETTER

For use by Account Holders in respect of 9.50% guaranteed senior secured notes due 2022 (CUSIP: G44527AA0 (Reg S) and 70477NAA4 (144A); ISIN: USG44527AA02 (Reg S) / US70477NAA46 (144A); Common Code: 173236778 (Reg S) and 173236743 (144A)) (the “Existing Notes”) issued by Pearl Holding III Limited (the “Company”) in relation to the Scheme.

Capitalised terms used but not defined in this Account Holder Letter have the meaning given to them in the Explanatory Statement.

The Scheme will, if implemented, materially affect the Scheme Creditors of the Company.

Account Holders should use this letter (upon receipt of written instructions from an underlying Scheme Creditor) to register details of their interests in the Existing Notes and, if submitted by the Initial Deadline, to make certain elections in relation to the voting in respect of the Scheme.

Scheme Creditors who do not wish to vote at the Scheme Meeting but do wish to receive their entitlement to the Scheme Consideration if the Scheme become effective should leave Part 2 (*Voting and Appointment of Proxy*) blank but must ensure this Account Holder Letter, Distribution Confirmation and, if applicable, the Designated Recipient Form is otherwise duly completed and submitted to the Information Agent on or before the Initial Deadline if they wish to receive any Scheme Consideration on the Restructuring Effective Date, or otherwise no later than on or before the Bar Date if they wish to receive any Scheme Consideration at all, in addition to blocking their Existing Notes via the relevant Clearing Systems prior to such dates (as applicable).

The Chairperson shall be entitled to rely on the information provided in this Account Holder Letter for the purposes of determining the identity of a Scheme Creditor and the amount of its Scheme Claim for voting purposes at the Scheme Meeting.

The New Notes and the New Perpetual Notes will only be eligible for clearing and settlement through Euroclear and Clearstream. It is highly recommended that each Scheme Creditor instructs its Account Holder to move its Existing Notes from DTC to an account with Euroclear or Clearstream without delay and, in any event, before the Record Time. It will not be possible for a Scheme Creditor to receive the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee without providing relevant Euroclear or Clearstream account details (and details of a linked cash account).

Further, if a Scheme Creditor provides relevant Euroclear or Clearstream account details (and details of a linked cash account) in its Account Holder Letter, but continues to hold its Existing Notes through DTC and outside of Euroclear and Clearstream as at the Record Time (in other words, if its Account Holder fails to move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time), that Scheme Creditor will not receive its entitlements until the first Periodic Distribution Date at the earliest, that is, after the Restructuring Effective Date.

Deadline for voting at the Scheme Meeting

- In order to vote in respect of the Scheme, a duly completed and signed copy of this Account Holder Letter must be submitted to the Information Agent via the Scheme AHL Portal and must be received by the Information Agent by no later than the **Initial Deadline**, being **no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman time on 27 September 2021/ 11 p.m. Hong Kong/Singapore time on 27 September 2021.** Subject to paragraph 1.4(e) of the Solicitation Packet, an Account Holder Letter submitted after the

Initial Deadline will not constitute valid voting instructions or votes for the purposes of the Scheme.

- For the purposes of the above, the Information Agent will only accept submissions of Account Holder Letters in pdf form via the Scheme AHL Portal.

Deadline for receipt of Scheme Consideration on the Restructuring Effective Date

- The deadline for participating in the initial distribution of Scheme Consideration on the Restructuring Effective Date is the **Initial Deadline**, being **no later than 11 a.m. New York time on 27 September 2021, the equivalent being 10 a.m. Cayman time on 27 September 2021 / 11 p.m. Hong Kong/Singapore time on 27 September 2021**, or, in the event that the Scheme Meeting is adjourned, being such later time and date as may be agreed between the Company and the Ad Hoc Committee and notified to Scheme Creditors in the same manner in which the notice of the Scheme Meeting was notified to them).
- If you wish to participate in the initial distribution of Scheme Consideration on the Restructuring Effective Date, duly completed and signed copies of this Account Holder Letter, the Distribution Confirmation and, if applicable, a Designated Recipient Form must be submitted via the Scheme AHL Portal so that they are received by the Information Agent by the Initial Deadline. Further, you must ensure that your Account Holder submits relevant instructions to block your Existing Notes in the relevant Clearing System as set out below.

Deadline for receipt of any Scheme Consideration

- In order to receive any Scheme Consideration under the terms of the Scheme, duly completed and signed copies of this Account Holder Letter, the Distribution Confirmation and a Designated Recipient Form (if applicable) must be submitted to the Information Agent via the Scheme AHL Portal and must be received by the Information Agent by no later than the **Bar Date**, being **a time to be specified on the date falling five months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Scheme**. There will be a Holding Period from the Restructuring Effective Date up to and including the Final Distribution Date during which the Scheme Consideration Trustee will hold the Surplus Scheme Consideration on trust for the Participating Scheme Creditors in accordance with the terms of the Distribution Agreement. Three Periodic Distributions of the Surplus Scheme Consideration will be made during the Holding Period (including on the Final Distribution Date) to settle Surplus Scheme Consideration in respect of Account Holder Letters, Distribution Confirmations and if applicable, Designated Recipient Forms which are received after the Initial Deadline and by the Bar Date (but note that Scheme Claims will be determined as at the Record Time). Further, you must ensure that your Account Holder submits relevant instructions to block your Existing Notes in the relevant Clearing Systems as set out below.
- **IF A DULY COMPLETED AND SIGNED ACCOUNT HOLDER LETTER, DISTRIBUTION CONFIRMATION AND DESIGNATED RECIPIENT FORM (IF APPLICABLE) ARE NOT SUBMITTED BY OR ON BEHALF OF A SCHEME CREDITOR SO IT IS RECEIVED BY THE INFORMATION AGENT VIA THE SCHEME AHL PORTAL BY NO LATER THAN THE BAR DATE, THAT SCHEME CREDITOR WILL RECEIVE ZERO SCHEME CONSIDERATION, ITS SCHEME CLAIMS AND ANCILLARY CLAIMS WILL BE IRREVOCABLY RELEASED UNDER THE SCHEME AND IT WILL BE BOUND BY SUCH RELEASES.**

Blocking Existing Notes and relevant Clearing System deadlines

- Any Scheme Creditor that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must block its Existing Notes by ensuring that its Account Holder, prior to submitting the Account Holder Letter to the Information Agent via the Scheme AHL Portal *and* (where an Account Holder Letter is being submitted prior to the Initial Deadline) before the Blocking Instructions Deadline (of 11 a.m. (New York time) on 23 September 2021, the equivalent being 10 a.m. (Cayman Islands time) on 23 September 2021 / 11 p.m. (Hong Kong/Singapore time) on 23 September 2021 (or if earlier, the relevant deadline imposed by the Clearing Systems)), submits relevant custody instructions to block its Existing Notes held with Euroclear or Clearstream (“Blocking Instructions”) and includes in the relevant Account Holder Letter the custody instruction reference number (“Blocking Reference Number”), save that where interests in the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time, in order to block its Existing Notes the Scheme Creditor must confirm the instructions contained in the Account Holder Letter (which among other things confirms to the Company and the Information Agent that the Scheme Creditor holds the Existing Notes as at the Record Time and will not trade the Existing Notes) and arrange for the Existing Notes referred to in the Account Holder Letter to be signature medallion guarantee stamped by the Account Holder.**
- An Account Holder Letter will not be valid and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Blocking Reference Number (if the Existing Notes are held through Euroclear and Clearstream as at the Record Time) or affix a signature medallion guarantee stamp (if the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time).
- **Please note that the Clearing System in which you hold your Existing Notes (or your custodian) may impose an earlier deadline for the submission of the relevant blocking instructions and/or Account Holder Letter. To ensure timely submission of your relevant blocking instructions and Account Holder Letter, please ask your custodian to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your relevant blocking instructions and/or Account Holder Letter are received before any applicable deadline. This is particularly important if you wish to submit an Account Holder Letter by the Initial Deadline in order to vote at the Scheme Meeting and receive Scheme Consideration on the Restructuring Effective Date.**
- Existing Notes should be blocked in accordance with the standard practices and procedures of the Clearing System and by the deadlines required by the relevant Clearing System, the Account Holder and any Intermediary. It is the responsibility of Account Holders (and Scheme Creditors to ensure that their Account Holders) comply with any particular deadlines required by such persons or the Information Agent in order to meet the Initial Deadline. As such, each Scheme Creditor procuring the submission of an Account Holder Letter by its Account Holder should instruct its Account Holder to confirm that (and the Account Holder should ensure that) the Account Holder Letter cross references the relevant Blocking Reference Number (if the Existing Notes are held through Euroclear and Clearstream as at the Record Time) or affixes a signature medallion guarantee stamp (if the Existing Notes are held through DTC and outside of Euroclear and Clearstream as at the Record Time).
- Subject to the terms and conditions of the Scheme, the Existing Notes will be cancelled in the Clearing Systems as at the Restructuring Effective Date and thereafter will not be capable of being traded in the Clearing Systems.
- Notwithstanding any other provision herein, if an Account Holder Letter is being submitted after the Initial Deadline, but on or before the Bar Date, for the purpose of receiving the Scheme

Consideration during the Holding Period, it is no longer necessary for relevant Blocking Instructions to be submitted to, or be effective in, the Clearing System before the Blocking Instructions Deadline. For the avoidance of doubt, such Blocking Instructions should still be submitted prior to any submission of an Account Holder Letter between the Initial Deadline and the Bar Date.

