



## ***Ezion Holdings Limited***

### **EZION HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 199904364E)

- (A) THE PROPOSED BONDS ISSUE;
  - (B) THE PROPOSED WARRANTS (2018-SHAREHOLDERS) ISSUE;
  - (C) THE PROPOSED WARRANTS (2018-SECURITYHOLDERS) ISSUE;
  - (D) THE PROPOSED SERIES 008 SECURITIES CONVERSION SHARES ISSUE;
  - (E) THE PROPOSED INTEREST SHARES ISSUE;
  - (F) THE PROPOSED SECURITYHOLDERS CONSENT SHARES ISSUE;
  - (G) THE PROPOSED WARRANTS (2018-RCF) ISSUE;
  - (H) THE PROPOSED TLF CONSENT SHARES ISSUE;
  - (I) THE PROPOSED WARRANTS (2018-UNSECURED LENDERS) ISSUE;
  - (J) THE PROPOSED PROFESSIONAL FEES SHARES ISSUE; AND
  - (K) THE PROPOSED PRIVATE SUBSCRIBER OPTION SHARES ISSUE.
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### **1. INTRODUCTION**

1.1. The board of directors (the “**Board**” or the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following announcements made by the Company:

- (a) the announcement dated 14 August 2017 in relation to the suspension in trading of the shares of the Company (“**Shares**”);
- (b) the announcement dated 14 August 2017 in relation to the letter issued by the Company to shareholders of the Company (“**Shareholders**”) which stated, *inter alia*, that the Company is working with its stakeholders to discuss financing options;
- (c) the announcement dated 23 August 2017 pursuant to which the Company announced that it was arranging a series of informal meetings with its lenders and holders of Securities (as defined below) (the “**Securityholders**”) issued by the Company pursuant to the Programme (as defined below);
- (d) the announcement dated 28 August 2017 in relation to the update provided by the Company that it has completed initial informal meetings with the Securityholders, during which the Company provided the Securityholders with an overview of the Group’s operations; an overview of the industry in which it operates; the Group’s financial situation; and the Group’s action plan and roadmap;
- (e) the announcement dated 15 September 2017 pursuant to which the Company announced that it will convene second informal meetings with the Securityholders to provide the Securityholders with an update on the developments of the refinancing proposal with the Company’s lenders since the first informal meeting; and to present

- (f) the refinancing proposal for the Securities to the Securityholders for their consideration;
- (g) the announcement dated 20 September 2017 in relation to, *inter alia*, the update on the second informal meeting with Securityholders;
- (h) the announcement dated 3 October 2017 in relation to, *inter alia*, (i) the completion of the second informal meeting with Securityholders, during which the Company provided Securityholders with a review of its financial and capitalisation structure and the potential options to refinance the Securities; and (ii) the establishment of an informal steering committee representing holders of the Securities (other than the Series 008 Securities (as defined below)) (the “**Notes Steering Committee**”) and an informal steering committee representing the Series 008 Securities (the “**Perpetual Securities Steering Committee**”, and together with the Notes Steering Committee, the “**Informal Steering Committees**”);
- (i) the announcement dated 8 October 2017 pursuant to which the Company announced that it has been engaging in ongoing discussions with the Informal Steering Committees since their formation on 3 October 2017 and has entered into non-disclosure agreements with the members of the Informal Steering Committees;
- (j) the announcement dated 23 October 2017 in relation to, *inter alia*, the consent solicitation statement (the “**Original Consent Solicitation Statement**”) and the notice of meetings (the “**Original Notice of Meetings**”), both dated 23 October 2017, issued to the holders of the Series 003 S\$110,000,000 4.70% notes due 2019 (ISIN: SG56F6993056) (the “**Series 003 Securities**”); Series 004 S\$60,000,000 4.60% notes due 2018 (ISIN: SG57D3995685) (the “**Series 004 Securities**”); Series 005 S\$50,000,000 4.85% notes due 2019 (ISIN: SG6OF1000004) (the “**Series 005 Securities**”); Series 006 S\$55,000,000 5.10% notes due 2020 (ISIN: SG6PB3000008) (the “**Series 006 Securities**”); Series 007 S\$150,000,000 4.875% notes due 2021 (ISIN: SG6RD2000001) (the “**Series 007 Securities**”); and Series 008 S\$150,000,000 7.00% subordinated perpetual securities (ISIN: SG6UH9000009) (the “**Series 008 Securities**” and, together with the Series 003 Securities, the Series 004 Securities, the Series 005 Securities, the Series 006 Securities and the Series 007 Securities, the “**Securities**” and each a “**Series of Securities**”) in each case issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme (the “**Programme**”) of the Company (the “**Consent Solicitation Exercise**”);
- (k) the announcement dated 24 October 2017 pursuant to which the Company announced that it will convene a third informal meeting with the Securityholders to provide the Securityholders with a summary of the Consent Solicitation Exercise and to answer any queries which the Securityholders may have in relation to the Consent Solicitation Exercise;
- (l) the announcement dated 30 October 2017 pursuant to which the Company issued (i) a supplemental consent solicitation statement dated 28 October 2017 (the “**Supplemental Consent Solicitation Statement**”) to make certain amendments and supplements to the Original Consent Solicitation Statement; and (ii) an amendment to the Original Notice of Meetings dated 28 October 2017 (the “**Amendment to Notice**”);

**of Meetings**") to make certain amendments and supplements to the Original Notice of Meetings;

- (m) the announcement dated 3 November 2017 pursuant to which the Company announced that it has completed the third informal meeting with the Securityholders;
- (n) the announcement dated 20 November 2017 in relation to the results of the Consent Solicitation Exercise following the Meetings (as defined below);
- (o) the announcement dated 3 January 2018 in relation to an update to Securityholders; and
- (p) the announcement dated 2 February 2018 in relation to the redemption of the Series 009 S\$120,000,000 3.65 Per Cent. Committed Funding Backed Notes Due 2020 (ISIN: SG6YH5000005),

(collectively, the "**Previous Announcements**").

The Original Consent Solicitation Statement as amended and supplemented by the Supplemental Consent Solicitation Statement shall be referred to as the "**Consent Solicitation Statement**" and the Original Notice of Meetings as amended and supplemented by the Amendment to Notice of Meetings shall be referred to as the "**Notice of Meetings**".

- 1.2. As mentioned in the Previous Announcements, the Company is undertaking a refinancing exercise of itself and its subsidiaries and the Board wishes to announce that the refinancing exercise involves the refinancing of all of the Group's current secured and unsecured debts (excluding, if deemed necessary by the Company, trade debts incurred or to be incurred in the ordinary course of business) to strengthen its cash flow and working capital position ("**Refinancing Exercise**"). The Refinancing Exercise is primarily proposed to be carried out by way of the following:
- (a) consensual bilateral negotiations with each of the secured lenders of the Group on terms that will provide the Group with sufficient working capital to continue its business as currently conducted;
  - (b) a consent solicitation exercise as detailed in the Consent Solicitation Statement to obtain consensual agreement on the refinancing of the Securities issued under the Company's Programme. The Consent Solicitation Exercise is subject to the approval of the requisite majority of Securityholders which has been obtained on 20 November 2017 at the Securityholders' Meeting; and
  - (c) the passing of the ordinary resolution at an extraordinary general meeting ("**EGM**") to be convened for the Proposed Transactions (as defined below).
- 1.3. As at the date of this announcement, the Company has entered into binding refinancing term sheets (subject to definitive documentation to be entered into) with the Secured Lenders (as defined below) and is in the process of finalising binding refinancing term sheets (subject to definitive documentation to be entered into) with the Unsecured Lenders (as defined below). Please refer to Sections 9.1 and 11.1 of this announcement for further details.

1.4. The Board wishes to announce that in connection with the Refinancing Exercise, the Company is proposing to undertake the following transactions for which Shareholders' approval is required:

- (a) the proposed issue of S\$333,000,000 in aggregate principal amount of Series B 0.25% convertible bonds due 2023 (the "**Series B Convertible Bonds**") by the Company to the Securityholders (other than the Securityholders of the Series 008 Securities) convertible into up to 1,338,962,605 new ordinary shares in the capital of the Company (the "**Series B Conversion Shares**") (the "**Proposed Bonds Issue**");
- (b) the proposed issue of 1,244,306,043 non-listed and non-transferable warrants (the "**Warrants (2018-Shareholders)**") by the Company to Shareholders, with each Warrant (2018-Shareholders) carrying the right to subscribe for one (1) new ordinary Share (the "**Warrant (2018-Shareholders) Share**") at the Warrants (2018-Shareholders) Exercise Price (as defined below), on the basis of three (3) Warrants (2018-Shareholders) for every five (5) Shares held by Shareholders (the "**Proposed Warrants (2018-Shareholders) Issue**");
- (c) the proposed issue of up to 452,500,000 non-listed and transferable warrants (the "**Warrants (2018-Securityholders)**") by the Company to holders of the Series B Convertible Bonds ("**Series B Bondholders**") or holders of Amended Series 008 Securities (as defined below) ("**Amended Series 008 Securityholders**") who exercise their conversion rights during the Early Conversion Period (as defined below), with each Warrant (2018-Securityholders) carrying the right to subscribe for one (1) new Share (the "**Warrant (2018-Securityholders) Share**") at the exercise price of S\$0.2763 per Warrant (2018-Securityholders) Share (the "**Warrants (2018-Securityholders) Exercise Price**") (the "**Proposed Warrants (2018-Securityholders) Issue**");
- (d) the proposed issue of up to 480,498,592 new Shares (the "**Series 008 Securities Conversion Shares**") by the Company to Amended Series 008 Securityholders upon the conversion of S\$119,500,000 in aggregate principal amount of the Amended Series 008 Securities (the "**Proposed Series 008 Securities Conversion Shares Issue**");
- (e) the proposed issue of up to 38,113,207 new Shares (the "**Interest Shares**") by the Company to (i) Securityholders (other than holders of the Series 008 Securities) who have elected to receive Series B Convertible Bonds; and (ii) holders of the Series 008 Securities who have elected to continue to hold the Amended Series 008 Securities in lieu of the Accrued Interest (as defined below), at the issue price of S\$0.2763 per Interest Share (the "**Proposed Interest Shares Issue**");
- (f) the proposed issue of 11,442,000 new Shares (the "**Securityholders Consent Shares**") by the Company to the Securityholders who submitted or delivered voting instructions voting in favour of the Extraordinary Resolutions in relation to such Series of Securities on or prior to 15 November 2017, and do not subsequently revoke or amend such instructions, at the issue price of S\$0.2763 per Securityholders Consent Share (the "**Proposed Securityholders Consent Shares Issue**");
- (g) the proposed issue of up to 171,000,000 non-listed and non-transferable warrants (the "**Warrants (2018-RCF)**") by the Company to the secured lenders, which are all financial institutions regulated by the Monetary Authority of Singapore with a full

banking licence in Singapore except for one lender which is an engine equipment manufacturer which the Company purchases engine equipment from, and/or their nominees (the “**Secured Lenders**”), with each Warrant (2018-RCF) carrying the right to subscribe for one (1) new Share (the “**Warrant (2018-RCF) Share**”) at either the Warrants (2018-RCF) Discounted Exercise Price (as defined herein) or the Warrants (2018-RCF) Non-Discounted Exercise Price (as defined herein) (as the case may be) (the “**Warrants (2018-RCF) Exercise Price**”) (the “**Proposed Warrants (2018-RCF) Issue**”);

- (h) the proposed issue of up to 65,083,500 new Shares (the “**TLF Consent Shares**”) to the Secured Lenders at the issue price of S\$0.2763 per TLF Consent Share (the “**Proposed TLF Consent Shares Issue**”);
- (i) the proposed issue of up to 94,221,498 non-listed and transferable warrants (the “**Warrants (2018-Unsecured Lenders)**”) to three of the unsecured lenders of the Company, which are all financial institutions regulated by the Monetary Authority of Singapore with a full banking license in Singapore (the “**Unsecured Lenders**”), with each Warrant (2018-Unsecured Lenders) carrying the right to subscribe for one (1) new Share (the “**Warrant (2018-Unsecured Lenders) Share**”) at the higher of (i) S\$0.2763 (the “**Warrants (2018-Unsecured Lenders) Initial Exercise Price**”) and (ii) the price that represents the six-month VWAP of a Share prior to each Warrants (2018-Unsecured Lenders) Exercise Price Setting Date (as defined below) per Warrant (2018-Unsecured Lenders) Share (the “**Warrants (2018-Unsecured Lenders) Exercise Price**”);
- (j) the proposed issue of up to 157,000,000 new Shares (the “**Professional Fees Shares**”) by the Company to the advisors to the Company for payment of the professional fees, including relevant disbursements and incidental costs (the “**Professional Fees**”) payable to, amongst others, corporate advisory firms, valuation firms, statutory / regulatory bodies, audit firms and legal firms, in connection with the Refinancing Exercise (the “**Advisors**”), at the issue price of S\$0.2763 per Professional Fees Share (the “**Proposed Professional Fees Shares Issue**”); and
- (k) the proposed issue of up to 100,437,500 new Shares (the “**Private Subscriber Option Shares**”) to a third party subscriber at either the Put Option Price or the Call Option Price (each as defined herein) (the “**Proposed Private Subscriber Option Shares Issue**”),

(collectively, the “**Proposed Transactions**”).

- 1.5. As announced by the Company on 20 November 2017, the Company has convened meetings of the Securityholders of each Series of Securities held on 20 November 2017 (the “**Meetings**” and each, a “**Meeting**”) for the purposes of passing the resolutions set out in the Notice of Meetings.
- 1.6. The Company will be seeking the approval of the Shareholders for the Proposed Transactions at the EGM. Please refer to Appendix A of this announcement containing a summary of the Company’s refinancing proposal for a brief summary of the key terms of the Proposed Transactions.
- 1.7. In addition, the Company’s Chief Executive Officer, Chew Thiam Keng and his family have offered 100 million of their shares to be charged for the benefit of and to be shared between

the Secured Lenders to cement support from Secured Lenders for the refinancing and the additional revolving credit facilities of up to approximately US\$118 million.