- Additionally, by completion of the Account Holder Letter, the Scheme Creditor undertakes that it will not from the date of submission of its Account Holder Letter sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Existing Notes. Such undertaking will terminate immediately upon the occurrence of certain circumstances.

A separate Account Holder Letter, Distribution Confirmation and Designated Recipient Form (if applicable) must be completed in respect of each separate beneficial holding of interest in the Existing Notes.

You are strongly advised to read the Explanatory Statement, the Scheme and, in particular, the Solicitation Packet at Appendix 8 to the Explanatory Statement before you complete the Account Holder Letter.

Any Designated Recipient appointed by a Scheme Creditor must hold its Euroclear and Clearstream account with the same Account Holder as that Scheme Creditor.

This Account Holder Letter and any non-contractual obligations arising out of or in relation to this Account Holder Letter shall be governed by, and interpreted in accordance with, the laws of the Cayman Islands.

ALL COMPLETED DOCUMENTS SHOULD BE RETURNED VIA THE SCHEME AHL PORTAL. FOR ASSISTANCE, SCHEME CREDITORS AND/OR ACCOUNT HOLDERS SHOULD CONTACT THE INFORMATION AGENT WHOSE DETAILS ARE AS FOLLOWS:

Morrow Sodali Limited
Attn: Debt Service Team

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

Scheme AHL Portal: <https://portal.morrowsodali.com/pearl>

Phone: +852 2319 4130 (Hong Kong) / +44 204 513 6917 (London) / +1 203 609 4910 (Stamford)

E-Mail: pearl@investor.morrowsodali.com

SUMMARY OF THIS ACCOUNT HOLDER LETTER

The Account Holder Letter must be validly completed and submitted to the Information Agent.

<u>PART 1</u>	SCHEME CREDITOR, ACCOUNT HOLDER AND HOLDINGS DETAILS	<i>This Part 1 must be completed in all cases by the Account Holder for and on behalf of the Scheme Creditor</i>
Section 1	Details of the Scheme Creditor	
Section 2	Account Holder Details	
Section 3	Details of Holdings	
<u>PART 2</u>	VOTING AND APPOINTMENT OF PROXY	<i>This Part 2 must be completed by the Account Holder for and on behalf of the Scheme Creditor if the Scheme Creditor would like to vote on the Scheme</i>
Section 1	Account Holder Confirmations	
Section 2	Voting Instructions relating to the Scheme and Appointment of Proxy	
<u>APPENDIX 1</u>	DESIGNATED RECIPIENT FORM	<i>This Appendix 1 must be completed by an Account Holder for and on behalf of the Scheme Creditor if the Scheme Creditor would like a Designated Recipient to receive its Scheme Consideration</i>
<u>APPENDIX 2</u>	DISTRIBUTION CONFIRMATION	<i>This Appendix 2 <u>must be completed and executed by the Scheme Creditor (or its Designated Recipient)</u> in order for the Scheme Creditor (or its Designated Recipient) to receive any Scheme Consideration</i> <i>For the avoidance of doubt, a Scheme Creditor does not have to complete a Distribution Confirmation in order to vote on the Scheme</i>
Annex A	General confirmations, acknowledgements, warranties and undertakings	
Annex B	Securities Law confirmations and undertakings	
Annex C	New Securities Form	
Annex D	Details of Scheme Creditor / Designated Recipient	

PART 1
SCHEME CREDITOR, ACCOUNT HOLDER AND HOLDINGS DETAILS

Section 1 **Details of the Scheme Creditor**

Irrespective of any elections made under any other Part of this Account Holder Letter, an Account Holder Letter received by the Information Agent that does not include all information requested in this Part 1 will not constitute a validly completed Account Holder Letter and the relevant Scheme Creditor will not be entitled to cast a vote at the Scheme Meeting or receive any amount of the Scheme Consideration if the Scheme becomes effective in accordance with its terms.

Please identify the Scheme Creditor (that is, the person that is the beneficial owner of and/or the holder of the ultimate economic interest in the Existing Notes, held in global form and/or the restricted global form, as the case may be, through the Clearing System) on whose behalf you are submitting this Account Holder Letter.

To be completed for all Scheme Creditors

Full Name of Scheme Creditor: _____

Contact Name: _____

Country of residence / headquarters: _____

E-mail Address: _____

Telephone Number (with country code): _____

To be completed if the Scheme Creditor is an institution

Jurisdiction of incorporation of Scheme Creditor: _____

Section 2 Account Holder Details*

Full name of Account Holder: _____

Clearing System (circle one): DTC / EUROCLEAR / CLEARSTREAM

Clearing System Account Number: _____

Authorised employee of Account Holder (print name): _____

Telephone number of authorised employee (with country code): _____

E-mail of authorised employee: _____

Authorised employee signature (sign): _____

Date: _____

Additionally for Account Holders who hold positions in the Existing Notes in DTC and outside of Euroclear or Clearstream

Signature Medallion Guarantee Stamp

A Scheme Creditor who holds its Existing Notes held through DTC and outside of Euroclear and Clearstream, whose Account Holder does not move its Existing Notes to a Euroclear or Clearstream account before submitting its Account Holder Letter and before the Record Time, will not receive their entitlements until the first Periodic Distribution Date at the earliest (that is, after the Restructuring Effective Date), even if they have provided their relevant Euroclear and Clearstream account details (and details of a linked cash account) in section 3 below.

*By signing this Section 2 and, if applicable, affixing its Signature Medallion Guarantee Stamp, the Account Holder is hereby instructed by the Scheme Creditor in respect of which this Account Holder Letter is being submitted to certify that such Scheme Creditor (i) holds the Existing Notes detailed in Part 1, Section 3 below as at the Record Time; (ii) will not trade such Existing Notes in accordance with the undertaking set out in Part 1, Section 3 below; and (iii) in respect of any distribution of Scheme Consideration, acknowledges and agrees that the Company shall be entitled to treat such Scheme Creditor (or, if applicable, its Designated Recipient) as the party entitled to receive the Scheme Consideration in respect of such holding of Existing Notes.

Before submitting this Account Holder Letter, please make certain that you have provided all the information requested.

For the purposes of a Scheme Creditor voting or receiving any Scheme Consideration under the Scheme:

- **relevant blocking instructions (as applicable) must have been delivered in respect of the Existing Notes identified in Part 1, Section 3 below of this Account Holder Letter as being held in the Clearing System;**
- **the Information Agent will accept this Account Holder Letter only if (as applicable) a valid Blocking Reference Number is included in Part 1, Section 3 below (if the Existing Notes are held through Euroclear / Clearstream as at the Record Time) or a valid Signature Medallion Guarantee is included in Part 1, Section 2 above (if the Existing Notes are held through DTC outside of Euroclear or Clearstream as at the Record Time) in respect of the Existing Notes which are the subject of this Account Holder Letter;**
- **information in this Account Holder Letter must be consistent with the Omnibus Proxy obtained from DTC and (if the Existing Notes are held through Euroclear / Clearstream) the Blocking Instructions; and**
- **in respect of any distribution of Scheme Consideration, the Distribution Confirmation and the Designated Recipient Form (if applicable) must be validly completed.**

Section 3 **Details of Holdings**

The Account Holder holds the following Existing Notes to which this Account Holder Letter relates which have been “blocked” (or cancelled as at the Restructuring Effective Date). Such Existing Notes must have been “blocked” (i) in the case of Account Holders who hold positions in the Existing Notes in Euroclear or Clearstream as at the Record Time, through delivery of Blocking Instructions to the relevant Clearing System, the reference number in relation to which is identified below, or (ii) in the case of Account Holders who hold positions in the Existing Notes in DTC and outside of Euroclear and Clearstream as at the Record Time, by affixing a Signature Medallion Guarantee Stamp to Part 1, Section 2 above.

By completion of this Part 1, Section 3 by the Account Holder, the Scheme Creditor undertakes that it will not from the date of submission of its Account Holder Letter sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Existing Notes. Such undertaking and any Blocking Instruction (or confirmation in lieu of a Blocking Instruction contained in the Account Holder Letter, in the case of Existing Notes held through DTC) will terminate immediately upon the earliest of the following circumstances:

- (a) the Restructuring Effective Date (at which time the Existing Notes will be cancelled);
- (b) the Scheme not being approved by the requisite majorities of the Scheme Creditors at the Scheme Meeting;
- (c) the Scheme not being sanctioned by a final and unappealable order of the Cayman Court;
- (d) the Longstop Date; and
- (e) the Company giving Scheme Creditors written notice of an intention not to proceed with the Scheme.

By completion of this Part 1, Section 3 by the Account Holder, the Scheme Creditor confirms that it holds the Existing Notes detailed in Part 1, Section 3 as at the Record Time and agrees that the Company shall be entitled to treat such Scheme Creditor (or its Designated Recipient) as the party entitled to receive the Scheme Consideration (if any) in respect of such holding of Existing Notes.

CUSIP / ISIN (circle one)	Amount blocked⁷	Clearing System Account number	Blocking Reference Number⁸	Accession Code⁹
G44527AA0 / USG44527AA02 (Reg S)				
70477NAA4 / US70477NAA46 (144A)				

⁷ The amount entered should be the entire principal amount of Existing Notes in respect of which the Account Holder is giving instructions on behalf of the relevant Scheme Creditor pursuant to this Account Holder Letter. If the Account Holder holds Existing Notes in respect of which it is not giving instructions pursuant to this Account Holder Letter, this amount should not be stated and is not required to be notified.

⁸ Corresponding to the Blocking Instruction in Euroclear / Clearstream submitted by the Account Holder on behalf of the Scheme Creditor. Otherwise, if the Existing Notes are held through DTC outside of Euroclear / Clearstream as at the Record Time, a Signature Medallion Guarantee must be included in Part 1, Section 2 above.

⁹ If you are a Consenting Creditor, you would have received from the Information Agent at the time of execution of, or accession to, the RSA. You must include a valid Accession Code in this Account Holder Letter in order to be entitled to receive the Consent Fee.

THE FOLLOWING SECTION WILL ONLY NEED TO BE COMPLETED BY THOSE SCHEME CREDITORS WHO CONTINUE TO HOLD THEIR EXISTING NOTES IN DTC AND OUTSIDE OF EUROCLEAR OR CLEARSTREAM AS AT THE RECORD TIME. SUCH SCHEME CREDITORS WILL NOT RECEIVE THEIR ENTITLEMENTS (IF ANY) UNTIL THE FIRST PERIODIC DISTRIBUTION DATE AT THE EARLIEST, THAT IS, AFTER THE RESTRUCTURING EFFECTIVE DATE.

Scheme Creditors who hold their Existing Notes in DTC and outside of Euroclear or Clearstream as at the Record Time must indicate an Account Holder in Euroclear or Clearstream for receipt of the Cash Payment, New Notes, New Perpetual Notes and (if applicable) the Consent Fee. Failure to do so will invalidate this Account Holder Letter for the purpose of receiving such Scheme Consideration.¹⁰

Full name of Account Holder: _____

Clearing System (circle one): EUROCLEAR / CLEARSTREAM

Clearing System Account Number: _____

Contact name at Account Holder: _____

Contact telephone number of Account Holder (with country code): _____

Contact e-mail of Account Holder: _____

In addition, such Scheme Creditor must provide details of a **Cash Account** that is linked to the above specified Euroclear / Clearstream Account, for receipt of the Cash Payment and (if applicable) the Consent Fee:

Cash Account Name: _____

Cash Account Number: _____

SWIFT Code of Correspondent Bank: _____

Name of Correspondent Bank: _____

Address of Correspondent Bank: _____

¹⁰ The New Notes and the New Perpetual Notes will only be eligible for clearing and settlement through Euroclear and Clearstream. It is highly recommended that each Scheme Creditor instructs its Account Holder to move its Existing Notes from DTC to an account with Euroclear or Clearstream prior to completing this Account Holder Letter and, in any event, before the Record Time. If this is done, it is not necessary to complete this additional section as you should instead specify the Euroclear and Clearstream account where the Existing Notes are held in Section 2 above

ABA Number:

IBAN (for DTC Participants located
outside of the United States only):

Contact Details of Relevant DTC
Participant:

PART 2
VOTING AND APPOINTMENT OF PROXY

This Part 2 is required to be completed only if a Scheme Creditor intends to vote at the Scheme Meeting. For the avoidance of doubt, for the purposes of a Scheme Creditor comprising an Initial Participating Scheme Creditor or a Participating Scheme Creditor under the terms of the Scheme, this Account Holder Letter will be considered to be “duly completed” only if Part 1 is duly completed.

Section 1 Account Holder confirmations

The Account Holder named below for itself hereby confirms to the Company and the Information Agent as follows (select “yes” or “no” as appropriate for each item):

- (f) That all authority conferred or agreed to be conferred pursuant to this Account Holder Letter and every obligation of the Account Holder under this Account Holder Letter shall, to the best of its knowledge and the extent permitted by law, be binding upon the successors and assignors of the Account Holder (in the case of a corporation or institution) or the successors, assignors, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Account Holder (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the Account Holder and that all of the information in this Account Holder Letter is complete and accurate.

☐ Yes

☐ No

- (g) That, in relation to the Existing Notes identified in Section 3 (*Details of Holdings*) of Part 1 (*Scheme Creditor, Account Holder and Holdings Details*) of this Account Holder Letter, the Account Holder has authority to give the voting instructions set out in Part 2, Section 2 (*Voting Instructions relating to the Scheme*) of this Part 2 (*Voting and Appointment of Proxy*) of this Account Holder Letter, indicate the elections set forth herein (if applicable) and, if applicable, to nominate the person named in Section 2 (*Voting Instructions relating to the Scheme*) of this Part 2 (*Voting and Appointment of Proxy*) of this Account Holder Letter to attend and speak at the Scheme Meeting.

☐ Yes

☐ No

In order for a Scheme Creditor to be eligible to vote (either in person or by proxy), an Account Holder must respond “yes” in respect of each of paragraphs (a) and (b) above.

By submitting this Account Holder Letter to the Information Agent, the Account Holder confirms that the Scheme Creditor agrees that the Scheme Creditor shall be deemed to have made the representations, warranties and undertakings set forth below in favour of the Company and the Information Agent as at the date on which this Account Holder Letter is submitted to the Information Agent.

1. Each Scheme Creditor who submits, delivers or procures the submission or delivery of an Account Holder Letter represents, warrants and undertakes to the Company and the Information Agent that:
 - 1.1 it has received the Scheme and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;

- 1.2 to the best of its knowledge, it is lawful to seek voting instructions from that Scheme Creditor in respect of the Scheme;
 - 1.3 it is assuming all of the risks inherent in that Scheme Creditor participating in the Scheme and has undertaken all the appropriate analysis of the implications of participating in the Scheme for that Scheme Creditor;
 - 1.4 the Existing Notes which are the subject of the Account Holder Letter are, at the time of submission of such Account Holder Letter, held by it (directly or indirectly) or on its behalf at the relevant Clearing System;
 - 1.5 it has not given voting instructions or submitted an Account Holder Letter with respect to Existing Notes other than those that are the subject of this Account Holder Letter;
 - 1.6 it authorises the Clearing Systems to provide details concerning its identity, the Existing Notes which are the subject of the Account Holder Letter and submitted on its behalf and its applicable account details to the Company and the Information Agent and their respective legal and financial advisers at the time the Account Holder Letter is submitted;
 - 1.7 neither the Company, Information Agent nor any of their respective Affiliates, directors, officers or employees has made any recommendation to that Scheme Creditor as to whether, or how, to vote in relation to the Scheme, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
 - 1.8 all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings shall, to the best of its knowledge and to the extent permitted by law, be binding on the successors and assigns of that Scheme Creditor (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of that Scheme Creditor (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of that Scheme Creditor; and
 - 1.9 it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the Scheme (other than any taxes or similar payments for which a member of the Group will be liable under any Restructuring Document), and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, the Information Agent or any of their Affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.
2. Any Scheme Creditor that is unable to give any of the representations in paragraph 1 above should contact the Information Agent directly as soon as possible, as there may be additional procedures involved in respect of that Scheme Creditor's participation in the Scheme.