- 1.8. As at the date of this announcement, the existing issued share capital of the Company (excluding treasury shares) is 2,073,843,405 Shares (the “**Existing Share Capital**”). Assuming the completion of all the Proposed Transactions on a maximum basis in each of the Proposed Transactions, as set out in further detail below, the enlarged issued share capital of the Company (excluding treasury shares) on a diluted basis will be 6,227,408,350 Shares (the “**Enlarged Share Capital**”).
- 1.9. Pursuant to the Proposed Transactions, there shall be no adjustments made to (a) the 300 redeemable exchangeable preference shares issued by Teras Investments Pte. Ltd. (“**Teras Investments**”), a wholly-owned subsidiary of the Company, which are exchangeable into Shares pursuant to the subscription agreement dated 16 August 2013 as amended, modified and/or supplemented by the supplemental agreement dated 7 October 2016 entered into between the Company, Teras Investments, Evia Growth Opportunities II Ltd, Evia Growth Opportunities III Ltd, Venstar Investments II Ltd and Venstar Investments III Ltd; (b) the 355,099,387 free warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the deed poll dated 13 April 2016 entered into by the Company; and (c) the share options issued by the Company pursuant to its employee share option scheme which was approved by Shareholders on 23 November 2009.

## **2. BACKGROUND TO AND RATIONALE OF THE PROPOSED TRANSACTIONS**

### **2.1. Background to the Proposed Transactions**

The Group is primarily engaged in the business activities of providing Liftboats, Service Rigs and Offshore Logistics Vessels (each as defined and described in further detail below). The Group’s business activities are classified under two principal operating segments, namely the (a) Production and Maintenance Support Segment and (b) Exploration and Development Support Segment.

The Group’s liftboats (“**Liftboats**”) are primarily deployed for the servicing and intervention of oil wells, commissioning, maintenance, repair and decommissioning of offshore production platform infrastructure as well as for accommodation support. The Liftboats are deployed in offshore oil and gas projects in the Southeast Asia, Middle East and West Africa regions. The end users of the Liftboats are generally national oil companies or multinational oil majors. The Group recently also secured deployment of Liftboats to support state-owned enterprises in China in offshore windfarm installation projects.

In the years prior to the oil crisis, the Group acquired a fleet of drilling rigs with the intention of upgrading or converting them for other uses such as accommodation and mobile offshore production (“**Service Rigs**”). The drilling rigs were originally used for exploration, development and production purposes in various oil and gas projects. Upon conversion, the accommodation rigs can be used to provide accommodation services for offshore oil and gas platform repair and maintenance works as well as offshore windfarm construction projects, while mobile offshore production units can be used for low-cost extraction of oil and gas from the seabed in shallow waters as compared to installing permanent production platforms. Some of the drilling rigs are utilised for workover operations including well servicing activities to improve production of the oil wells. The end users of the Service Rigs are generally national oil majors, multinational oil companies or multinational offshore windfarm owners in the Southeast Asia, South Asia, Middle East, Central Americas and the North Sea regions.

The Group provides charter services for offshore oil and gas support vessels across the entire oilfield lifecycle which spans exploration, construction of offshore production platform infrastructure, production, maintenance and decommissioning of offshore production platform infrastructure. The Group's vessels which are used in this division are mostly chartered on a short term basis.

The offshore logistics vessels ("**Offshore Logistics Vessels**") are typically deployed in offshore oil and gas projects in Australia and in the Asia Pacific, Central Americas and Middle East regions. The Group's customers are generally multinational companies in the offshore oil and gas industry.

The offshore marine logistics and support services industry is directly affected by the level of activities in the offshore oil and gas industry, which in turn is largely dependent on the demand and supply for such natural resources, crude oil production levels, global political and economic uncertainties, advances in exploration and development technology and worldwide demand for natural resources. The Group has been affected by the above and its charter rates have decreased significantly as compared to the years before 2015. Furthermore, collection of receivables has slowed and creditors are reluctant to extend credit terms to the Group. However, the Group's principal businesses are in the production and maintenance segments, which generate recurring revenue as compared to the project-driven nature of the exploration and developmental phase. The Group expects such production and maintenance activities to increase in the coming years as such activities cannot be deferred indefinitely without having a material adverse effect. Decreased inspection frequency generally leads to plant failure and unplanned shutdowns whilst delays in maintenance activity increase risks and affect production efficiency. Hence, the Group expects its results of operations to improve if it can provide the services to meet such increased demand.

## 2.2. **Rationale of the Proposed Transactions**

The Group believes that based on its current operating cash flows, the level of its indebtedness is not sustainable. Its strategies and future plans will focus on decreasing its indebtedness to a more sustainable level, including by:

- (a) increasing net operating cash flows;
- (b) reducing its liabilities through the expected conversion of convertible bonds to be issued as part of the Group's refinancing;
- (c) exercise of warrants by warrant holders; and
- (d) attracting one or more strategic investors.

The Proposed Transactions are undertaken pursuant to the Refinancing Exercise to re-arrange the Group's debt maturity profile and provide for sufficient operational and financial flexibility to better enable the Group to ride out the challenging market conditions in the oil and gas sector, which may persist on a prolonged basis, and to allow the Group to service its debts based on its expected future cash flows.

In respect of the Proposed Private Subscriber Option Shares Issue, the Company will be able to raise up to US\$10 million (equivalent to S\$14.46 million based on an exchange rate of US\$1: S\$1.4463 as at 31 December 2016) for contingent funds.

In respect of the Proposed Professional Fees Shares Issue, the Company is of the view that this would help the Company to conserve its cash reserves and provide the Company with greater financial flexibility.

### 2.3. Summary of Use of Proceeds

<b>Proposed Transaction</b>	<b>Gross Proceeds</b>	<b>Net Proceeds</b>	<b>Use of Proceeds</b>
Proposed Warrants (2018-Shareholders) Issue	S\$343.8 million (Assuming that all of the 1,244,306,043 Warrants (2018-Shareholders) issued are exercised in full at the Warrants (2018-Shareholders) Non-Discounted Exercise Price of S\$0.2763 per Warrant (2018-Shareholders) Share)	S\$341.8 million	(a) approximately 30% to be used for the potential acquisition of new offshore and marine assets, as well as the potential upgrading and modification of existing offshore and marine assets; and (b) approximately 70% to be used for general working capital purposes, provided that no funds shall, in any event, be used for the payment (whether principal, premium, interest, fees, commissions or any other payment) arising from or in connection with any loans made to the Company or any of its subsidiaries in excess of US\$4.8 million
Proposed Warrants (2018-Securityholders) Issue	S\$125.0 million (Assuming that the maximum number of 452,500,000 Warrants (2018-Securityholders) are issued by the Company and are exercised in full by the Series B Bondholders and the Amended Series 008 Securityholders at the Warrants (2018-	S\$123.0 million	(a) approximately 80% to be used from time to time to pay for the principal, premium, interest, distribution, fees, expenses and any other payment arising from or in connection with the Refinancing Bonds or the Series 008 Securities; and (b) approximately 20% to be used from time to time for any other purposes, provided that no funds shall, in any event, be used for the payment (whether principal, premium, interest, fees, commissions or any other



	Securityholders) Exercise Price of S\$0.2763 per Warrant (2018-Securityholders) Share)		payment) arising from or in connection with any loans made to the Company or any of its subsidiaries or any direct vessel expenses
Proposed Warrants (2018-RCF) Issue	S\$47.2 million (Assuming that all of the 171,000,000 Warrants (2018-RCF) issued are exercised in full at the Warrants (2018-RCF) Non-Discounted Exercise Price of S\$0.2763 per Warrant (2018-RCF) Share)	S\$47.1 million	(a) 100% to be used for the payment (whether principal, premium, interest, fees, commissions or any other payment) arising from or in connection with any loans made to the Company or any of its subsidiaries by the Secured Lenders
Proposed Private Subscriber Option Shares Issue	S\$14.46 million (Assuming that all of the 100,437,500 Private Subscriber Option Shares are issued at the minimum Put Option Issue Price of S\$0.144)	S\$14.41 million	(a) 100% to be used for contingent funds

### 3. THE PROPOSED BONDS ISSUE

#### 3.1. Background

The Company is proposing to amend the terms and conditions of the Securities by, *inter alia*, adding an additional redemption option to provide that the Company may redeem all (but not some only) of the Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities at S\$250,000 for each S\$250,000 in specified denomination amount of Securities redeemed (the “**Refinancing Redemption Amount**”), payable entirely in the form of an equivalent principal amount of Series B Convertible Bonds, unless the relevant Securityholder elects to receive an equivalent principal amount of Series A 0.25% non-convertible bonds due 2024 (“**Series A Non-Convertible Bonds**”) to be issued by the Company. The Series B Convertible Bonds may be converted by the Series B Bondholders into new Series B Conversion Shares to be issued and allotted by the Company pursuant to the Proposed Bonds Issue.

As announced by the Company on 20 November 2017, the Securityholders (other than a holder of Series 008 Securities) have elected to receive S\$333,000,000 in aggregate principal amount of Series B Convertible Bonds. Assuming that the S\$333,000,000 in aggregate principal amount of Series B Convertible Bonds is fully converted at the Series B Discounted Conversion Price (as defined below) of S\$0.2487 per Series B Conversion Share, 1,338,962,605 Series B Conversion Shares will be issued and allotted by the Company to the Series B Bondholders pursuant to the Proposed Bonds Issue.

The Series B Convertible Bonds are to be issued to the relevant Securityholders pursuant to Sections 274 and 275 of the Securities and Futures Act (Chapter 289) of Singapore. Hence, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in respect of the Proposed Bonds Issue.

### 3.2. **Summary of the Terms and Conditions of the Series B Convertible Bonds**

The summary of the terms and conditions of the Series B Convertible Bonds is as follows:

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|----------------------|---|
| <b>Issue Size</b>    | : S\$333,000,000 in principal amount of the 0.25% Series B Convertible Bonds due 2023.  |
| <b>Issue Price</b>   | : 100.0% of the principal amount of the Series B Convertible Bonds.   |
| <b>Issue Date</b>    | : No later than 30 days after the ordinary resolution to approve the Proposed Bonds Issue is passed by Shareholders.  |
| <b>Maturity Date</b> | : Six (6) years from the date the first of any of the extraordinary resolution no. 1 to approve that part of the proposal contained in the Consent Solicitation Statement to be proposed and considered at the Meeting (the " <b>Extraordinary Resolution No. 1</b> ") of any Series of Securities is passed (the " <b>Series B Maturity Date</b> ").   |
| <b>Status</b>        | : The Series B Convertible Bonds will be direct, unsubordinated, unconditional and unsecured obligations of the Company and will rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Series B Convertible Bonds will, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations. |
| <b>Interest</b>      | : The Series B Convertible Bonds will bear interest on its outstanding principal amount from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed at the rate of 0.25% per annum (the " <b>Interest Rate</b> "), such interest payable semi-annually in arrear on each interest payment date. The first interest payment date shall occur on the date that is six (6)  |

calendar months after the first Extraordinary Resolution No. 1 of any Series of Securities is passed and each subsequent interest payment date shall occur on the same day and month as, and the same day but six (6) calendar months after the month of, such first interest payment date, as the case may be, commencing on the interest payment date immediately after the first interest payment date.

The amount of interest payable with respect to each S\$50,000 in principal amount of the Series B Convertible Bonds on each interest payment date shall be the product of the Interest Rate, S\$50,000 and the fraction for determining the actual number of days elapsed and a 365-day year (the “**Day Count Fraction**”) for the period from and including the immediately preceding interest payment date (or in relation to the first interest payment date, the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed) to but excluding the next interest payment date.

Unless previously converted or redeemed, the Series B Convertible Bonds will cease to bear interest on the Series B Maturity Date, save for any amount payable in accordance with the terms and conditions of the Series B Convertible Bonds.

Notwithstanding the above, the Series B Convertible Bonds will cease to bear interest where the conversion right attached to it shall have been exercised, from and including the interest payment date last preceding its conversion date (or if such conversion date falls on or before the first interest payment date, the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed) subject to conversion of the relevant Series B Convertible Bonds.

**Conversion Period** : Subject to certain closed conversion periods, at any time after the date of issue of the Series B Convertible Bonds up to the close of business on the date that is five (5) years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, being 19 November 2022 (the “**Series B Expiration Date**”) or, if such Series B Convertible Bonds have been called for redemption prior to the Series B Expiration Date, then up to the close of business on a date no later than seven (7) business days prior to the date fixed for redemption thereof.

**Conversion Price** : The price at which the Series B Conversion Shares will be issued upon conversion (the “**Series B Conversion Price**”) of the Series B Convertible Bonds will initially be

S\$0.2763 per Series B Conversion Share (which represents a 10.0% discount to the six-month volume weighted average price (“**VWAP**”) of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017), subject to adjustment in accordance with the terms and conditions of the Series B Convertible Bonds (the initial Series B Conversion Price as so adjusted from time to time, the “**Series B Minimum Conversion Price**”).

However, solely where the conversion right is exercised on or prior to 60 days after the issue date, the Series B Conversion Price shall be S\$0.2487 per Series B Conversion Share (which represents a 10.0% discount to the Series B Minimum Conversion Price) (the “**Series B Discounted Conversion Price**”).

The Series B Conversion Price shall be reset every six (6) months (each, a “**Conversion Price Reset Date**”) by the Company beginning on the date that is six (6) months after the issue date of the Series B Convertible Bonds to a price that represents the six-month VWAP of the Shares prior to each Conversion Price Reset Date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than the Series B Minimum Conversion Price, the Series B Conversion Price shall be the Series B Minimum Conversion Price.

#### **Adjustments**

: The Series B Conversion Price is subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Series B Convertible Bonds. Such circumstances relate to, *inter alia*:

- (i) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;
- (ii) a capital distribution made by the Company to Shareholders;
- (iii) issue by the Company of Shares by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or
- (iv) any consolidation, subdivision or reclassification of Shares.