Section 2 **Voting Instructions relating to the Scheme and Appointment of Proxy**

The Scheme Creditor (please check **only one box**):

- ☐ wishes to **accept** the Scheme (by proxy as set forth below); or
- ☐ wishes to **reject** the Scheme (by proxy as set forth below); or
- ☐ wishes to vote on the Scheme at its sole discretion or, if it has appointed a proxy as set forth below, the sole discretion of its proxy.

Attendance at the Scheme Meeting and Appointment of Proxy

The Scheme Creditor wishes (please check **only one box**):

- ☐ to appoint the Chairperson as its proxy to attend and vote on the Scheme on its behalf at the Scheme Meeting in accordance with the instructions set forth above;
- ☐ to appoint the proxy (other than the Chairperson) identified below to attend and vote on the Scheme on its behalf at the Scheme Meeting in accordance with the instructions set forth above (please complete *Details of Attendee* section below); or
- ☐ to attend and vote on the Scheme at the Scheme Meeting in person or by a duly authorised representative, if a corporation, in such manner as the Scheme Creditor thinks fit (please complete *Details of Attendee* section below).

Details of Attendee if Scheme Creditor wishes to attend and vote at the Scheme Meeting in person or by a duly authorised representative or by proxy other than the Chairperson:

Name: _____
Passport number: _____

or failing him:

Name ("**Alternate 1**"): _____
Passport number: _____

or failing Alternate 1:

the Chairperson.

Note:

- 1. Unless a Scheme Creditor is an individual attending in person or a corporation attending by a duly authorized representative, it must appoint a proxy to vote on its behalf at the Scheme Meeting. It is recommended that the Chairperson is appointed as the proxy, as there is no need for any additional documents or identification to be taken to the Scheme Meeting by or on behalf of the Scheme Creditor.**
- 2. Any Scheme Creditor that wishes to attend the Scheme Meeting in person should produce at the Scheme Meeting a duplicate copy of the Account Holder Letter that was duly completed and submitted to the Information Agent on their behalf, evidence of personal identity (for example, a passport, driving license or other picture identification) and, in the case of a corporation attending by a duly authorized representative, evidence of corporate authority (for example, a valid power of attorney and/or board minutes). For**

the avoidance of doubt, the Account Holder Letter should be completed and submitted to the Information Agent in advance of the Scheme Meeting by the Initial Deadline.

- 3. Each proxy must bring to the Scheme Meeting a duplicate copy of the Account Holder Letter of the Scheme Creditor that was duly completed and submitted to the Information Agent including Part 2 of the Account Holder Letter (the Voting Instructions relating to the Scheme and Appointment of Proxy) authorising him or her to act as proxy on behalf of the Scheme Creditor and evidence of personal identity (for example, a passport, driving license or other picture identification). For the avoidance of doubt, the Account Holder Letter should be completed and submitted to the Information Agent in advance of the Scheme Meeting by the Initial Deadline.**

APPENDIX 1 TO THE ACCOUNT HOLDER LETTER

DESIGNATED RECIPIENT FORM

Note: Scheme Creditors shall be entitled to appoint a Designated Recipient by duly completing and returning this form to the Information Agent. A Designated Recipient is a person that is designated as such by a Scheme Creditor to be the recipient of the Scheme Consideration otherwise to be issued to such Scheme Creditor. If the Scheme Creditor will be the recipient of the Scheme Consideration there is no need to complete this form.

A Designated Recipient may receive all of the New Notes and New Perpetual Notes, otherwise attributable to the Scheme Creditor.

IMPORTANT NOTE: The Designated Recipient appointed by a Scheme Creditor must hold its Euroclear and Clearstream account with the same Account Holder as that Scheme Creditor.

Full name of Scheme Creditor

The Scheme Creditor hereby irrevocably and unconditionally nominates:

Name of Designated Recipient

whose details are set out in Annex D hereto, to be its Designated Recipient for the purposes of the Scheme in respect of all of the **New Notes and New Perpetual Notes** otherwise attributable to it:

☐ Yes ☐ No

Any Designated Recipient of the New Notes and New Perpetual Notes appointed by a Scheme Creditor must hold its account with the same relevant Account Holder in Euroclear or Clearstream as the Scheme Creditor as set out in Part 1, Section 3. Please also ensure you have specified such account details in this Designated Recipient Form below.

Euroclear or Clearstream account details of the Designated Recipient:

Account name: _____

Account number: _____

Employee name: _____

Phone: _____

Email: _____

The Designated Recipient cannot be:

1. a “**Disqualified Person**”, which is defined as a person who is disqualified from holding, receiving or handling any Scheme Consideration pursuant to any applicable laws or regulations; or
2. a “**Prohibited Transferee**”, which is defined as a person who is prohibited from being allotted, issued with, holding, receiving or handling any Scheme Consideration pursuant to any laws or regulations that apply to it in any place in which it accepts, holds, receives or handles any of the Scheme Consideration or so prohibited except after compliance with conditions or requirements that the Company acting reasonably and in good faith considers to be disproportionate to the value of the relevant Scheme Consideration.

A Scheme Creditor may not appoint more than one Designated Recipient.

The **Scheme Creditor** and any **Account Holder** (each a “**Relevant Person**”) named herein for itself hereby confirms to the Company and the Information Agent that, in relation to the Existing Notes that are the subject of the Account Holder Letter, the Relevant Person has authority to identify the Designated Recipient in this Appendix 2 (*Appointment of Designated Recipient*) (if any) and to give on its behalf the instruction given in the applicable Account Holder Letter:

☐ Yes ☐ No

SIGNING

Account Holder’s Authorised employee’s /
representative’s name:

(print name)

Executed by authorised employee / representative
for and on behalf of Account Holder :

(sign)

Date:

APPENDIX 2 TO THE ACCOUNT HOLDER LETTER

DISTRIBUTION CONFIRMATION

Note:

In order for a Scheme Creditor (or its Designated Recipient) to be entitled to receive any Scheme Consideration under the terms of the Scheme (if it becomes effective in accordance with its terms), it must ensure that this Distribution Confirmation is duly completed in the affirmative and returned by its Account Holder, together with a duly completed Account Holder Letter (and, if applicable, a Designated Recipient Form), to the Information Agent by no later than the Bar Date.

Any Scheme Creditor that wishes to receive a proportion of the Scheme Consideration on the Restructuring Effective Date must ensure that this Distribution Confirmation is duly completed in the affirmative and returned by its Account Holder, together with a duly completed Account Holder Letter (and, if applicable, a Designated Recipient Form), to the Information Agent by the Initial Deadline.

Any Scheme Creditor that does not make the relevant confirmations by checking the “Yes” box below shall not be entitled to receive a distribution of Scheme Consideration and should contact the Information Agent without delay.

For the avoidance of doubt, Scheme Creditors do not have to procure completion of this Distribution Confirmation (and, if applicable, Designated Recipient Form) in order to vote on the Scheme.

The **Scheme Creditor** (or if applicable, its **Designated Recipient**) acknowledges and agrees to the terms, confirmations, acknowledgements, warranties and undertakings set out in clauses 1 to 6 below of this Distribution Confirmation, including without limitation those set out at Annex A (*General confirmations, acknowledgements, warranties and undertakings*) and Annex B (*Securities Law confirmations and undertakings*):

☐ Yes

☐ No

DISTRIBUTION CONFIRMATION

This Deed is made by way of deed poll by the person whose details are set out in Annex D hereto on the date stated in the signature page for the benefit of the Company and Pearl II, and with the intention and effect that it may be directly relied upon and enforced separately by each Released Beneficiary (as defined in the Scheme), even though they are not party to this Deed.

1. Definitions and interpretation

- 1.1 Unless otherwise defined herein, defined terms in this Confirmation shall have the meanings given to them in the Explanatory Statement and the Scheme.
- 1.2 In this Confirmation unless the context otherwise requires:
 - (a) words in the singular include the plural and in the plural include the singular;
 - (b) the words “including” and “include” shall not be construed as or take effect as limiting the generality of the foregoing;
 - (c) the headings shall not be construed as part of this Confirmation nor affect its interpretation;
 - (d) references to any clause, without further designation, shall be construed as a reference to the clause of this Confirmation so numbered;
 - (e) reference to any act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of this Confirmation and any former statutory provision replaced (with or without modification) by the provision referred to;
 - (f) reference to a person includes a reference to any body corporate, unincorporated association or partnership and to that person’s legal personal representatives or successors; and
 - (g) the principles of construction set out in the Scheme apply to this Confirmation except that references to the Scheme shall instead be construed as referenced to this Confirmation.