#### **Warrants (2018- Securityholders)**

: If a Series B Bondholder exercises its conversion right with respect to S\$50,000 in principal amount of Series B Convertible Bonds and each S\$50,000 in principal amount

in excess thereof on or prior to the date that is 60 days after the issue date, the Company shall, at the same time that it delivers the Series B Conversion Shares to be issued upon the exercise of such conversion right, also issue to such Series B Bondholders 50,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Series B Convertible Bonds so converted. If such conversion occurs after 60 days but on or prior to the date that is six (6) months after such issue date, the Company will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Series B Convertible Bonds so converted.

For the avoidance of doubt, a Series B Bondholder who exercises its conversion right after such periods will not be eligible to receive any Warrants (2018-Securityholders).

- Transfer** : Subject to the terms of the agency agreement for the Series B Convertible Bonds, the Series B Convertible Bonds may be transferred by delivery of the certificate issued in respect of those Series B Convertible Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar or any of the principal paying, conversion and transfer agent or Registrar. No transfer of title to Series B Convertible Bonds will be valid unless and until entered on the register of bondholders. Transfers of interests in Series B Convertible Bonds evidenced by the global certificate will be effected in accordance with the rules of the Depository.
- Redemption At Maturity** : Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Series B Convertible Bonds on the Series B Maturity Date at 100.0% of their principal amount.
- Redemption at the Option of the Company** : The Company may, having given not less than 30 nor more than 60 days' notice to the Series B Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Series B Convertible Bonds at 100.0% of their principal amount plus interest accrued, if any, to but excluding the date for redemption if at any time the aggregate principal amount of the Series B Convertible Bonds outstanding is less than 10.0% of the aggregate principal amount of the Series B Convertible Bonds originally issued.
- Redemption For Taxation Reasons** : At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Series B Bondholders (which notice shall be irrevocable) redeem

all, and not some only, of the Series B Convertible Bonds at 100.0% of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, if as a result of certain events the Company has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of any taxes, or the payment of such additional amounts is increased.

- Redemption At The Option Of Series B Bondholders For Delisting** : If the Shares cease to be listed or traded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Company shall, at the option of the Series B Bondholders, redeem such Series B Convertible Bonds at 100.0% of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, being the date falling 30 days after the Shares cease to be listed or admitted to trading.
- Form And Denomination Of The Series B Convertible Bonds** : The Series B Convertible Bonds will be issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.
- Further Issues** : The Company may from time to time without the consent of the Series B Bondholders create and issue further securities having the same terms and conditions as the Series B Convertible Bonds in all respects (other than in relation to the issue date or the issue price) so that such further issues shall be consolidated and form a single series with the outstanding Series B Convertible Bonds but the Series B Bondholders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares.
- Notice of Expiration** : The Company shall, not later than one (1) month before the Series B Maturity Date, announce the Series B Maturity Date on the SGXNET and take reasonable steps to notify the Series B Bondholders in writing of the Series B Maturity Date and such notice shall be delivered by post to the addresses of the Series B Bondholders.
- Alteration to Terms** : Any material modification to the terms of the Series B Convertible Bonds which is to the advantage of the Series B Bondholders but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Series B Convertible Bonds.
- Rights on Liquidation of the Company** : The Series B Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves. The

payment obligations of the issuer under the Series B Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

**Governing Law** : Laws of the Republic of Singapore.

**Listing** : An application will be made for the listing of the Series B Convertible Bonds on the SGX-ST. The Series B Convertible Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the Series B Convertible Bonds are listed on the SGX-ST. An application will also be made for the Series B Conversion Shares issuable upon conversion of the Series B Convertible Bonds to be listed on the SGX-ST.

**Clearance and Settlement** : The Series B Convertible Bonds will be represented by one or more global certificates, each deposited on or about the relevant issue date with, and registered in the name of, CDP.

### 3.3. **Series B Conversion Shares**

The Series B Conversion Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be fully transferable, and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant conversion date in respect of the Series B Convertible Bonds and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

Following conversion in accordance with the terms and conditions of the Series B Convertible Bonds, the rights of the converting Series B Bondholder in respect of such Series B Convertible Bonds shall be extinguished and released, and in consideration and in exchange therefor, the Company shall allot and issue the Series B Conversion Shares credited as paid-up in full. The conversion right may only be exercised in respect of Series B Convertible Bonds in a minimum denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof. In relation to any of the Series B Convertible Bonds held by a Series B Bondholder that are being converted at any one time by the same Series B Bondholder, the number of Series B Conversion Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Series B Convertible Bonds to be converted. Fractions of Series B Conversion Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

The Series B Conversion Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be fully transferable, and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant conversion date in respect of the Series B Convertible Bonds and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares. Series B Convertible Bonds which are duly converted will be cancelled on the relevant Registration Date.

Assuming that the conversion right in respect of S\$333,000,000 in aggregate principal amount of Series B Convertible Bonds that the Securityholders (other than a holder of the Series 008 Securities) have elected to receive is fully exercised on or prior to 60 days after the issue date of the Series B Convertible Bonds at the Series B Discounted Conversion Price of S\$0.2487 per Series B Conversion Share, 1,338,962,605 Series B Conversion Shares will be issued, representing approximately 64.6% of the Existing Share Capital, and approximately 21.5% of the Enlarged Share Capital of the Company.

#### 3.4. **Conditions for the Proposed Bonds Issue**

Shareholders should note that the Proposed Bonds Issue is subject to, *inter alia*, the following:

- (a) the receipt of approval in-principle from the SGX-ST for the listing of the Series A Non-Convertible Bonds, the Series B Convertible Bonds and the Series C Non-Convertible Bonds (as defined below) on the SGX-ST;
- (b) the receipt of approval in-principle from the SGX-ST for the listing and quotation of the Interest Shares, the Securityholders Consent Shares, the Series 008 Securities Conversion Shares, the Series B Conversion Shares and the Warrant (2018-Securityholders) Shares, in each case on the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (c) the receipt of Shareholders' approval for the Proposed Transactions at the EGM.

### 4. **THE PROPOSED WARRANTS (2018-SHAREHOLDERS) ISSUE**

#### 4.1. **Background**

The Company is proposing a bonus issue of 1,244,306,043 free Warrants (2018-Shareholders) to Shareholders, with each Warrant (2018-Shareholders) carrying the right to subscribe for one (1) Warrant (2018-Shareholders) Share at the Warrants (2018-Shareholders) Exercise Price (as defined below) per Warrant (2018-Shareholders) Share, on the basis of three (3) Warrants (2018-Shareholders) for every five (5) Shares held by Shareholders as at 10 August 2017, being the date of halting of trading of Shares of the Company, at and on which the register of members of the Company (the "**Register of Members**") is closed to determine the provisional allotments of Warrants (2018-Shareholders) under the Proposed Warrants (2018-Shareholders) Issue (the "**Warrants (2018-Shareholders) Books Closure Date**").

The offer of Warrants (2018-Shareholders) by the Company is made in accordance with section 273(cg) of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

#### 4.2. **Size of the Proposed Warrants (2018-Shareholders) Issue**

As at the Warrants (2018-Shareholders) Books Closure Date, the Company has an Existing Share Capital of 2,073,843,405 Shares (excluding treasury shares).

Based on the Existing Share Capital, the Company will issue 1,244,306,043 Warrants (2018-Shareholders) under the Proposed Warrants (2018-Shareholders) Issue.



#### 4.3. **Principal Terms of the Proposed Warrants (2018-Shareholders) Issue**

The principal terms and conditions of the Warrants (2018-Shareholders), to be constituted by the deed poll to be executed by the Company (the “**Warrants (2018-Shareholders) Deed Poll**”), are summarised as follows:

- Number of Warrants (2018-Shareholders)** : 1,244,306,043 non-listed Warrants (2018-Shareholders).
- Basis of Allotment** : Three (3) Warrants (2018-Shareholders) for every five (5) Shares held by Shareholders, fractional entitlements to be disregarded.
- Issue Price** : The Warrants (2018-Shareholders) will be issued free to Shareholders.
- Exercise Price** : The price at which the Warrant (2018-Shareholders) Shares will be issued upon exercise (the “**Warrant (2018-Shareholders) Exercise Price**”) of the Warrants (2018-Shareholders) will be S\$0.2763 per Warrant (2018-Shareholders) Share (which represents a 10.0% discount to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017), subject to adjustment in accordance with the terms and conditions of the Warrants (2018-Shareholders) (the initial Warrants (2018-Shareholders) Exercise Price as so adjusted from time to time, the “**Warrants (2018-Shareholders) Non-Discounted Exercise Price**”).

However, solely where the conversion right is exercised on or prior to 60 days after the issue date, the Warrants (2018-Shareholders) Exercise Price shall be S\$0.2487 per Warrant (2018-Shareholders) Share (which represents a 10.0 per cent. discount to the Warrants (2018-Shareholders) Non-Discounted Exercise Price) (the “**Warrants (2018-Shareholders) Discounted Exercise Price**”).

- Exercise Period** : The period commencing on and including the date of the lifting of the suspension of trading of the Shares on the SGX-ST (“**Trading Resumption**”) and expiring at 5:00 p.m. (Singapore time) on the date falling 60 months from the date of Trading Resumption, provided that if such day falls on a day other than a market day, then the market day immediately preceding the last day shall be the “**Warrants (2018-Shareholders) Expiration Date**” (the “**Warrants (2018-Shareholders) Exercise Period**”).

- Exercise Rights** : Subject to the terms and conditions of the Warrants (2018-Shareholders) Deed Poll, each Warrant (2018-

Shareholders) entitles the holder of the Warrant (the “**Warrant (2018-Shareholders) Holder**”) to subscribe for one (1) Warrant (2018-Shareholders) Share at the Warrants (2018-Shareholders) Exercise Price at any time during the Warrants (2018-Shareholders) Exercise Period.

**Number and Status of Warrant (2018-Shareholders) Shares**

: As at the date of this announcement, the Company has an Existing Share Capital of 2,073,843,405 Shares (excluding treasury shares). Accordingly, the number of Warrant (2018-Shareholders) Shares to be allotted and issued by the Company assuming full exercise of the Warrants (2018-Shareholders) is 1,244,306,043 Warrant (2018-Shareholders) Shares, representing approximately 60.0% of the Existing Share Capital, and approximately 20.0% of the Enlarged Share Capital of the Company.

The Warrant (2018-Shareholders) Shares will upon issue and allotment, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant date of exercise of the Warrants (2018-Shareholders) and, subject as aforesaid, shall rank *pari passu* in all respects with the then existing Shares.

**Listing of the Warrants (2018-Shareholders) and the Warrant (2018-Shareholders) Shares**

: The Warrants (2018-Shareholders) will not be listed on the Main Board of the SGX-ST.

An application will be made by the Company to the SGX-ST for the listing and quotation of 1,244,306,043 Warrant (2018-Shareholders) Shares arising from the Proposed Warrants (2018-Shareholders) Issue. The Company will make the necessary announcements upon the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Warrant (2018-Shareholders) Shares.

**Transfer**

: The Warrants (2018-Shareholders) shall be non-transferable.

**Adjustments**

: The Warrants (2018-Shareholders) Exercise Price and the number of Warrants (2018-Shareholders) to be held by the Warrant (2018-Shareholders) Holders are subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Warrants (2018-Shareholders) as contained in the Warrants (2018-Shareholders) Deed Poll. Such circumstances relate to:

(i) issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves;

(ii) a capital distribution made by the Company to

Shareholders whether on a reduction of capital or otherwise;

- (iii) an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or
- (iv) any consolidation, subdivision, reclassification or conversion of Shares.

Any additional Warrants (2018-Shareholders) issued pursuant to such adjustments shall rank *pari passu* with the Warrants (2018-Shareholders) issued under the Proposed Warrants (2018-Shareholders) Issue and will for all purposes form part of the same series.

**Governing Law** : Laws of the Republic of Singapore.

The proposed terms and conditions of the Warrants (2018-Shareholders) are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Warrants (2018-Shareholders) will be set out in the Warrants (2018-Shareholders) Deed Poll.

#### 4.4. **Conditions for the Proposed Warrants (2018-Shareholders) Issue**

Shareholders should note that the Proposed Warrants (2018-Shareholders) Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of 1,244,306,043 Warrant (2018-Shareholders) Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders' approval for the Proposed Warrants (2018-Shareholders) Issue and the issue and allotment of the Warrants (2018-Shareholders) and the Warrant (2018-Shareholders) Shares at the EGM.

#### 4.5. **Eligibility of Shareholders to Participate in the Proposed Warrants (2018-Shareholders) Issue**

The Warrants (2018-Shareholders) to be issued pursuant to the Proposed Warrants (2018-Shareholders) Issue will be credited and allotted to Shareholders whose names appear in the records of the Central Depository (Pte) Limited ("**CDP**") or the Register of Members of the Company, as the case may be, as at the Warrants (2018-Shareholders) Books Closure Date, with registered addresses in Singapore or who have, at least three (3) consecutive market days prior to the Warrants (2018-Shareholders) Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents ("**Entitled Shareholders**"). Entitled Shareholders will be issued the Warrants

(2018-Shareholders) on the basis of their shareholdings as at the Warrants (2018-Shareholders) Books Closure Date.

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Warrants (2018-Shareholders) will not be offered or credited or allotted (as the case may be) to Shareholders with registered addresses outside Singapore as at the Warrants (2018-Shareholders) Books Closure Date and who have not, at least three (3) market days prior thereto, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

The Warrants (2018-Shareholders) which would otherwise be allotted to Foreign Shareholders will be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Directors, the share registrar and/or the SGX-ST and their respective officers in respect of such entitlements to the Warrants (2018-Shareholders).