2. Confirmations, warranties and undertakings

- 2.1 The Scheme Creditor or, if the Scheme Creditor has appointed a Designated Recipient, its Designated Recipient, hereby gives the confirmations, acknowledgements, warranties and undertakings set out in:
 - (a) Annex A (*General confirmations, acknowledgements, warranties and undertakings*);
 - (b) Annex B (*Securities Law confirmations and undertakings*); and
 - (c) Annex C (*New Securities Form*).
- 2.2 Without prejudice to the provisions in Annex A, Annex B and Annex C, the Scheme Creditor and, if the Scheme Creditor has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably warrant, undertake and represent to the Company that with effect from the Restructuring Effective Date:

- (a) It will not seek to dispute, set aside, challenge, compromise or question in any jurisdiction the validity and efficacy of the cancellation and/or write-down of the Existing Notes, or the release and discharge of its Scheme Claims and Ancillary Claims, provided that such cancellation, write-down, release and discharge were done in accordance with the terms of the Scheme.
- (b) It will not seek to dispute, challenge, set aside or question the validity, authority or efficacy of the Scheme in any jurisdiction or before any court, regulatory authority, tribunal or otherwise and, without prejudice to the generality of the foregoing, notwithstanding that the Company (which is the issuer of the Existing Notes) is incorporated in the Cayman Islands, that certain Group Companies are incorporated in Hong Kong, Singapore, the PRC and Thailand or that the Existing Notes Indenture is governed by New York law.
- (c) It has obtained all necessary consents, authorisations, approvals and/or permissions required to be obtained by it under the laws and regulations applicable to it in any jurisdiction in order to sign this Confirmation and its signatory represents that it is duly authorised to sign this Confirmation on that party's behalf.

3. Grant of authority to the Company to execute certain documents on behalf of the Scheme Creditors

Subject only to the Scheme Effective Date occurring, the Scheme Creditor and, if the Scheme Creditor has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably and unconditionally authorise the Company, and appoint the Company as their true and lawful attorney (acting by its directors or other duly appointed representative) to enter into, execute and deliver (as applicable) the Restructuring Documents and such other documents that the Company reasonably considers necessary to give effect to the terms of the Scheme on behalf of each of them and agree to be bound by their terms.

4. Distribution of the Scheme Consideration

- 4.1 The Scheme Creditor or, if the Scheme Creditor has appointed a Designated Recipient, the Designated Recipient, confirms in relation to the Existing Notes that are the subject of the applicable Account Holder Letter that it intends to receive the Scheme Consideration to which it is entitled in accordance with the terms of the Scheme.
- 4.2 The Scheme Creditor (or its Designated Recipient) irrevocably directs the Company to pay the Cash Payment and (if applicable) the Consent Fee to it by transferring the same to the nominee banks of Euroclear and Clearstream to be applied in accordance with the terms of the Scheme.
- 4.3 The Scheme Creditor (or its Designated Recipient) irrevocably directs the Company to issue such New Notes to it by depositing the New Notes in global registered form with the Depositary or its nominee for the accounts of the Clearing Systems to be applied in accordance with the terms of the Scheme.
- 4.4 The Scheme Creditor (or its Designated Recipient) irrevocably directs Pearl II to issue such New Perpetual Notes to it by depositing the New Perpetual Notes in global registered form with the Depositary or its nominee for the accounts of the Clearing Systems to be applied in accordance with the terms of the Scheme.

5. **New York law release**

5.1 With effect from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in clauses 5.3.1 to 5.3.6 of the Scheme, the Scheme Creditor, on behalf of itself and each of its predecessors, successors and assigns (collectively, the **“Releasing Parties”**) to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of:

- (a) the Company, the Company Advisers and their respective Personnel and Affiliates;
- (b) the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their Personnel and Affiliates;
- (c) the Existing Notes Subsidiary Guarantors and other members of the Group, and their respective Personnel and Affiliates; and
- (d) the Ad Hoc Committee, the AHC Advisers and their Personnel and Affiliates,

and each of their predecessors, successors and assigns, and in their capacities as such from any and all Claims and/or Liabilities whether known or unknown, fixed or contingent, including any and all Scheme Claims and Ancillary Claims, arising prior to the Restructuring Effective Date or that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Restructuring Effective Date (or in respect of Clause 5.1(b) only, Claims and/or Liabilities which are based on actions taken or not taken by the Existing Notes Trustee, the Security Agent, the Scheme Consideration Trustee, the Information Agent, the Registrar and the Existing Notes Depositary, in such capacities, and their Personnel and Affiliates pursuant to the Scheme, whether before or after the Restructuring Effective Date) except for:

- (i) any and all claims or causes of action arising from or relating to gross negligence, fraud, dishonesty or wilful misconduct;
- (ii) any liability of any Company Adviser or their Personnel and Affiliates arising under a duty of care to their client;
- (iii) any and all Claims or Liabilities that any Scheme Creditor Releasing Party may have against the Company, any Existing Notes Subsidiary Guarantor and/or any other Group Company, or any of their respective Personnel and Affiliates, which do not arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents;
- (iv) any Claims against or Liabilities of any Company Adviser or their Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing;
- (v) any Claims against or Liabilities of the Ad Hoc Committee, the AHC Adviser or their respective Personnel and Affiliates that are not related to the RSA, the Restructuring, the Scheme or the negotiation or preparation of any of the foregoing; and/or
- (vi) in the case of the Existing Notes Trustee, the Security Agent, the Information Agent, the Registrar and the Existing Notes Depositary and

their Personnel and Affiliates, any and all Claims or Liabilities which do not relate to or arise directly or indirectly from, pursuant to, under or in connection with any of the Existing Notes Documents,

provided that the foregoing shall not prejudice or impair any right of any Scheme Creditor Releasing Party in respect of any Excluded Liabilities.

6. **Third Parties**

- 6.1 This Confirmation is made for the benefit of, and with the intention and effect that it may be directly relied upon by, the Company and each beneficiary of any release granted under this Confirmation and any permitted assignee (together, the “**Relying Persons**”).

7. **Governing Law**

- 7.1 This Confirmation shall be governed by, and this Confirmation shall be construed in accordance with, the laws of the State of New York. Any New York state or United States federal court located in the Borough of Manhattan, The City of New York shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with this Confirmation and, for such purposes, we hereby irrevocably submit to the jurisdiction of any New York state or United States federal court located in the Borough of Manhattan, The City of New York.

Annex A
to the Distribution Confirmation
General confirmations, acknowledgements, warranties and undertakings

1. The Scheme Creditor or, if the Scheme Creditor has appointed a Designated Recipient, the Designated Recipient, confirms to the Company, Pearl II and the Information Agent that:
 - 1.1 to the best of its knowledge, it has complied with all laws and regulations applicable to it in any jurisdiction with respect to the Scheme, the Account Holder Letter and this Confirmation;
 - 1.2 it is (i) not a Disqualified Person and not a Prohibited Transferee; or (ii) if the Scheme Creditor has appointed a Designated Recipient, the Scheme Creditor will retain no beneficial interest in any Scheme Consideration nominated to be held by the Designated Recipient if the Scheme Creditor is itself a Disqualified Person or a Prohibited Transferee;
 - 1.3 it has received and reviewed the Scheme and the Explanatory Statement and assumes all of the risks inherent in participating in the Scheme and has undertaken all the appropriate analysis of the implications of participating in the Scheme;
 - 1.4 it authorises the Clearing Systems to provide details concerning its identity, the Existing Notes which are the subject of the Account Holder Letter and its applicable account details to the Company and the Information Agent and their respective legal and financial advisers at the time the Account Holder Letter is submitted;
 - 1.5 it acknowledges that no information has been provided to it by the Existing Notes Trustee or the Information Agent with regard to the tax consequences arising from the receipt of any of the Scheme Consideration or the participation in the Scheme and acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Scheme (other than any taxes or similar payments for which a member of the Group will be liable under any Restructuring Document) and agrees that it will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against the Existing Notes Trustee or the Information Agent or any other person in respect of such taxes and payments;
 - 1.6 it consents to, and agrees to be bound by the terms of the Scheme and the other matters contained herein, upon the Scheme becoming effective;
 - 1.7 it acknowledges that all authority conferred or agreed to be conferred pursuant to the Account Holder Letter and this Confirmation and each obligation and the authorisations, instructions and agreements given by it shall, to the best of its knowledge and to the extent permitted by law, be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity and that all of the information in the Account Holder Letter and this Confirmation is true, complete and accurate as at the date of this Confirmation;
 - 1.8 it:
 - (a) authorises the execution and the taking of all steps as are reasonably necessary to give effect to this Confirmation and its terms;
 - (b) authorises the execution and the taking of all such steps by any party as are required to give effect to: (i) the cancellation and/or mark-down of the Existing