Any entitlements to the Warrants (2018-Shareholders) not taken up for any reason and fractional entitlements to the Warrants (2018-Shareholders) which are disregarded and not allotted to Entitled Shareholders will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

#### 4.6. **Use of Proceeds**

Assuming that all of the 1,244,306,043 Warrants (2018-Shareholders) issued are exercised in full at the Warrants (2018-Shareholders) Non-Discounted Exercise Price of S\$0.2763 per Warrant (2018-Shareholders) Share, the Proposed Warrants (2018-Shareholders) Issue will raise approximately S\$343.8 million over the Warrants (2018-Shareholders) Exercise Period of 60 months and the net proceeds of the Proposed Warrants (2018-Shareholders) Issue, after deducting estimated expenses of approximately S\$2.0 million, will amount to approximately S\$341.8 million. The Company expects to utilise the net proceeds from the Shareholders relating to the Proposed Warrants (2018-Shareholders) Issue in the following manner:

- (a) approximately 30% to be used for the potential acquisition of new offshore and marine assets, as well as the potential upgrading and modification of existing offshore and marine assets; and
- (b) approximately 70% to be used for general working capital purposes, provided that no funds shall, in any event, be used for the payment (whether principal, premium, interest, fees, commissions or any other payment) arising from or in connection with any loans made to the Company or any of its subsidiaries in excess of US\$4.8 million.

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company’s annual reports until such time the proceeds have been fully

utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

## 5. THE PROPOSED WARRANTS (2018-SECURITYHOLDERS) ISSUE

### 5.1. Background

The Company is proposing an issue of up to 452,500,000 free non-listed Warrants (2018-Securityholders) to Securityholders who exercise their conversion rights with respect to S\$50,000 in principal amount of Series B Convertible Bonds or S\$50,000 in principal amount of Amended Series 008 Securities during the period that is (i) on or prior to the date that is 60 days after the issue date of the Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be; or (ii) after 60 days but on or prior to six (6) months after such issue date or effective date, as the case may be (the “**Early Conversion Period**”), with each Warrant (2018-Securityholders) carrying the right to subscribe for one (1) Warrant (2018-Securityholders) Share at the Warrants (2018-Securityholders) Exercise Price of S\$0.2763 per Warrant (2018-Securityholders) Share pursuant to the Proposed Warrants (2018-Securityholders) Issue.

If the conversion right is exercised by the Series B Bondholders or the Amended Series 008 Securityholders on or prior to the date that is 60 days after the issue date of the Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, 50,000 Warrants (2018-Securityholders) will be issued for every S\$50,000 in principal amount of such securities converted. If the conversion right is exercised by the Series B Bondholders or the Amended Series 008 Securityholders after 60 days but on or prior to six (6) months after such issue date or effective date, as the case may be, 25,000 Warrants (2018-Securityholders) will be issued for every S\$50,000 in principal amount of such securities converted.

### 5.2. Size of the Proposed Warrants (2018-Securityholders) Issue

Assuming that S\$333,000,000 in aggregate principal amount of Series B Bondholders and S\$119,500,000 in aggregate principal amount of Amended Series 008 Securityholders exercise their conversion rights with respect to the Series B Convertible Bonds and the Amended Series 008 Securities, as the case may be, on or prior to the date that is 60 days after the issue date of the Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, a maximum of 452,500,000 Warrants (2018-Securityholders) will be issued to the relevant Securityholders.

### 5.3. Principal Terms of the Proposed Warrants (2018-Securityholders) Issue

The principal terms and conditions of the Warrants (2018-Securityholders), to be constituted by the deed poll to be executed by the Company (the “**Warrants (2018-Securityholders) Deed Poll**”), are summarised as follows:

**Number of Warrants (2018-Securityholders)** : Up to 452,500,000 non-listed Warrants (2018-Securityholders).

**Basis of Allotment** : (a) Series B Bondholder

If a Series B Bondholder exercises its conversion right with respect to S\$50,000 in principal amount of Series B

Convertible Bonds and each S\$50,000 in principal amount in excess thereof on or prior to the date that is 60 days after the issue date, the Company shall, at the same time that it delivers the Series B Conversion Shares to be issued upon the exercise of such conversion right, also issue to such Series B Bondholder 50,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Series B Convertible Bonds so converted. If such conversion occurs after 60 days but on or prior to the date that is six (6) months after such issue date, the Company will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Series B Convertible Bonds so converted.

For the avoidance of doubt, a Series B Bondholder who exercises its conversion right after such periods, will not be eligible to receive any Warrants (2018-Securityholders).

(b) Amended Series 008 Securityholder

If an Amended Series 008 Securityholder exercises its conversion right with respect to S\$50,000 in principal amount of the Amended Series 008 Securities and each S\$50,000 in principal amount in excess thereof on or prior to the date that is 60 days after the effective date of the amendments to the Series 008 Securities, the Company shall, at the same time that it delivers Series 008 Securities Conversion Shares to be issued upon the exercise of such conversion right, also issue to such Amended Series 008 Securityholder 50,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Amended Series 008 Securities so converted. If such conversion occurs after 60 days but on or prior to the date that is six (6) months after such effective date, the Company will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Amended Series 008 Securities so converted.

For the avoidance of doubt, an Amended Series 008 Securityholder who exercises its conversion right after such periods will not be eligible to receive any Warrants (2018-Securityholders).

- Issue Price** : The Warrants (2018-Securityholders) will be issued free.
- Exercise Price** : S\$0.2763 in respect of each Warrant (2018-Securityholders) Share, which represents a discount of 10% to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017, subject to adjustment in accordance with the terms and conditions of the Warrants (2018-Securityholders).

- Exercise Period** : The period commencing on and including the issue date of the Warrants (2018-Securityholders) and expiring at 5:00 p.m. (Singapore time) on the date falling 24 months from the date of issue of the Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, provided that if such day falls on a day other than a market day, then the market day immediately preceding the last day shall be the **“Warrants (2018-Securityholders) Expiration Date”** (the **“Warrants (2018-Securityholders) Exercise Period”**).
- Exercise Rights** : Subject to the terms and conditions of the Warrants (2018-Securityholders) Deed Poll, each Warrant (2018-Securityholders) entitles the holder of the Warrant (2018-Securityholders) (the **“Warrant (2018-Securityholders) Holder”**) to subscribe for one (1) Warrant (2018-Securityholders) Share at the Warrants (2018-Securityholders) Exercise Price at any time during the Warrants (2018-Securityholders) Exercise Period.
- Number and Status of Warrant (2018-Securityholders) Shares** : Assuming that (i) a maximum of 452,500,000 Warrants (2018-Securityholders) are issued to the relevant Securityholders, and (ii) all of the 452,500,000 Warrants (2018-Securityholders) are exercised, a maximum of 452,500,000 Warrant (2018-Securityholders) Shares will be allotted and issued by the Company to the relevant Securityholders. The 452,500,000 Warrant (2018-Securityholders) Shares represent approximately 21.8% of the Existing Share Capital, and approximately 7.3% of the Enlarged Share Capital of the Company.
- The Warrant (2018-Securityholders) Shares will upon issue and allotment, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant date of exercise of the Warrants (2018-Securityholders) and, subject as aforesaid, shall rank *pari passu* in all respects with the then existing Shares.
- Listing of the Warrants (2018-Securityholders) and the Warrant (2018-Securityholders) Shares** : The Warrants (2018-Securityholders) will not be listed on the Main Board of the SGX-ST upon issuance.
- An application will be made by the Company to the SGX-ST for the listing and quotation of up to 452,500,000 Warrants (2018-Securityholders) if the listing criteria (including but not limited to the public spread requirements) are met and any applicable regulatory approvals are obtained, and up to 452,500,000 Warrant (2018-Securityholders) Shares arising from the Proposed Warrants (2018-Securityholders) Issue.

Each board lot of Warrants (2018-Securityholders) will consist of 100 Warrants (2018-Securityholders). In the event of an insufficient spread of holdings for the Warrants (2018-Securityholders) to provide for an orderly market in the trading of the Warrants (2018-Securityholders), the Warrants (2018-Securityholders) may not be listed and quoted on the Main Board of the SGX-ST. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. In the event that permission is not granted by the SGX-ST due to an insufficient spread of holdings for the Warrants (2018-Securityholders) to provide for an orderly market in the trading of the Warrants (2018-Securityholders), Warrant (2018-Securityholders) Holders will not be able to trade their Warrants (2018-Securityholders) on the SGX-ST but the Company shall nevertheless proceed with and complete the Proposed Warrants (2018-Securityholders) Issue.

The Company will make the necessary announcements upon the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Warrants (2018-Securityholders) and the Warrant (2018-Securityholders) Shares.

**Transfer**

- : Subject to the provisions contained in the terms and conditions of the Warrants (2018-Securityholders) as set out in the Warrants (2018-Securityholders) Deed Poll, the Warrants (2018-Securityholders) shall be transferable in lots entitling Warrant (2018-Securityholders) Holders to subscribe for whole numbers of Warrant (2018-Securityholders) Shares.

**Adjustments**

- : The Warrants (2018-Securityholders) Exercise Price and the number of Warrants (2018-Securityholders) to be held by the Warrant (2018-Securityholders) Holders are subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Warrants (2018-Securityholders) as contained in the Warrants (2018-Securityholders) Deed Poll. Such circumstances relate to:

- (i) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;
- (ii) a capital distribution made by the Company to Shareholders whether on a reduction of capital or otherwise;
- (iii) an offer or invitation made by the Company to its Shareholders under which they may acquire or



subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or

- (iv) any consolidation, subdivision, reclassification or conversion of Shares.

Any additional Warrants (2018-Securityholders) issued pursuant to such adjustments shall rank *pari passu* with the Warrants (2018-Securityholders) issued under the Proposed Warrants (2018-Securityholders) Issue and will for all purposes form part of the same series.

**Governing Law** : Laws of the Republic of Singapore.

The proposed terms and conditions of the Warrants (2018-Securityholders) are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Warrants (2018-Securityholders) will be set out in the Warrants (2018-Securityholders) Deed Poll.

#### 5.4. **Conditions for the Proposed Warrants (2018-Securityholders) Issue**

Shareholders should note that the Proposed Warrants (2018-Securityholders) Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 452,500,000 Warrants (2018-Securityholders) and up to 452,500,000 Warrant (2018-Securityholders) Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (b) the lodgement of the offer information statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Proposed Warrants (2018-Securityholders) Issue, with the Monetary Authority of Singapore; and
- (c) the receipt of Shareholders' approval for the Proposed Warrants (2018-Securityholders) Issue and the issue and allotment of the Warrants (2018-Securityholders) and the Warrant (2018-Securityholders) Shares at the EGM.

#### 5.5. **Use of Proceeds**

Assuming that the maximum number of 452,500,000 Warrants (2018-Securityholders) are issued by the Company and are exercised in full by the Series B Bondholders and the Amended Series 008 Securityholders at the Warrants (2018-Securityholders) Exercise Price of S\$0.2763 per Warrant (2018-Securityholders) Share, the Proposed Warrants (2018-Securityholders) Issue will raise approximately S\$125.0 million and the net proceeds of the Proposed Warrants (2018-Securityholders) Issue, after deducting estimated expenses of approximately S\$2.0 million, will amount to approximately S\$123.0 million. The Company expects to utilise the net proceeds from the Proposed Warrants (2018-Securityholders) Issue in the following manner:

- (a) approximately 80% to be used from time to time to pay for the principal, premium, interest, distribution, fees, expenses and any other payment arising from or in connection with the Series A Non-Convertible Bonds, the Series B Convertible Bonds and the Series C Non-Convertible Bonds (as defined below) or the Series 008 Securities; and
- (b) approximately 20% to be used from time to time for any other purposes, provided that no funds shall, in any event, be used for the payment (whether principal, premium, interest, fees, commissions or any other payment) arising from or in connection with any loans made to the Company or any of its subsidiaries or any direct vessel expenses.

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company's annual reports until such time the proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

#### 5.6. **Rules 804 and 812 of the Listing Manual of the SGX-ST ("Listing Manual")**

Under Rule 804 of the Listing Manual, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

In addition, Rules 812(1) and 812(2) of the Listing Manual provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (a) an issuer's directors and substantial shareholders;
- (b) immediate family members of the directors and substantial shareholders;
- (c) substantial shareholders, related companies (as defined in Section 6 of the Companies Act (Chapter 50) of Singapore (the "**Act**")), associated companies and sister companies of the issuer's substantial shareholders;
- (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10.0 per cent.; and
- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d) above.

Accordingly, the Warrants (2018-Securityholders) will not be issued to the Directors or substantial shareholders of the Company and/or any of their associates. In accordance with

Rule 803 of the Listing Manual, the Warrant (2018-Securityholders) Shares when issued will not transfer a controlling interest in the Company.

## 6. THE PROPOSED SERIES 008 SECURITIES CONVERSION SHARES ISSUE

### 6.1. Background

The Company is proposing to amend the terms and conditions of the Series 008 Securities by, *inter alia*, amending the Series 008 Securities to enable the Series 008 Securities to be convertible and adding an additional redemption option to the Series 008 Securities to provide that if the Series 008 Securities becomes so convertible, a holder of the Series 008 Securities may elect to require the Company to redeem the Series 008 Securities of such holder at the Refinancing Redemption Amount, payable entirely in the form of an equivalent principal amount of Series C 0.25% non-convertible bonds due 2027 (“**Series C Non-Convertible Bonds**”) to be issued by the Company. As stated in the Company’s announcement on 20 November 2017, holders of S\$30,500,000 in aggregate principal amount of the Series 008 Securities have elected to receive the Series C Non-Convertible Bonds and holders of S\$119,500,000 in aggregate principal amount of the Series 008 Securities have elected to continue to hold the amended Series 008 Securities (the “**Amended Series 008 Securities**”).

### 6.2. Summary of the Terms and Conditions of the Amended Series 008 Securities

The summary of the terms and conditions of Amended Series 008 Securities is as follows:

**Issue** : Series 008 subordinated perpetual securities issued under the Programme

**Status** : The Amended Series 008 Securities constitute direct, unconditional, unsecured and subordinated obligations of the Company and will at all times rank *pari passu* and without any preference among themselves and with any parity obligations of the Company. The rights and claims of holders in respect of the Amended Series 008 Securities are subordinated, as provided in the terms and conditions of the Amended Series 008 Securities.

Subject to applicable laws, in the event of the winding-up of the Company, the rights of the holders of the Amended Series 008 Securities to payment of principal of and distribution on the Amended Series 008 Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Company but at least *pari passu* with all other subordinated obligations of the Company that are not expressed by their terms to rank junior to the Amended Series 008 Securities and in priority to the claims of Shareholders and/or as otherwise specified in the pricing supplement of the Amended Series 008 Securities.

**Distribution** : Subject to Shareholders’ approval being obtained on or before 31 March 2018 for the Proposed Series 008 Securities Conversion Shares Issue, the distribution rate shall be:

- (1) in respect of the period from, and including, the distribution commencement date to but excluding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the “**Distribution Payment Reset Date**”), 7.00% per annum;
- (2) in respect of the period from, and including, the Distribution Payment Reset Date to but excluding the Step-Up Date (as defined below), 0.25% per annum;
- (3) in respect of the period from, and including, the Step-Up Date and each reset date falling thereafter to, but excluding the immediately following reset date, the Relevant Reset Distribution Rate (as defined below),

where “**Step-Up Date**” shall mean the date that is seven (7) years after the Distribution Payment Reset Date and “**Relevant Reset Distribution Rate**” shall be 1.25% per annum with respect to the Step-Up Date and shall increase from the distribution rate applicable on the immediately preceding reset date (or, in relation to the reset date immediately after the Step-Up Date, the Step-Up Date) by 1.00% per annum on each immediately succeeding reset date falling thereafter.

The amount of distribution payable with respect to each S\$50,000 in principal amount of the Amended Series 008 Securities on each Distribution Payment Date (as defined below) shall be the product of the distribution rate, S\$50,000 and the Day Count Fraction for the period from and including the immediately preceding Distribution Payment Date (or in relation to the first Distribution Payment Date after the Distribution Payment Reset Date, the Distribution Payment Reset Date) to but excluding such Distribution Payment Date.

“**Distribution Payment Date**” shall mean the Distribution Payment Reset Date and the same day and month as, and the same day but six (6) calendar months after the month of, the Distribution Payment Reset Date, as the case may be.

The above distribution from and including 19 November 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed and any arrears of distribution (and any additional distribution amount) are payable in the form of Distribution Notes (if Securityholders elect to receive Series C Non-Convertible

Bonds) and Series 008 Securities Conversion Shares (if Securityholders elect to continue to hold the Amended Series 008 Securities), on the issue date of the Series C Non-Convertible Bonds or on the effective date of the amendments to the Series 008 Securities, respectively.

The Amended Series 008 Securities will cease to bear distributions where the conversion right attached to it shall have been exercised, from and including the Distribution Payment Date last preceding its conversion date (or if such conversion date falls on or before the first Distribution Payment Date, the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed) subject to conversion of the relevant Amended Series 008 Securities.

**Conversion Right** : Subject to certain conditions, each Amended Series 008 Securityholder will have the right during the conversion period to convert its Amended Series 008 Securities into Series 008 Securities Conversion Shares. A conversion right may only be exercised in respect of Amended Series 008 Securities in a minimum denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.

**Conversion Period** : Subject to certain closed conversion periods, up to the close of business on the date that is four (4) years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the “**Series 008 Securities Expiration Date**”) or, if such Amended Series 008 Securities have been called for redemption prior to the Series 008 Securities Expiration Date, then up to the close of business on a date no later than seven (7) business days prior to the date fixed for redemption thereof.

**Conversion Price** : The price at which Shares will be issued upon conversion (the “**Series 008 Securities Conversion Price**”) of the Amended Series 008 Securities will initially be S\$0.2763 per Series 008 Securities Conversion Share (which represents a 10.0% discount to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017), subject to adjustment in accordance with the terms and conditions of the Amended Series 008 Securities (the initial Series 008 Securities Conversion Price as so adjusted from time to time, the “**Series 008 Securities Minimum Conversion Price**”).

However, solely where the conversion right is exercised on or prior to 60 days after the effective date of the amendments to the Series 008 Securities, the Series 008 Securities Conversion Price shall be S\$0.2487 per Series 008 Securities Conversion Share (which represents a 10%

discount to the Series 008 Securities Minimum Conversion Price) (the “**Series 008 Securities Discounted Conversion Price**”).

The Series 008 Securities Conversion Price shall be reset every six (6) months (each, a “**Series 008 Securities Conversion Price Reset Date**”) by the Company beginning on the effective date of the amendments to the Series 008 Securities to a price that represents the six-month VWAP of the Shares prior to each Series 008 Securities Conversion Price Reset Date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than the Series 008 Securities Minimum Conversion Price, the Series 008 Securities Conversion Price shall be the Series 008 Securities Minimum Conversion Price.

### **Adjustments**

- : The Series 008 Securities Conversion Price is subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Amended Series 008 Securities. Such circumstances relate to, *inter alia*:
- (i) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;
  - (ii) a capital distribution made by the Company to Shareholders;
  - (iii) issue by the Company of Shares by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or
  - (iv) any consolidation, subdivision or reclassification of Shares.

### **Warrants (2018-Securityholders)**

- : If an Amended Series 008 Securityholder exercises its conversion right with respect to S\$50,000 in principal amount of Amended Series 008 Securities and each S\$50,000 in principal amount in excess thereof on or prior to the date that is 60 days after the effective date of the amendments to the Series 008 Securities, the Company shall, at the same time that it delivers the Series 008 Securities Conversion Shares to be issued upon the exercise of such conversion right, also issue to such Amended Series 008 Securityholder 50,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Amended Series 008 Securities so converted. If such conversion occurs after 60 days but on or prior to the date that is six (6) months after such effective date, the

Company will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of Amended Series 008 Securities so converted.

For the avoidance of doubt, an Amended Series 008 Securityholder who exercises its conversion right after such periods will not be eligible to receive any Warrants (2018-Securityholders).

**Transfer** : One or more of the Amended Series 008 Securities may be transferred upon the surrender (at the specified office of the registrar or any other transfer agent) of the certificate representing such Amended Series 008 Securities to be transferred, together with the form of transfer endorsed on such certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Company), duly completed and executed and any other evidence as the registrar or such other transfer agent may reasonably require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Amended Series 008 Securities represented by one certificate, a new certificate shall be issued to the transferee in respect of the part transferred and a further new certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Amended Series 008 Securities and entries on the register will be made subject to the detailed regulations concerning transfers of Amended Series 008 Securities scheduled to the agency agreement for the Amended Series 008 Securities. The regulations may be changed by the Company, with the prior written approval of the registrar and DBS Trustee Limited.

**No Fixed Redemption Date** : There will be no fixed redemption date for the Amended Series 008 Securities.

**Redemption at the Option of the Company** : The Company may, having given not less than 30 nor more than 60 days' notice to the holders of the Amended Series 008 Securities (which notice shall be irrevocable) redeem all, and not some only, of the Amended Series 008 Securities at 100.0% of their principal amount on any optional redemption date.

The first optional redemption date shall be the Step-Up Date and the subsequent optional redemption dates shall be each Distribution Payment Date occurring after the first optional redemption date.

**Redemption For Taxation Reasons** : At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Amended Series 008 Securityholders (which notice shall be irrevocable) redeem all, and not some only, of the Amended Series 008 Securities at 100.0% of their principal amount, if as a result of certain events the Company has or will become obliged to pay additional amounts pursuant to deduction or withholding for any taxes, and such obligation will apply on the occasion of the next payment due in respect of the Amended Series 008 Securities and cannot be avoided by the Company taking reasonable measures available to it.

**Redemption For Accounting Reasons** : At any time the Company may, having given not less than 30 nor more than 60 days' notice to the holders of the Amended Series 008 Securities (which notice shall be irrevocable) redeem all, and not some only, of the Amended Series 008 Securities at 100.0% of their principal amount if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Company as amended from time to time (the "**Relevant Accounting Standards**"), the Amended Series 008 Securities must not or must no longer be recorded as "equity" of the Company pursuant to the Relevant Accounting Standards.

**Redemption For Tax Deductibility Reasons** : At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Amended Series 008 Securityholders (which notice shall be irrevocable) redeem all, and not some only, of the Amended Series 008 Securities at 100.0% of their principal amount, if the Company satisfies DBS Trustee Limited immediately before giving such notice that, as a result of certain events, payments by the Company would no longer, or within 90 days of the date of an opinion of the Company's independent tax or legal advisors stating as such, would not be fully deductible by the Company for Singapore income tax purposes.

**Redemption At The Option Of The Amended Series 008 Securityholders For Delisting** : If the Shares cease to be listed or admitted to trading on the SGX-ST, the Company shall, at the option of the Amended Series 008 Securityholders, redeem such Amended Series 008 Securities at 100.0% of their principal amount on the date falling 30 days after the Shares cease to be listed or admitted to trading.

**Form And Denomination Of The Amended Series 008 Securities** : The Amended Series 008 Securities are issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.



**Further Issues** : The Company may from time to time without the consent of the Amended Series 008 Securityholders create and issue further securities having the same terms and conditions as the Amended Series 008 Securities in all respects (other than in relation to the issue date or the issue price) so that such further issues shall be consolidated and form a single series with the outstanding Amended Series 008 Securities but the Amended Series 008 Securityholders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares.

**Notice of Expiration** : The Company shall, not later than one (1) month before the Series 008 Securities Expiration Date, announce the Series 008 Securities Expiration Date on the SGXNET and take reasonable steps to notify the Amended Series 008 Securityholders in writing of the Series 008 Securities Expiration Date and such notice shall be delivered by post to the addresses of the Amended Series 008 Securityholders.

**Alteration to Terms** : To the extent required by the SGX-ST from time to time, any material modification to the terms of the Amended Series 008 Securities which is for the benefit of the Amended Series 008 Securityholders but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Amended Series 008 Securities.

**Rights on Liquidation of the Company** : The Amended Series 008 Securities constitute direct, unconditional, unsecured and subordinated obligations of the Company and shall at all times rank pari passu and without any preference among themselves and with any parity obligations of the Company. The rights and claims of the Amended Series 008 Securityholders in respect of the Amended Series 008 Securities are subordinated.

Subject to the insolvency laws of the jurisdiction of incorporation of the Company and other applicable laws, in the event of the Winding-Up of the Company, the rights of the Amended Series 008 Securityholders to payment of principal of and distribution on the Amended Series 008 Securities and the coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the issuer but at least pari passu with all other subordinated obligations of the issuer that are not expressed by their terms to rank junior to the Amended Series 008 Securities

and in priority to the claims of shareholders of the issuer and/or as otherwise specified in the applicable pricing supplement or in a supplement to the information memorandum.

Subject to applicable law, no Amended Series 008 Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Company in respect of, or arising under or in connection with the Amended Series 008 Securities, and each Amended Series 008 Securityholder shall, by virtue of his holding of any Amended Series 008 Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Amended Series 008 Securityholder by the Company in respect of, or arising under or in connection with the Amended Series 008 Securities is discharged by set-off, such Amended Series 008 Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Company (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Company) and, until such time as payment is made, shall hold such amount in trust for the Company (or the liquidator or, as appropriate, administrator of the Company) and accordingly any such discharge shall be deemed not to have taken place.

**Governing Law** : Laws of the Republic of Singapore.

**Listing** : The Amended Series 008 Securities are listed on the SGX-ST and will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the Amended Series 008 Securities are listed on the SGX-ST. An application will be made for the listing of the Series 008 Securities Conversion Shares issuable upon conversion of the Amended Series 008 Securities to be listed on the SGX-ST.

**Clearance and Settlement** : The Amended Series 008 Securities will be represented by one or more global certificates, each deposited on or about the relevant issue date with, and registered in the name of, CDP.

### 6.3. **Series 008 Securities Conversion Shares**

The Series 008 Securities Conversion Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant conversion date in

respect of the Amended Series 008 Securities and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

Assuming that the conversion right in respect of S\$119,500,000 in aggregate principal amount of Amended Series 008 Securities is fully exercised on or prior to 60 days after the effective date of the amendments to the Series 008 Securities at the Series 008 Securities Discounted Conversion Price of S\$0.2487 per Series 008 Securities Conversion Share, 480,498,592 Series 008 Securities Conversion Shares will be issued, representing approximately 23.2% of the Existing Share Capital, and approximately 7.7% of the Enlarged Share Capital of the Company.

#### 6.4. **Conditions for the Proposed Series 008 Securities Conversion Shares Issue**

Shareholders should note that the Proposed Series 008 Securities Conversion Shares Issue is subject to, *inter alia*, the following:

- (a) the receipt of approval in-principle from the SGX-ST for the listing of the Series A Non-Convertible Bonds, the Series B Convertible Bonds and the Series C Non-Convertible Bonds on the SGX-ST;
- (b) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Interest Shares, the Securityholders Consent Shares, the Series 008 Securities Conversion Shares, the Series B Conversion Shares and the Warrant (2018-Securityholders) Shares, in each case on the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (c) the receipt of Shareholders' approval for the Proposed Transactions at the EGM.

### 7. **THE PROPOSED INTEREST SHARES ISSUE**

#### 7.1. **Background**

The Company is proposing to issue up to 38,113,207 Interest Shares to (i) Securityholders (other than holders of the Series 008 Securities) who have elected to receive Series B Convertible Bonds; and (ii) holders of the Series 008 Securities who have elected to continue to hold the Amended Series 008 Securities in lieu of the accrued interest payable on Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities accrued from and including the interest payment date of such relevant Series of Securities immediately preceding the date Extraordinary Resolution No. 1 of such relevant Series of Securities is passed up to but excluding such date, or the accrued distribution payable on Series 008 Securities accrued from and including the distribution payment date immediately preceding the date Extraordinary Resolution No. 1 of Series 008 Securities is passed, up to but excluding such date (as the case may be) (the "**Accrued Interest**"), at the issue price of S\$0.2763 per Interest Share. The issue price of S\$0.2763 per Interest Share represents a discount of 10% to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017.