Notes and (ii) the confirmation that the Security Interests over the Collateral (created by and under the Security Documents) no longer secure any Liabilities of the Company, the Existing Notes Subsidiary Guarantors or any other Group Company under or in connection with the Existing Notes,

in each case, to the extent provided for under, and in accordance with, the terms of the Scheme;

- 1.9 it acknowledges and agrees that the Company may, between the date on which the Explanatory Statement is issued and the Scheme Effective Date, make any modifications of, or additions to, the Scheme and/or the Restructuring Documents (a) which would not directly or indirectly have any adverse effect on the rights or interests of the Scheme Creditors, (b) which are necessary for the purpose of implementing the Restructuring, and (c) provided that the Company draws all such modifications or additions to the attention of the Cayman Court at the Scheme Sanction Hearing;
 - 1.10 it acknowledges that neither the Scheme nor the transactions contemplated by the Explanatory Statement shall be deemed to be investment advice or a recommendation as to a course of conduct by the Existing Notes Trustee or any of its officers, directors, employees or agents; and
 - 1.11 it represents that it has made an independent decision in consultation with its advisers and professionals to the extent that it considers it necessary.
2. The Scheme Creditor or, if the Scheme Creditor has appointed a Designated Recipient, the Designated Recipient hereby acknowledges and agrees that the confirmations, authorisations, acknowledgements and waivers made by it in this Annex A are also given in favour of each relevant Relying Person (as defined above), who, in each case, are entitled to enforce and enjoy the benefit of any terms contained therein.

Annex B
to the Distribution Confirmation
Securities Law confirmations and undertakings

1. The Scheme Creditor or, if the Scheme Creditor has appointed a Designated Recipient, the Designated Recipient, confirms to the Company, Pearl II and the Information Agent that:
 - 1.1 it understands that the offer to it of the New Notes and the New Perpetual Notes has not been registered under the US Securities Act and that such offer is being made to it in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and that consequently the New Notes and the New Perpetual Notes have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States;
 - 1.2 it understands that the New Notes and the New Perpetual Notes are "**restricted securities**" as defined in Rule 144(a)(3) under the US Securities Act, and it agrees on its own behalf and on behalf of any investor for which it is acquiring the New Notes and/or the New Perpetual Notes, and each subsequent holder of the New Notes or the New Perpetual Notes by its acceptance thereof will be deemed to agree, to transfer such New Notes or, as the case may be, the New Perpetual Notes only, prior to the date that is: (i) in the case of New Notes and New Perpetual Notes issued in reliance on Regulation S under the US Securities Act ("**Regulation S**"), 40 days; and (ii) otherwise, one year after the original issue date or such later date, if any, as may be required by applicable law only:
 - (a) to the Company or one of its subsidiaries;
 - (b) pursuant to a registration statement which has been declared effective under the US Securities Act;
 - (c) for so long as the New Notes or the New Perpetual Notes are eligible for resale pursuant to Rule 144A under the US Securities Act ("**Rule 144A**"), to a person it reasonably believes is a "qualified institutional buyer" (a "**QIB**") as defined in Rule 144A that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A;
 - (d) to an institutional "accredited investor" ("**Accredited Investor**") within the meaning of Rule 501(A)(1), (2), (3) or (7) under the US Securities Act that, before such transfer, delivers to the Transfer Agent in respect of the New Notes or, as the case may be, the Transfer Agent in respect of the New Perpetual Notes a duly completed and signed certificate (the form of which may be obtained from the relevant Transfer Agent) relating to the restrictions on transfer of the New Notes or, as the case may be, the New Perpetual Notes;
 - (e) outside the United States to non-U.S. persons in accordance with Regulation S; or
 - (f) pursuant to any other available exemption from the registration requirements of the US Securities Act;
 - 1.3 it understands that unless the Company determines otherwise in accordance with applicable law, the New Notes will, to the extent they are issued in certificated form, bear a legend substantially in the following form:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK SA/NV (“**EUROCLEAR**”) OR

CLEARSTREAM BANKING S.A. (“**CLEARSTREAM**”) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF ITS AUTHORIZED NOMINEE OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEAR-STREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.”

- 1.4 it understands that unless Pearl II determines otherwise in accordance with applicable law, the New Perpetual Notes will, to the extent they are issued in certificated form, bear a legend substantially in the following form:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF ELAVON FINANCIAL SERVICES DAC AS COMMON DEPOSITARY (“**COMMON DEPOSITARY**”) FOR EUROCLEAR BANK SA/NV AND CLEARSTREAM BANKING S.A. TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.”

- 1.5 it and any subsequent holder of the New Notes or the New Perpetual Notes will notify any person to whom it subsequently re-offers, resells, pledges, transfers or otherwise disposes of the New Notes or, as the case may be, the New Perpetual Notes of the foregoing restrictions on transfer;
- 1.6 it understands and acknowledges that the Company and Pearl II shall not be obliged to recognise any resale or other transfer of the New Notes and the New Perpetual Notes made other than in compliance with the restrictions set forth in this Distribution Confirmation and the terms of the New Notes or, as the case may be, the New Perpetual Notes;

- 1.7 it confirms that it will acquire an interest in the New Notes and the New Perpetual Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements in this Distribution Confirmation and for whom it exercises sole investment discretion;
- 1.8 the receipt of New Notes and New Perpetual Notes by such person is not part of a plan or scheme to evade the registration requirements of the US Securities Act;
- 1.9 it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the New Notes and the New Perpetual Notes, and is experienced in investing in capital markets and is able to bear the economic risk of investing in its New Notes and the New Perpetual Notes (which it may be required to bear for an indefinite period of time and it is able to bear such risk for an indefinite period), and has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in its New Notes and New Perpetual Notes, and is able to sustain a complete loss of its investment in its New Notes and New Perpetual Notes;
- 1.10 it has or has access to all information that it believes is necessary, sufficient or appropriate in connection with its acquisition of its New Notes and New Perpetual Notes and has made an independent decision to acquire its New Notes and New Perpetual Notes based on the information concerning the business and financial condition of the Company or of Pearl II and other information available to it which it has determined is adequate for that purpose;
- 1.11 it will comply with all securities laws of any state or territory of the United States or any other applicable jurisdiction, including without limitation "blue sky" laws, and acceptance of its New Notes and New Perpetual Notes will not violate any applicable law;
- 1.12 it understands that neither the Securities and Exchange Commission, nor any other United States state or other securities commission or regulatory authority has approved or disapproved of the New Notes and New Perpetual Notes or passed comment upon the accuracy or adequacy of the Solicitation Packet or the Explanatory Statement, and that any representation to the contrary is a criminal offence in the United States;
- 1.13 it has consulted and will continue to consult, in each case as required, its own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Scheme, the New Notes, the New Perpetual Notes and the Restructuring in its particular circumstances;
- 1.14 it understands that the New Notes and New Perpetual Notes will not be listed on a U.S. securities exchange or any inter-dealer quotation system in the United States and that the Company does not intend to take action to facilitate a market in any of the New Notes and New Perpetual Notes in the United States. Consequently, it understands that that it is unlikely that an active trading market in the United States will develop for any such securities;
- 1.15 it understands that the foregoing representations, warranties and agreements are required in connection with United States securities laws and that the Company, Pearl II and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. It agrees that, if any of the acknowledgements, representations and warranties made in connection with its receipt of the New Notes and New Perpetual Notes are no longer accurate, it will promptly, and in any event prior to the issuance of its New Notes and New Perpetual Notes, notify the Company in writing;