The offer of Interest Shares by the Company is made in accordance with section 273(ce) of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

7.2. **Accrual of interest or distribution**

The following table shows the breakdown of the Accrued Interest, assuming the ordinary resolution in relation to the Proposed Transactions (the “**Ordinary Resolution**”) is passed on or prior to 31 March 2018.

<b>From and Including</b>	<b>To But Excluding</b>	<b>Interest or Distribution if Ordinary Resolution Is Approved</b>
Interest payment date or distribution payment date immediately preceding the date of the Meeting <sup>(1)</sup>	20 November 2017	<p>Interest or distribution accrues at prevailing original rate of interest or distribution rate, and will amount to:</p> <ul style="list-style-type: none"> <li>• Series 003 Securities – S\$5,859 (4.7% per annum and Day Count Fraction of 182/365);</li> <li>• Series 004 Securities – S\$2,899 (4.6% per annum and Day Count Fraction of 92/365);</li> <li>• Series 005 Securities – S\$3,986 (4.85% per annum and Day Count Fraction of 120/365);</li> <li>• Series 006 Securities – S\$2,375 (5.1% per annum and Day Count Fraction of 68/365);</li> <li>• Series 007 Securities – S\$5,409 (4.875% per annum and Day Count Fraction of 162/365);</li> <li>• Amended Series 008 Securities – S\$8,871 (7.0% per annum and Day Count Fraction of 185/365).</li> </ul> <p>Such Accrued Interest will be payable in the form of:</p> <ul style="list-style-type: none"> <li>• if a Securityholder elects to receive the Series A Non-Convertible Bonds or the Series C Non-Convertible Bonds, an interest note or a distribution note with a maturity date of seven (7) years or 10 years, respectively, from 20 November 2017. The interest note and the distribution note, as the case may be, will be issued within 30 days from the date of EGM and will be in a principal amount equal to the accrued interest or distribution illustrated above; and</li> </ul>

		<ul style="list-style-type: none"> <li>• if a Securityholder elects to receive the Series B Convertible Bonds or Amended Series 008 Securities, <ul style="list-style-type: none"> <li>- Series 003 Securities – 21,205 Interest Shares;</li> <li>- Series 004 Securities – 10,492 Interest Shares;</li> <li>- Series 005 Securities – 14,426 Interest Shares;</li> <li>- Series 006 Securities – 8,595 Interest Shares;</li> <li>- Series 007 Securities – 19,576 Interest Shares;</li> <li>- Amended Series 008 Securities – 32,106 Interest Shares,</li> </ul> </li> </ul> <p>in each case calculated by dividing the accrued interest or distribution illustrated above by the issue price of S\$0.2763.</p> <p>The Interest Shares will be issued within 30 days from the date of EGM.</p>
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**Note:**

(1) The relevant interest payment date or distribution payment date for the Securities are as follows:

- (a) Series 003 Securities: 22 May 2017
- (b) Series 004 Securities: 20 August 2017
- (c) Series 005 Securities: 23 July 2017
- (d) Series 006 Securities: 13 September 2017
- (e) Series 007 Securities: 11 June 2017; and
- (f) Amended Series 008 Securities: 19 May 2017.

### 7.3. Interest Shares

Assuming that (i) the estimated amount of interest or distribution is accrued from the interest payment date or distribution payment date immediately preceding 20 November 2017, being the date of the Meeting, to 20 November 2017; and (ii) the Interest Shares are issued at the issue price of S\$0.2763 per Interest Share, up to 38,113,207 Interest Shares will be issued by the Company to Securityholders (other than holders of the Series 008 Securities) who have elected to receive S\$333,000,000 in aggregate principal amount of Series B Convertible Bonds; and holders of the Series 008 Securities who have elected to continue to hold S\$119,500,000 in aggregate principal amount of Amended Series 008 Securities, representing approximately 1.8% of the Existing Share Capital, and approximately 0.6% of the Enlarged Share Capital of the Company.

The Interest Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on

or after the date of the issue and allotment of the Interest Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

#### 7.4. **Conditions for the Proposed Interest Shares Issue**

Shareholders should note that the Proposed Series 008 Securities Conversion Shares Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 38,113,207 Interest Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders' approval for the Proposed Interest Shares Issue and the issue and allotment of the Interest Shares at the EGM.

### 8. **THE PROPOSED SECURITYHOLDERS CONSENT SHARES ISSUE**

#### 8.1. **Background**

The Company is proposing to issue 11,442,000 Securityholders Consent Shares to the Securityholders who submitted or delivered voting instructions voting in favour of the Extraordinary Resolutions in relation to such Series of Securities on or prior to 15 November 2017, and do not subsequently revoke or amend such instructions, at the issue price of S\$0.2763 per Securityholders Consent Share. The issue price of S\$0.2763 per Interest Share represents a discount of 10% to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017.

#### 8.2. **Securityholders Consent Shares**

Assuming that (i) the entitled Securityholders all submit or deliver voting instructions as aforesaid; and (ii) the Securityholders Consent Shares are issued at the issue price of \$0.2763 per Securityholders Consent Share, 11,442,000 Securityholders Consent Shares will be issued by the Company to the entitled Securityholders, representing approximately 0.6% of the Existing Share Capital as at the date of this announcement, and approximately 0.2% of the Enlarged Issued Share Capital of the Company.

The Securityholders Consent Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the date of the issue and allotment of the Securityholders Consent Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

The offer of Securityholders Consent Shares by the Company is made in accordance with section 273(ce) of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

### 8.3. **Conditions for the Proposed Securityholders Consent Shares Issue**

Shareholders should note that the Proposed Securityholders Consent Shares Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of 11,442,000 Securityholders Consent Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders' approval for the Proposed Securityholders Consent Shares Issue and the issue and allotment of the Securityholders Consent Shares at the EGM.

## 9. **THE PROPOSED WARRANTS (2018-RCF) ISSUE**

### 9.1. **Background**

The Company is proposing an issue of up to 171,000,000 free non-listed Warrants (2018-RCF) to the Secured Lenders, with each Warrant (2018-RCF) carrying the right to subscribe for one (1) Warrant (2018-RCF) Share at the Warrants (2018-RCF) Exercise Price (as defined herein).

As at the date of this announcement, the Company has entered into binding refinancing term sheets (subject to definitive documentation to be entered into) with the Secured Lenders in relation to all loans under existing facilities that have been extended by the Secured Lenders. The Secured Lenders would be extending further support to the Company by way of the RCF which would provide financing for working capital for the Company.

An offer information statement for the Warrants (2018-Securityholders) and Warrants (2018-RCF) will be lodged with the Monetary Authority of Singapore in due course.

### 9.2. **Size of the Proposed Warrants (2018-RCF) Issue**

The Company is proposing to issue one (1) Warrant (2018-RCF) for every S\$1 of the limit of the RCF granted by each of the Secured Lenders. The Secured Lenders are granting an aggregate RCF amount of up to US\$118,232,732 (equivalent to up to S\$171,000,000 based on an exchange rate of US\$1 : S\$1.4463 as at 31 December 2016). An aggregate number of up to 171,000,000 Warrants (2018-RCF) is proposed to be issued to the Secured Lenders.

### 9.3. **Principal Terms of the Proposed Warrants (2018-RCF) Issue**

The principal terms and conditions of the Warrants (2018-RCF), to be constituted by the deed poll to be executed by the Company (the "**Warrants (2018-RCF) Deed Poll**"), are summarised as follows:

**Number of Warrants (2018-RCF)** : Up to 171,000,000 non-listed Warrants (2018-RCF).

**Basis of Allotment** : One (1) Warrant (2018-RCF) for every S\$1 of the limit of the RCF granted by each of the Secured Lenders.

- Issue Price** : The Warrants (2018-RCF) will be issued free.
- Exercise Price** : The price at which the Warrant (2018-RCF) Shares will be issued upon exercise (the “**Warrant (2018-RCF) Exercise Price**”) of the Warrant (2018-RCF) Shares will be S\$0.2763 per Warrant (2018-RCF) Share (which represents a 10.0% discount to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017), subject to adjustment in accordance with the terms and conditions of the Warrants (2018-RCF) (the “**Warrants (2018-RCF) Non-Discounted Exercise Price**”).
- However, solely where the conversion right is exercised on or prior to 60 days after the issue date, the Warrants (2018-RCF) Exercise Price shall be S\$0.2487 per Warrant (2018-RCF) Share (which represents a 10.0 per cent. discount to the Warrants (2018-RCF) Non-Discounted Exercise Price) (the “**Warrants (2018-RCF) Discounted Exercise Price**”).
- The Warrants (2018-RCF) Exercise Price shall be paid only by decreasing the amount of outstanding principal amount of the RCF granted by the Secured Lender (“**Outstanding RCF Loan**”) at the relevant exercise date by an amount equal to the aggregate Warrants (2018-RCF) Exercise Price; in the event that there no longer remains any Outstanding RCF Loan at the time of exercise of the Warrants (2018-RCF), the Secured Lender shall pay the Warrants (2018-RCF) Exercise Price in cash. The Warrants (2018-RCF) shall be exercisable in tranches with a minimum aggregate Warrants (2018-RCF) Exercise Price of US\$50,000.
- Exercise Period** : The period commencing on and including the date of issuance of the Warrants (2018-RCF) and expiring at 5:00 p.m. (Singapore time) on the date falling 60 months from the date of issuance of the Warrants (2018-RCF), provided that if such day falls on a day other than a Market Day, then the Market Day immediately preceding the last day shall be the “**Warrants (2018-RCF) Expiration Date**”.
- Exercise Rights** : Subject to the terms and conditions of the Warrants (2018-RCF) Deed Poll, each Warrant (2018-RCF) entitles the holder of the Warrants (2018-RCF) (the “**Warrant (2018-RCF) Holders**”) to subscribe for one (1) Warrant (2018-RCF) Share at the Warrants (2018-RCF) Exercise Price at any time during the Warrants (2018-RCF) Exercise Period.



**Number and Status of Warrant (2018-RCF) Shares** : The Company proposes to issue one (1) Warrant (2018-RCF) for every S\$1 of the limit of the RCF granted by each of the Secured Lenders. The Secured Lenders are granting an aggregate RCF amount of up to US\$118,232,732 (equivalent to up to S\$171,000,000 based on an exchange rate of US\$1 : S\$1.4463 as at 31 December 2016. An aggregate number of up to 171,000,000 Warrants (2018-RCF) is proposed to be issued to the Secured Lenders. The 171,000,000 Warrant (2018-RCF) Shares represent approximately 8.2% of the Existing Share Capital as at the date of this announcement and approximately 2.8% of the Enlarged Issued Share Capital of the Company.

The Warrant (2018-RCF) Shares will upon issue and allotment, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant date of exercise of the Warrants (2018-RCF) and, subject as aforesaid, shall rank *pari passu* in all respects with the then existing Shares.

**Listing of the Warrants (2018-RCF) and the Warrant (2018-RCF) Shares** : The Warrants (2018-RCF) will not be listed on the Main Board of the SGX-ST.

An application will be made by the Company to the SGX-ST for the listing and quotation of up to 171,000,000 Warrants (2018-RCF) if the listing criteria (including but not limited to the public spread requirements) are met and any applicable regulatory approvals are obtained, and up to 171,000,000 Warrant (2018-RCF) Shares arising from the Proposed Warrants (2018-RCF) Issue.

**Transfer** : Subject to the provisions contained in the terms and conditions of the Warrants (2018-RCF) as set out in the Warrants (2018-RCF) Deed Poll, the Warrants (2018-RCF) shall be transferable in lots entitling Warrants (2018-RCF) Holders to subscribe for whole numbers of Warrant (2018-RCF) Shares.

**Adjustments** : The Warrants (2018-RCF) Exercise Price and the number of Warrants (2018-RCF) to be held by the Warrant (2018-RCF) Holders are subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Warrants (2018-RCF) as contained in the Warrants (2018-RCF) Deed Poll. Such circumstances relate to:

- (i) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;

- (ii) a capital distribution made by the Company to Shareholders whether on a reduction of capital or otherwise;
- (iii) an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or
- (iv) any consolidation, subdivision, reclassification or conversion of Shares.

Any additional Warrants (2018-RCF) issued pursuant to such adjustments shall rank *pari passu* with the Warrants (2018-RCF) issued under the Proposed Warrants (2018-RCF) Issue and will for all purposes form part of the same series.

**Governing Law** : Laws of the Republic of Singapore.

The proposed terms and conditions of the Warrants (2018-RCF) are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Warrants (2018-RCF) will be set out in the Warrants (2018-RCF) Deed Poll.

#### 9.4. **Conditions for the Proposed Warrants (2018-RCF) Issue**

Shareholders should note that the Proposed Warrants (2018-RCF) Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 171,000,000 Warrant (2018-RCF) Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (b) the lodgement of the offer information statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Proposed Warrants (2018-RCF) Issue, with the Monetary Authority of Singapore; and
- (c) the receipt of Shareholders' approval for the Proposed Warrants (2018-RCF) Issue and the issue and allotment of the Warrants (2018-RCF) and the Warrants (2018-RCF) Shares at the EGM.

#### 9.5. **Adjustment and Modification**

In compliance with Rules 829 and 830 of the Listing Manual, the Company will:

- (a) announce any adjustment made pursuant to the Warrants (2018-RCF) Exercise Price pursuant to Rule 829(1) of the Listing Manual;

- (b) announce the expiry of the Warrants (2018-RCF) and a notice of the expiry will be sent to the Warrants (2018-RCF) Holders at least one (1) month before the Warrants (2018-RCF) Expiration Date; and
- (c) obtain Shareholders' approval at a general meeting of the Shareholders for any material modification to the terms of the Warrants (2018-RCF) which is for the benefit of the Warrants (2018-RCF) Holders, unless such modification is made pursuant to the terms of the Warrants (2018-RCF).

#### 9.6. **Rules 804 and 812 of the Listing Manual**

Under Rule 804 of the Listing Manual, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

In addition, Rules 812(1) and 812(2) of the Listing Manual provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (a) an issuer's directors and substantial shareholders;
- (b) immediate family members of the directors and substantial shareholders;
- (c) substantial shareholders, related companies (as defined in Section 6 of the Act), associated companies and sister companies of the issuer's substantial shareholders;
- (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10.0 per cent.; and
- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d) above.

The Secured Lenders are each not a substantial shareholder and/or an associate of a substantial shareholder of the Company. In accordance with Rule 803 of the Listing Manual, the Warrant (2018-RCF) Shares when issued will not transfer a controlling interest in the Company.

#### 9.7. **Use of Proceeds**

Assuming that all of the 171,000,000 Warrants (2018-RCF) issued are exercised in full at the Warrants (2018-RCF) Non-Discounted Exercise Price of S\$0.2763 per Warrant (2018-RCF) Share, the Proposed Warrants (2018-RCF) Issue will raise approximately S\$47.2 million over the Warrants (2018-RCF) Exercise Period of 60 months and the net proceeds of the Proposed Warrants (2018-RCF) Issue, after deducting estimated expenses of approximately S\$100,000, will amount to approximately S\$47.1 million. The Company expects to utilise the net proceeds from the Shareholders relating to the Proposed Warrants (2018-RCF) Issue in the following manner:

- (a) 100% to be used for the payment (whether principal, premium, interest, fees, commissions or any other payment) arising from or in connection with any loans made to the Company or any of its subsidiaries by the Secured Lenders.

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company's annual reports until such time the proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

## **10. THE PROPOSED TLF CONSENT SHARES ISSUE**

### **10.1. Background**

The Company is proposing to issue 65,083,500 TLF Consent Shares to the Secured Lenders in return for their refinancing of the existing facilities. The issue price of S\$0.2763 per TLF Consent Share represents a discount of 10% to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017. The TLF Consent Shares will be issued and allotted within five (5) Business Days from the date of signing of the facility agreements with the Secured Lenders or any other day as may be agreed between the Company and the Secured Lenders.

As part of the Refinancing Exercise, the Company will also be paying certain facility fees and upside sharing fees (conditional upon the Company achieving certain financial performance) to the Secured Lenders.

### **10.2. TLF Consent Shares**

The Company proposes to issue 7,500 TLF Consent Shares for every S\$250,000 of existing facilities refinanced via the TLF and such number of TLF Consent Shares shall be pro-rated for amounts below S\$250,000. The aggregate amount of existing facilities refinanced via the TLF is up to US\$1,500,000,000 (equivalent to S\$2,169,450,000 based on an exchange rate of US\$1 : S\$1.4463 as at 31 December 2016). An aggregate of up to 65,083,500 TLF Consent Shares will be issued by the Company to the Secured Lenders, representing approximately 3.1% of the Existing Share Capital as at the date of this announcement, and approximately 1.0% of the Enlarged Issued Share Capital of the Company.

The TLF Consent Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the date of the issue and allotment of the TLF Consent Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

The offer of TLF Consent Shares by the Company is made by way of private placement in accordance with section 272B of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

### 10.3. **Conditions for the Proposed TLF Consent Shares Issue**

Shareholders should note that the Proposed TLF Consent Shares Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of 65,083,500 TLF Consent Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders' approval for the Proposed TLF Consent Shares Issue and the issue and allotment of the TLF Consent Shares at the EGM.

## 11. **THE PROPOSED WARRANTS (2018-UNSECURED LENDERS) ISSUE**

### 11.1. **Background**

The Company is proposing an issue of up to 94,221,498 free non-listed Warrants (2018-Unsecured Lenders) to the Unsecured Lenders, with each Warrant (2018-Unsecured Lenders) carrying the right to subscribe for one (1) Warrant (2018-Unsecured Lenders) Share at the Warrants (2018-Unsecured Lenders) Exercise Price.

As at the date of this announcement, the Company is in the process of finalising binding refinancing term sheets (subject to further definitive documentation to be entered into) with the Unsecured Lenders.

### 11.2. **Size of the Proposed Warrants (2018-Unsecured Lenders) Issue**

As at the date of this announcement, the Company currently has outstanding loans of an aggregate of up to US\$18,000,000 (equivalent to S\$26,033,400 based on an exchange rate of US\$1 : S\$1.4463 as at 31 December 2016) ("**Outstanding Loans**") pursuant to the loan facilities with the Unsecured Lenders (the "**Loan Facilities**"). Each of the Unsecured Lenders shall be issued an amount of Warrants (2018-Unsecured Lenders) equal to the sum of the relevant Loan Facility plus all scheduled interest payments, divided by the Warrants (2018-Unsecured Lenders) Initial Exercise Price.

The Unsecured Lenders shall have the right to exercise the Warrants (2018-Unsecured Lenders) at any time during the Warrants (2018-Unsecured Lenders) Exercise Period at the Warrants (2018-Unsecured Lenders) Exercise Price. The interest rate under the Loan Facilities will be reduced effective from the date of issuance of the Warrants (2018-Unsecured Lenders) (the "**Interest**").

The offer of Warrants (2018-Unsecured Lenders) by the Company is made by way of private placement in accordance with section 272B of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

### 11.3. Principal Terms of the Proposed Warrants (2018-Unsecured Lenders) Issue

The principal terms and conditions of the Warrants (2018-Unsecured Lenders), to be constituted by the deed poll to be executed by the Company (the “**Warrants (2018-Unsecured Lenders) Deed Poll**”), are summarised as follows:

**Number of Warrants (2018-Unsecured Lenders)** : Up to 94,221,498 non-listed Warrants (2018-Unsecured Lenders).

**Basis of Allotment** : The Warrants (2018-Unsecured Lenders) will be stapled to the Outstanding Loans. If there is any assignment of part or all of the Outstanding Loans to any third party, the third party shall be assigned the right to be issued the Warrants (2018-Unsecured Lenders) in proportion to the Outstanding Loans that is assigned to it on a *pro rata* basis by the relevant Unsecured Lender.

The Unsecured Lenders shall not assign their respective loans to any persons set out in Rule 812(1) of the Listing Manual and shall not require the Company to issue the Warrants (2018-Unsecured Lenders) or the Warrant (2018-Unsecured Lenders) Shares to the persons set out in Rule 812(1) of the Listing Manual.

**Issue Price** : The Warrants (2018-Unsecured Lenders) will be issued free.

**Exercise Price** : The sum payable in respect of each Warrant (2018-Unsecured Lenders) Share to which a Warrants (2018-Unsecured Lenders) Holder will be entitled to subscribe upon the exercise of a Warrant (2018-Unsecured Lenders), being the higher of (i) S\$0.2763 (the “**Warrants (2018-Unsecured Lenders) Initial Exercise Price**”) and (ii) the price that represents the six-month VWAP of a Share prior to each Warrants (2018-Unsecured Lenders) Exercise Price Setting Date, subject to certain anti-dilution adjustments in accordance with the terms and conditions of the Warrants (2018-Unsecured Lenders) as set out in the Warrants (2018-Unsecured Lenders) Deed Poll. The Warrants (2018-Unsecured Lenders) Exercise Price shall not be less than the Warrants (2018-Unsecured Lenders) Initial Exercise Price. The Warrants (2018-Unsecured Lenders) Initial Exercise Price represents a discount of 10% to the six-month VWAP of a Share the day before trading in the Shares were halted and thereafter suspended on 10 August 2017.

The Warrants (2018-Unsecured Lenders) Exercise Price Setting Date is the date that is reset every six (6) months by the Company beginning on the date that is six (6) months after the date of issuance of the Warrants (2018-Unsecured Lenders) to a price that represents the six-month VWAP of

the Shares prior to each exercise price setting date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than the Warrants (2018-Unsecured Lenders) Initial Exercise Price, the Warrants (2018-Unsecured Lenders) Exercise Price shall be the Warrants (2018-Unsecured Lenders) Initial Exercise Price.

The Warrants (2018-Unsecured Lenders) Exercise Price shall be paid only by decreasing the amount of Outstanding Loans or Interest held by the relevant Unsecured Lenders at the relevant exercise date by an amount equal to the aggregate Warrants (2018-Unsecured Lenders) Exercise Price; in the event that there no longer remains any outstanding principal amount or interest of such loan in respect of that Unsecured Lender, the unexercised Warrants (2018-Unsecured Lenders) shall lapse. The Warrants (2018-Unsecured Lenders) shall be exercisable in tranches with a minimum aggregate Warrants (2018-Unsecured Lenders) Exercise Price of US\$50,000.

- Exercise Period** : The period commencing on and including the date of issuance of the Warrants (2018-Unsecured Lenders) and expiring at 5:00 p.m. (Singapore time) on the date falling 60 months from the date of issuance of the Warrants (2018-Unsecured Lenders), provided that if such day falls on a day other than a Market Day, then the Market Day immediately preceding the last day shall be the **“Warrants (2018-Unsecured Lenders) Expiration Date”**.
- Exercise Rights** : Subject to the terms and conditions of the Warrants (2018-Unsecured Lenders) Deed Poll, each Warrant (2018-Unsecured Lenders) entitles the holder of the Warrants (2018-Unsecured Lenders) (the **“Warrant (2018-Unsecured Lenders) Holders”**) to subscribe for one (1) Warrant (2018-Unsecured Lenders) Share at the Warrants (2018-Unsecured Lenders) Exercise Price at any time during the Warrants (2018-Unsecured Lenders) Exercise Period.
- Number and Status of Warrant (2018-Unsecured Lenders) Shares** : Assuming that (i) the outstanding loans are in aggregate US\$18,000,000, and (ii) all of the Warrants (2018-Unsecured Lenders) are exercised, up to 94,221,498 Warrant (2018-Unsecured Lenders) Shares will be allotted and issued by the Company to the Warrant (2018-Unsecured Lenders) Holders. The 94,221,498 Warrant (2018-Unsecured Lenders) Shares represent approximately 4.5% of the Existing Share Capital as at the date of this announcement and approximately 1.5% of the Enlarged Issued Share Capital of the Company.

The Warrant (2018-Unsecured Lenders) Shares will upon issue and allotment, be duly authorised, validly issued and

credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the relevant date of exercise of the Warrants (2018-Unsecured Lenders) and, subject as aforesaid, shall rank *pari passu* in all respects with the then existing Shares.

**Listing of the Warrants (2018-Unsecured Lenders) and the Warrant (2018-Unsecured Lenders) Shares** : The Warrants (2018-Unsecured Lenders) will not be listed on the Main Board of the SGX-ST.

An application will be made by the Company to the SGX-ST for the listing and quotation of up to 94,221,498 Warrants (2018-Unsecured Lenders) if the listing criteria (including but not limited to the public spread requirements) are met and any applicable regulatory approvals are obtained, and up to 94,221,498 Warrant (2018-Unsecured Lenders) Shares arising from the Proposed Warrants (2018-Unsecured Lenders) Issue.

**Transfer** : The Warrants (2018-Unsecured Lenders) are non-transferable.

**Adjustments** : The Warrants (2018-Unsecured Lenders) Exercise Price and the number of Warrants (2018-Unsecured Lenders) to be held by the Warrant (2018-Unsecured Lenders) Holders are subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Warrants (2018-Unsecured Lenders) as contained in the Warrants (2018-Unsecured Lenders) Deed Poll. Such circumstances relate to:

- (i) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;
- (ii) a capital distribution made by the Company to Shareholders whether on a reduction of capital or otherwise;
- (iii) an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or
- (iv) any consolidation, subdivision, reclassification or conversion of Shares.

Any additional Warrants (2018-Unsecured Lenders) issued pursuant to such adjustments shall rank *pari passu* with



the Warrants (2018-Unsecured Lenders) issued under the Proposed Warrants (2018-Unsecured Lenders) Issue and will for all purposes form part of the same series.

**Governing Law** : Laws of the Republic of Singapore.

The proposed terms and conditions of the Warrants (2018-Unsecured Lenders) are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Warrants (2018-Unsecured Lenders) will be set out in the Warrants (2018-Unsecured Lenders) Deed Poll.

#### 11.4. **Conditions for the Proposed Warrants (2018-Unsecured Lenders) Issue**

Shareholders should note that the Proposed Warrants (2018-Unsecured Lenders) Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 94,221,498 Warrant (2018-Unsecured Lenders) Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders' approval for the Proposed Warrants (2018-Unsecured Lenders) Issue and the issue and allotment of the Warrants (2018-Unsecured Lenders) and the Warrants (2018-Unsecured Lenders) Shares at the EGM.

#### 11.5. **Adjustment and Modification**

In compliance with Rules 829 and 830 of the Listing Manual, the Company will:

- (a) announce any adjustment made pursuant to the Warrants (2018-Unsecured Lenders) Exercise Price pursuant to Rule 829(1) of the Listing Manual;
- (b) announce the expiry of the Warrants (2018-Unsecured Lenders) and a notice of the expiry will be sent to the Warrants (2018-Unsecured Lenders) Holders at least one (1) month before the Warrants (2018-Unsecured Lenders) Expiration Date; and
- (c) obtain Shareholders' approval at a general meeting of the Shareholders for any material modification to the terms of the Warrants (2018-Unsecured Lenders) which is for the benefit of the Warrants (2018-Unsecured Lenders) Holders, unless such modification is made pursuant to the terms of the Warrants (2018-Unsecured Lenders).

#### 11.6. **Rules 804 and 812 of the Listing Manual**

Under Rule 804 of the Listing Manual, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

In addition, Rules 812(1) and 812(2) of the Listing Manual provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (a) an issuer's directors and substantial shareholders;
- (b) immediate family members of the directors and substantial shareholders;
- (c) substantial shareholders, related companies (as defined in Section 6 of the Act), associated companies and sister companies of the issuer's substantial shareholders;
- (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10.0 per cent.; and
- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d) above.

The Unsecured Lenders are each not a substantial shareholder and/or an associate of a substantial shareholder of the Company. In accordance with Rule 803 of the Listing Manual, the Warrant (2018-Unsecured Lenders) Shares when issued will not transfer a controlling interest in the Company.