- 1.16 it is either (i) a “qualified investor” within the meaning of Regulation (EU) 2017/1129; or (ii) is not incorporated or situated in any member state of the European Economic Area;
- 1.17 if it is a “qualified investor” within the meaning of Regulation (EU) 2017/1129, acting as a “financial intermediary” (as such terms are used in the Prospectus Regulation), it has not elected for the New Notes or the New Perpetual Notes and will not subscribe for the New Notes or the New Perpetual Notes on a non-discretionary basis on behalf of, and will not offer the New Notes or the New Perpetual Notes to persons in circumstances which may give rise to an offer of securities to the public, and understands that no such offer of the New Notes or the New Perpetual Notes shall require the Company or Pearl II to publish a prospectus pursuant to the Prospectus Regulation;
- 1.18 it is not located or resident in the United Kingdom or, if it is a resident of or located in the United Kingdom, it is (a) a “qualified investor” as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) (i) a person who has professional experience in matters relating to investments and qualifies as an Investment Professional in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) a high net worth company, unincorporated association, partnership, trustee or any person to whom communication may otherwise lawfully be made in accordance within Article 49(2) of the Order; or (iii) person falling within Article 43(2) of the Order;
- 1.19 if it is a “qualified investor” as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA acting as a “financial intermediary” (as such terms are used in the UK Prospectus Regulation), it has not elected for the New Notes or the New Perpetual Notes and will not subscribe for the New Notes or the New Perpetual Notes on a non-discretionary basis on behalf of, and will not offer the New Notes or the New Perpetual Notes to persons in circumstances which may give rise to an offer of securities to the public, and understands that no such offer of the New Notes or the New Perpetual Notes shall require the Company or Pearl II to publish a prospectus pursuant to the Prospectus Regulation;
- 1.20 it understands that the arrangements for the issue of the New Notes and the New Perpetual Notes have not been authorised by Hong Kong’s Securities and Futures Commission (“**SFC**”), nor has the Explanatory Statement (for this purposes including the Solicitation Packet) been approved by the SFC pursuant to section 105(1) of Hong Kong’s Securities and Futures Ordinance (“**SFO**”) or section 342C(5) of Hong Kong’s Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“**C(WUMP)O**”) or registered by Hong Kong’s Registrar of Companies pursuant to section 342C(7) of C(WUMP)O;
- 1.21 it is not located or resident in Hong Kong or, if it is resident or located in Hong Kong, it is (i) a person whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or (ii) a professional investor as defined in the SFO;
- 1.22 it understands that the New Notes and the New Perpetual Notes have not been and will not be registered under the relevant laws of the PRC;
- 1.23 it is not in Singapore or, if it is in Singapore, it is (i) an “**institutional investor**” as defined in Section 4A of the Securities and Futures Act, Chapter 289, as amended or modified from time to time (the “**SFA**”); (ii) a relevant person (as defined in Section 275(2) of the SFA) and in the case of an “**accredited investor**”, as such term is defined in Section 4A of the SFA as modified by Regulation 3 of the Securities and Futures (Classes of

Investors) Regulations 2018 of Singapore; (iii) a person referred to in Section 275(1A) of the SFA; or (iv) a person to whom the New Notes and the New Perpetual Notes may otherwise be offered pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA;

- 1.24 it understands that no registration or licensing is required or made under the Securities Investment Business Act in the Cayman Islands or with the Cayman Islands Monetary Authority in relation to the Explanatory Statement and that the Explanatory Statement is only distributed to Scheme Creditors such that it does not represent an offer to the public in the Cayman Islands under any law in the Cayman Islands;
- 1.25 it is not located or resident in Thailand and it acknowledges and agrees that no New Notes or New Perpetual Notes may be offered or sold, whether directly or indirectly, in Thailand;
- 1.26 it will comply with all securities laws relating to the New Notes and the New Perpetual Notes that apply to it in any place in which it accepts, holds or sells any of its New Notes or New Perpetual Notes . It has obtained all consents or approvals that it needs in order to receive its New Notes and New Perpetual Notes, and neither the Company nor Pearl II is responsible for compliance with these legal requirements; and
- 1.27 it will not offer or resell any of its New Notes or New Perpetual Notes, or cause any offer for the resale of its New Notes or New Perpetual Notes, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of its New Notes or New Perpetual Notes would be unlawful under, or cause the Company to be in breach of, the securities laws of such state or jurisdiction and it has complied and will comply with all applicable laws and regulations with respect to anything done by it in relation to the New Notes or New Perpetual Notes; and
- 1.28 it understands that in the absence of bad faith, none of the Company, Pearl II, the other Group Companies, the Board, the Information Agent or any person appointed to distribute the New Notes and the New Perpetual Notes shall have any liability for any loss or damage arising as a result of the timing or terms of such a sale or as a result of the timing or terms of, or as a result of any remittance made pursuant to, such distribution or any regulatory, civil or criminal sanctions or penalties incurred by the Scheme Creditors as a result of the implementation of the Scheme in respect of laws or regulations applicable to them.

Annex C to the Distribution Confirmation

New Securities Form

By ticking one of the boxes below, the Scheme Creditor expressly acknowledges and confirms that the Scheme Creditor intends to receive and is eligible to receive, or if a Designated Recipient is appointed, the Designated Recipient acknowledges and confirms that it is eligible to receive New Notes and New Perpetual Notes in the form as follows:

- ☐ Rule 144A New Notes and Rule 144A New Perpetual Notes
- ☐ IAI New Notes and IAI New Perpetual Notes
- ☐ Regulation S New Notes and Regulation S New Perpetual Notes

By ticking one of the three boxes above, the Scheme Creditor or its Account Holder on its behalf (or its Designated Recipient, as applicable), expressly confirms, represents and warrants that:

- (a) in the case of ticking the Rule 144A New Notes and the Rule 144A New Perpetual Notes boxes, the Scheme Creditor (or its Designated Recipient) is a “qualified institutional buyer” as defined in Rule 144A under the US Securities Act or in the case of ticking the IAI New Notes and the IAI New Perpetual Notes boxes, the Scheme Creditor (or its Designated Recipient) is an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act;
- (b) the Scheme Creditor (or its Designated Recipient) is aware that the sale of the Rule 144A New Notes, the Rule 144A New Perpetual Notes, the IAI New Notes and the IAI New Perpetual Notes, as applicable, to it is being made in reliance on one or more exemptions from registration under the US Securities Act, including Section 4(a)(2) thereunder; and the Scheme Creditor (or its Designated Recipient) is acquiring the Rule 144A New Notes and the Rule 144A New Perpetual Notes or the IAI New Notes and the IAI New Perpetual Notes, as applicable, for its own account or for one or more managed accounts, each of which is a “qualified institutional buyer” or an institutional “accredited investor” and as to each of which it exercises sole investment discretion; or
- (c) in the case of ticking the Regulation S New Notes and Regulation S New Perpetual Notes boxes, the Scheme Creditor (or its Designated Recipient) is located outside the United States and is a person that is not a “U.S. Person” as defined in Regulation S under the US Securities Act, acquiring the Regulation S Notes in reliance on Regulation S under the US Securities Act, and acquiring the Regulation S Notes for its own account or for one or more managed accounts, each of which is a non-U.S. Person and as to each of which it exercises sole investment discretion.

Any Scheme Creditor that does not make the relevant confirmations by **checking the “Yes” box below and complete this Annex C and Annex D** to this Distribution Confirmation shall not be entitled to receive a distribution of New Notes and New Perpetual Notes and should contact the Information Agent without delay.

The Scheme Creditor and if applicable the Designated Recipient, acknowledges and agrees to the terms, confirmations, acknowledgements, warranties and undertakings set out in this Distribution Confirmation, including without limitation those set out at Annex A (*General confirmations, acknowledgements, warranties and undertakings*) and Annex B (*Securities Law confirmations and undertakings*) and this Annex C (*New Securities Form*):

- ☐ Yes
- ☐ No

Annex D to the Distribution Confirmation

Details of Scheme Creditor / Designated Recipient

Scheme Creditor

Name of Scheme Creditor: _____

Email address: _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Designated Recipient (if applicable)

Name of Designated Recipient: _____

Email address: _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

In witness whereof this Deed has been executed as a deed and delivered on _____ by the parties hereto.

Individual Scheme Creditor

EXECUTED and DELIVERED as a **DEED** by

Scheme Creditor

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Scheme Creditor

EXECUTED and DELIVERED as a **DEED**
for and on behalf of

Scheme Creditor

(print name)

(sign)

acting by:

Name:

Title:

(sign)

Name:

Title:

Individual Designated Recipient

EXECUTED and DELIVERED as a **DEED** by

Designated Recipient

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Designated Recipient

EXECUTED and DELIVERED as a **DEED**
for and on behalf of

Designated Recipient

(print name)

acting by:

(sign)

Name:

Title:

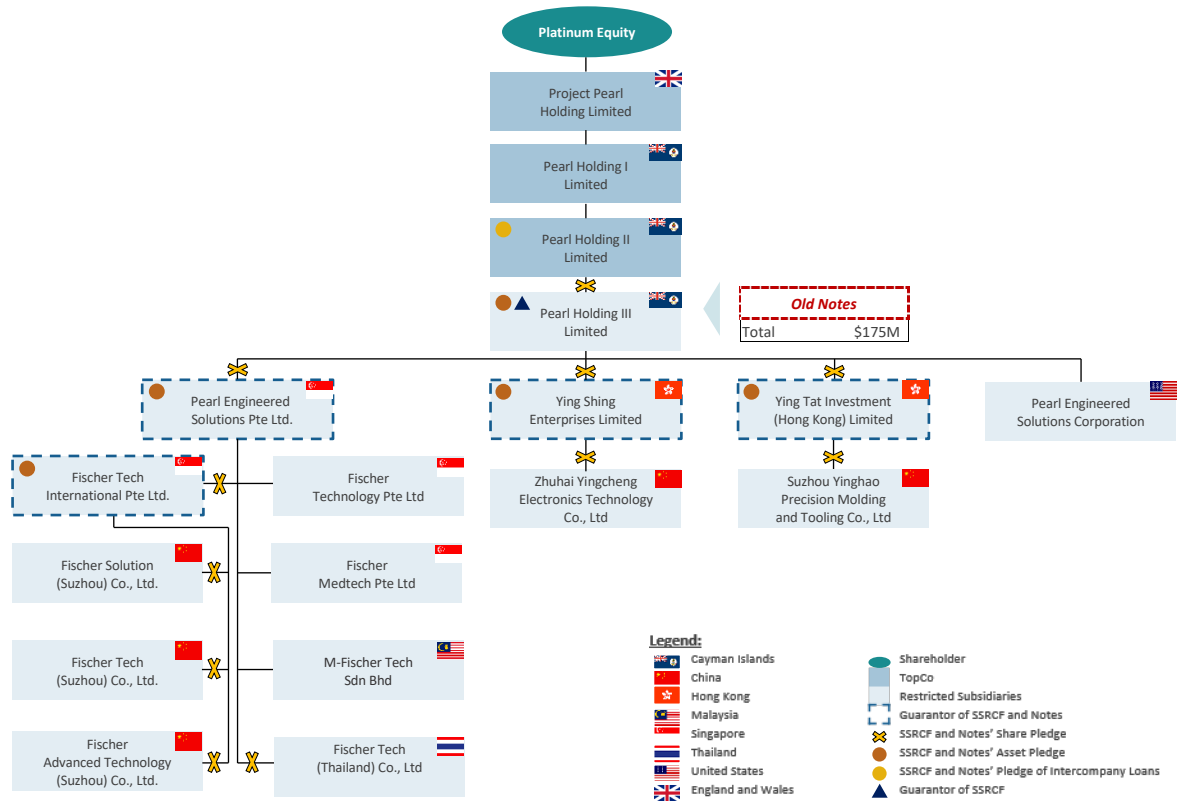
(sign)

Name:

Title:

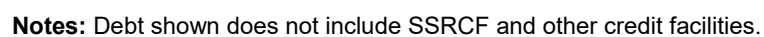
Appendix 9

PRE-RESTRUCTURING CORPORATE STRUCTURE



Notes: Debt shown does not include SSRCF and other credit facilities.

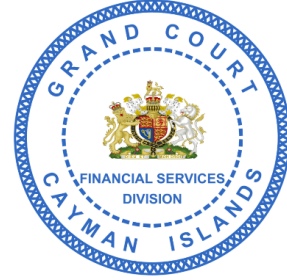
POST-RESTRUCTURING CORPORATE STRUCTURE



Notes: Debt shown does not include SSRFC and other credit facilities.

Appendix 11

SCHEME MEETING CONVENING ORDER



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD 254 OF 2021 (DDJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF PEARL HOLDING III LIMITED

IN CHAMBERS

BEFORE THE HONOURABLE JUSTICE DOYLE

ORDER

UPON the application of Pearl Holding III Limited (the **Company**) of C/- Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands, by way of a Summons dated 24 August 2021 filed herein seeking orders to, amongst other things, convene a meeting of certain creditors of the Company to consider and, if thought fit, approve a scheme of arrangement in respect of the Company (the **Scheme**) coming on for hearing

AND UPON READING the Petition, the First Affidavit of Boon Heng Ang sworn on 23 August 2021, the Second Affidavit of Boon Heng Ang sworn on 30 August 2021 and the First Affidavit of Farhana Ahmed Sharmeen sworn on 30 August 2021, and the exhibits thereto

AND FURTHER UPON READING the documents incorporating, amongst other things, the Scheme and the Explanatory Statement attached as Exhibit "BHA-2" to the Second Affidavit of Boon Heng Ang (the **Scheme Document**)



UPON the basis that all capitalized terms not otherwise defined in this Order shall have the meaning given to them in the Scheme Document

AND UPON hearing Counsel for the Company

AND UPON the undertaking given by Counsel on behalf of the Company to file, before 3 pm on 13 September 2021, an affidavit setting out the factual matters concerning the fees paid and payable to the AHC Advisers that were provided to the Court by way of oral submission at the hearing

IT IS HEREBY ORDERED AND DIRECTED AS FOLLOWS:

1. The Company be at liberty to convene a single meeting of the Scheme Creditors to be held in Hong Kong for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme.
2. The Scheme Meeting shall be held at the offices of Latham & Watkins LLP at 18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong at 9:00 p.m. Cayman Islands time on 29 September 2021, being the equivalent of 10:00 a.m. Hong Kong / Singapore time on 30 September 2021 / 10:00 p.m. New York time on 29 September 2021, subject to any adjournment as may be approved by the Chairman of the meeting.
3. Scheme Creditors will be able to attend the Scheme Meeting in person or by proxy and will also be able to join by video conference or by telephone using the dial-in details which will be published on the Scheme Website. Alternatively, Scheme Creditors will be able to obtain those details from the Information Agent.
4. The Scheme Document and the forms of proxy, in the form included in Exhibit "BHA-2" to the Second Affidavit of Boon Heng Ang, be and are hereby approved.



5. At least twenty-one (21) clear days before the date of the Scheme Meeting, the Company shall give notice to Scheme Creditors of the Scheme Meeting by delivering a notice substantially in the form set out in Appendix 7 to the Explanatory Statement (the ***Scheme Meeting Notice***):
 - (a) stating the time and date of the Scheme Meeting; and
 - (b) containing a link to the Scheme Website where the Scheme Document may be viewed and downloaded by Scheme Creditors.
6. The Company shall cause the Scheme Meeting Notice, to be served on the Scheme Creditors through the following means:
 - (a) posting on the Scheme Website (<https://bonds.morrowsodali.com/pearl>);
 - (b) delivering through the Existing Notes Depository;
 - (c) delivering through electronic mail to each person who the Company believes may be a Scheme Creditor, and who has registered as a Scheme Creditor with the Company or the Information Agent or otherwise notified the Company or the Information Agent of its valid email address (including via the submission of a Consenting Notes Designation); and
 - (d) publishing an announcement on the website of SGX ST.
7. Scheme Document in substantially the same form as that included in Exhibit “BHA-2” to the Second Affidavit of Boon Heng Ang, will be made available by the Information Agent to the Scheme Creditors on the Scheme Website and will be distributed through the Clearing Systems to the holders of the Existing Notes.
8. The accidental omission to serve any Scheme Creditor with the aforementioned documents, or the non-receipt by any Scheme Creditor of such documents, shall not of itself invalidate the proceedings at the Scheme Meeting.

9. That The Depository Trust Company (or its nominee), in its capacity as the common depository and registered holder of the Existing Notes, shall not vote in respect of the Existing Notes at the Scheme Meeting.
10. That Howard Lam of Latham & Watkins LLP or, failing him, a suitable alternative nominated by the Company who must be a professional from either Latham & Watkins LLP or Houlihan Lokey (Singapore) Private Limited, be appointed to act as chairperson of the Scheme Meeting and accordingly, be directed to report the result of the Scheme Meeting to the Court.
11. At the Scheme Meeting, measures will be taken with a view to preventing and controlling the spread of the coronavirus, COVID-19, as set out in the Scheme Document.
12. The Petition shall not be required to be advertised.
13. The Petition be set down to be heard on 10 am on 8 October 2021 (Cayman Islands time).
14. There shall be liberty to apply generally.

Dated this 6th day of September 2021

Filed this 6th day of September 2021



David Doyle

THE HONOURABLE JUSTICE DOYLE
JUDGE OF THE GRAND COURT

THIS ORDER was filed by Harney Westwood & Riegels, Attorneys-at-Law for the Company, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (Ref: 055317.0003/PYM/LBG).