The Unsecured Lenders shall not assign their respective loans to any persons set out in Rule 812(1) of the Listing Manual and shall not require the Company to issue the Warrants (2018-Unsecured Lenders) or the Warrant (2018-Unsecured Lenders) Shares to the persons set out in Rule 812(1) of the Listing Manual.

## **12. THE PROPOSED PROFESSIONAL FEES SHARES ISSUE**

### **12.1. Background**

In connection with the Refinancing Exercise, the Group may incur professional fees, including relevant disbursements and incidental costs of up to 1.5% of the total liabilities to be refinanced under the Refinancing Exercise (the "**Professional Fees**"). Such fees, disbursements and incidental costs are payable to parties including but not limited to corporate advisory firms, valuation firms, statutory / regulatory bodies, audit firms and legal firms.

In view of the Group's cashflow position which necessitates the Refinancing Exercise, the Advisors of the Refinancing Exercise have agreed to accept new Shares for payment of the Professional Fees at the same price as the Shareholders and Securityholders in the other Proposed Transactions.

The Company is proposing to issue up to 157,000,000 new Shares for payment of the Professional Fees (the "**Professional Fees Shares**") at the issue price of S\$0.2763 per Professional Fees Share. The actual number of Professional Fees Shares to be issued will be finalised upon the completion of the Refinancing Exercise.

### **12.2. Professional Fees Shares**

Assuming that (i) Professional Fees amounting to 1.5% of the total liabilities to be refinanced are fully paid through the issue of Professional Fees Shares and (ii) the Professional Fees Shares are issued at the issue price of S\$0.2763 per Professional Fees Share, up to

157,000,000 Professional Fees Shares will be issued by the Company, representing approximately 7.6% of the Existing Share Capital as at the Latest Practicable Date, and approximately 2.5% of the Enlarged Issued Share Capital of the Company.

The Professional Fees Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the date of the issue and allotment of the Professional Fees Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

The offer of Professional Fees Shares by the Company is made by way of private placement in accordance with section 272B of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

### 12.3. **Conditions for the Proposed Professional Fees Shares Issue**

Shareholders should note that the Proposed Professional Fees Shares Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 157,000,000 Professional Fees Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders' approval for the Proposed Professional Fees Shares Issue and the issue and allotment of the Professional Fees Shares at the EGM.

### 12.4. **Rules 804 and 812 of the Listing Manual**

Under Rule 804 of the Listing Manual, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

In addition, Rules 812(1) and 812(2) of the Listing Manual provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (a) an issuer's directors and substantial shareholders;
- (b) immediate family members of the directors and substantial shareholders;
- (c) substantial shareholders, related companies (as defined in Section 6 of the Act), associated companies and sister companies of the issuer's substantial shareholders;
- (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10.0 per cent.; and
- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d) above.

The Advisors are each not a not substantial shareholder and/or associate of a substantial shareholder of the Company. In accordance with Rule 803 of the Listing Manual, the Professional Fees Shares when issued will not transfer a controlling interest in the Company.

### 13. THE PROPOSED PRIVATE SUBSCRIBER OPTION SHARES ISSUE

#### 13.1. Background

The Company is proposing to issue up to 100,437,500 new Shares (the “**Private Subscriber Option Shares**”) at either the Put Option Issue Price or the Call Option Issue Price (as defined herein) to a third party subscriber (the “**Proposed Private Subscriber Option Shares Issue**”). The third party subscriber is a private entity incorporated in Singapore investing in, amongst others, listed equities (“**Private Subscriber**”). The Private Subscriber is subscribing for the Private Subscriber Option Shares and the Company is issuing the Private Subscriber Option Shares for the purposes of raising up to US\$10,000,000 (equivalent to S\$14,463,000 based on an exchange rate of US\$1 : S\$1.4463 as at 31 December 2016) for contingent funds.

The offer of Private Subscriber Option Shares by the Company is made by way of private placement in accordance with section 272B of the SFA. As such no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

#### 13.2. Call Option

Pursuant to the heads of agreement dated 6 February 2018 entered into between the Company and the Private Subscriber (the “**Option HOA**”), the Company proposes to grant to the Private Subscriber the right to require the Company to issue to the Private Subscriber the Private Subscriber Option Shares (the “**Call Option**”). the Private Subscriber shall have the right to exercise the Call Option at any time during the 60 months after the lifting of the suspension of trading of the Shares on the SGX-ST (the “**Trading Resumption**”), at the sum amounting to the aggregate of the number of Private Subscriber Option Shares being subscribed for multiplied by the following issue price:

An initial issue price of S\$0.2763, which shall be reset every six (6) months (“**Issue Price Reset Date**”) by the Company beginning on the date that is six (6) months after the Trading Resumption to a price that represents the six-month VWAP of the Shares prior to each Issue Price Reset Date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than S\$0.2763, the issue price shall be S\$0.2763 (“**Call Option Issue Price**”).

The exercise of the Call Option shall be in minimum tranches of S\$1 million per tranche of Private Subscriber Option Shares being subscribed for.

#### 13.3. Put Option

Pursuant to the Option HOA, the Private Subscriber proposes to grant to the Company the right to require the Private Subscriber to subscribe for the Private Subscriber Option Shares (the “**Put Option**”) and the Company shall have the right to exercise the Put Option at any time after one (1) month and before the end of 60 months after the Trading Resumption at the sum amounting to the aggregate of the number of Private Subscriber Option Shares being subscribed for multiplied by the lower of S\$0.2487 or a price at a 20.0% discount to the last full day VWAP of a Share on the date of the notice given by the Company to the Private

Subscriber to exercise the Put Option, subject always to a minimum issue price of S\$0.144 (“**Put Option Issue Price**”). The Company shall not be entitled to exercise the Put Option if (a) the last full day VWAP of a Share on the date of the notice purported to be given by the Company to the Private Subscriber to exercise the Put Option is less than S\$0.18 or (b) the price representing a 20.0% discount to the last full day VWAP of a Share on the date of the notice purported to be given by the Company to the Private Subscriber to exercise the Put Option is less than S\$0.144.

The exercise of the Put Option shall be in minimum tranches of S\$1 million per tranche of Private Subscriber Option Shares being subscribed for by the Private Subscriber.

#### 13.4. **Private Subscriber Option Shares**

Assuming that the full US\$10,000,000 (equivalent to S\$14,463,000 based on an exchange rate of US\$1 : S\$1.4463 as at 31 December 2016) is raised by the Company and each Option Share is issued at an issue price of S\$0.144 (being the minimum Put Option Issue Price), 100,437,500 Private Subscriber Option Shares will be issued to the Private Subscriber, representing approximately 4.8% of the Existing Share Capital as at the Latest Practicable Date, and approximately 1.6% of the Enlarged Issued Share Capital of the Company.

The Private Subscriber Option Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrance, be fully transferable and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the date of the issue and allotment of the Private Subscriber Option Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

The Private Subscriber has also undertaken not to subscribe for Shares that will result in its shareholding in the Company exceeding 29.9% of the issued share capital of the Company at any time so as to avoid triggering any takeover obligations under the Takeover Code.

#### 13.5. **Conditions for the Proposed Private Subscriber Option Shares Issue**

Shareholders should note that the Proposed Private Subscriber Option Shares Issue is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 100,437,500 Private Subscriber Option Shares on the Main Board of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (b) the receipt of Shareholders’ approval for the Proposed Private Subscriber Option Shares Issue and the issue and allotment of the Private Subscriber Option Shares at the EGM.

#### 13.6. **Rules 804 and 812 of the Listing Manual**

Under Rule 804 of the Listing Manual, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

In addition, Rules 812(1) and 812(2) of the Listing Manual provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (a) an issuer's directors and substantial shareholders;
- (b) immediate family members of the directors and substantial shareholders;
- (c) substantial shareholders, related companies (as defined in Section 6 of the Act), associated companies and sister companies of the issuer's substantial shareholders;
- (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10.0 per cent.; and
- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d) above.

The Private Subscriber is not a Substantial Shareholder and/or an Associate of a Substantial Shareholder. In accordance with Rule 803 of the Listing Manual, the Private Subscriber Option Shares when issued will not transfer a controlling interest in the Company.

#### 13.7. Use of Proceeds

Assuming that all of the 100,437,500 Private Subscriber Option Shares are issued at the minimum Put Option Issue Price of S\$0.144, the Proposed Private Subscriber Option Shares Issue will raise approximately S\$14.46 million and the net proceeds of the Proposed Private Subscriber Option Shares Issue, after deducting estimated expenses of approximately S\$50,000, will amount to approximately S\$14.41 million. The Company expects to utilise the net proceeds from the Shareholders relating to the Proposed Private Subscriber Option Shares Issue in the following manner:

- (a) 100% to be used for contingent funds.

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company's annual reports until such time the proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

#### 14. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The *pro forma* financial effects of the Proposed Transactions presented below do not take into account the following:

- (a) The utilisation of the Group's service rigs and offshore logistics vessels remained depressed and the Group is currently exploring various options to reduce the burn rates of the service rigs and offshore logistics vessels that are currently not deployed.

While the Group continues to seek deployment opportunities, the Group will be looking for opportunities to dispose Service Rigs and Offshore Logistics Vessels that are currently not deployed. For those assets which are deployed but not receiving payments from its clients, the Group may terminate the contract and will seek to take repossession of those assets if there are opportunities to sell them or for potential redeployment.

- (b) In view of the above, the Group is in the process of assessing the amount of impairment losses on its assets, such as vessels and trade receivables. The assessment of the amount of impairment losses on the Group's assets is a complex exercise which is heavily dependent on the management's judgement and estimates of charter rates, utilisation rates, operating expenditure, creditworthiness of counterparties and appropriate discount rates that take into account market rates, and incorporating market, country and asset specific risk premiums of the Group's assets.
- (c) In light of the prevailing economic conditions in the markets in which the Group's vessels operate, the management is focusing on sourcing for new prospects to deploy the Group's vessels and negotiating more favourable charter rates for its vessels. These negotiations are ongoing and indicative charter rates and deployment prospects are subject to fluctuations and changes. As the assessment of the amount of impairment losses is heavily dependent on potential charter prospects and indicative charter rates, the Group expects to finalise the assessment of the amount of impairment losses by the end of the financial year ending 31 December 2017.
- (d) For illustrative purposes only, the table below sets out a sensitivity analysis on the adjusted net asset value ("**NAV**") per Share assuming impairment losses of between US\$500 million and US\$900 million, based on the NAV per Share as at 30 September 2017.

	<b>Assuming Impairment Losses of</b>				
	<b>US\$500 million</b>	<b>US\$600 million</b>	<b>US\$700 million</b>	<b>US\$800 million</b>	<b>US\$900 million</b>
<b>NAV per Share (US\$)</b>	0.6203	0.6203	0.6203	0.6203	0.6203
<b>Adjusted NAV per Share as adjusted for impairment losses (US\$)</b>	0.3792	0.3310	0.2828	0.2346	0.1863
<b>Adjusted NAV per Share as adjusted for impairment losses (S\$ at an assumed exchange rate of US\$1 to S\$1.36)</b>	0.5157	0.4502	0.3846	0.3190	0.2534

#### 14.1. Consolidated Financial Effects of the Proposed Transactions

##### (a) Bases and Assumption

The *pro forma* financial effects of the Proposed Transactions are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed Transactions. These illustrative *pro forma* financial effects have been computed based on the Group's latest audited consolidated financial results for FY2016 and do not take into account any transaction expenses incurred in connection with the Proposed Transactions.

##### (b) Share Capital

	<b>Number of Shares (excluding treasury shares)</b>
Before the Proposed Transactions <sup>(1)</sup>	2,073,843,405
Number of new Shares pursuant to the Proposed Transactions	4,153,564,945
Enlarged share capital after completion of the Proposed Transactions	6,227,408,350

**Note:**

(1) Based on 2,073,843,405 Shares (excluding treasury shares) in issue as at the date of this announcement.

##### (c) Earnings per Share

Assuming that the Proposed Transactions had been completed on 1 January 2016, the effect of the Proposed Transactions on the Group's EPS for FY2016 will be as follows:

	<b>EPS (US cents)</b>
Before the Proposed Transactions <sup>(1)</sup>	(2.30)
EPS adjusted pursuant to the issue of the new Shares under the Proposed Transactions	(1.35)

**Note:**

(1) Based on 2,073,843,405 Shares (excluding treasury shares) in issue as at the date of this announcement.

##### (d) Net Tangible Assets

Assuming that the Proposed Transactions had been completed on 31 December 2016, the effect of the Proposed Transactions on the Group's NTA per Share as at 31 December 2016 will be as follows:



**Group  
(as at 31 December  
2016)**

**As reported**<sup>(1)</sup>

NTA (US\$'000) <sup>(2)</sup>	1,315,384
NTA per Share (US cents)	63.43

**After issue of the new Shares pursuant to the Proposed Transactions**

Adjusted NTA (US\$'000) <sup>(2)</sup>	1,913,511
Adjusted NTA per Share (US cents)	30.73

**Notes:**

(1) Based on 2,073,843,405 Shares (excluding treasury shares) in issue as at the date of this announcement.

(2) Based on an exchange rate of US\$1.00 : S\$1.4463 as at 31 December 2016.

**15. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

As at the date of this announcement, Mr Yee Chia Hsing, the Independent Non-Executive Director of the Company, is currently an employee of one of the Secured Lenders.

Save as disclosed above, as at the date of this announcement, none of the Directors and substantial shareholders of the Company has any interests, direct or indirect, in the Proposed Transactions, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

**16. ANNOUNCEMENTS**

Further announcements on the Proposed Transactions will be made in due course as and when appropriate.

**17. EXTRAORDINARY GENERAL MEETING**

The Company will be seeking the approval of the Shareholders for the Proposed Transactions at an EGM to be convened.

A circular to Shareholders containing more information, *inter alia*, on the Proposed Transactions and the notice of the EGM will be despatched to the Shareholders in due course.

**18. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true

disclosure of all material facts about the Proposed Transactions, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**19. TRADING CAUTION**

Shareholders, Noteholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and Noteholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and Noteholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Goon Fook Wye Paul  
Company Secretary  
7 February 2018