

# Ezion Holdings Limited

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Extraordinary General Meeting with Shareholders

28 March 2018





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## Agenda

- 1) Proposed Refinancing Exercise
- 2) Forward Strategies
- 3) Indicative Timeline
- 4) Key Takeaways
- 5) Q & A



# **Proposed Refinancing Exercise**



## **Proposed Refinancing Exercise**

- (a) Summary of Ezion's Refinancing Exercise
- (b) Shareholders – Key Terms
- (c) Key Terms of the Proposed Refinancing Exercise
- (d) Impact of the Proposed Refinancing Exercise



# Summary of Ezion's Refinancing Exercise

Management	Secured Lenders	Securityholders	Unsecured Lenders	Shareholders												
<p>Management of the Group has taken a reduction in compensation to tide the Group over the challenging times.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">FY2015</td> <td style="width: 50%;">-19%</td> </tr> <tr> <td>FY2016</td> <td>-42%</td> </tr> <tr> <td>FY2017</td> <td>-38%</td> </tr> <tr> <td><b>FY2017 vs FY2014</b></td> <td><b>-71%</b></td> </tr> </table> <p>The team is looking at avenues for further cost reduction.</p> <p>Management Reorganisation</p> <p>The CEO and his family have given 100 million of their shares to cement support from secured lenders for the refinancing and the additional revolving credit facilities of up to approximately US\$118 million.</p>	FY2015	-19%	FY2016	-42%	FY2017	-38%	<b>FY2017 vs FY2014</b>	<b>-71%</b>	<p>Secured Lenders have agreed to a 6-year refinancing plan for their existing facilities</p> <ul style="list-style-type: none"> <li>✓ Minimal fixed principal repayments</li> <li>✓ Reduction of interest rates</li> <li>✓ Extend further support with additional working capital line of up to approximately US\$118 million</li> </ul>	<p>Consent Solicitation Exercise ("CSE") for Securityholders was successfully passed on 20 November 2017</p> <ul style="list-style-type: none"> <li>✓ Maturity profile similarly extended to between 6 and 10 years</li> <li>✓ Reduction of interest rates: 0.25% per annum</li> <li>✓ Lifting of all covenants</li> <li>✓ Securityholders elected between two options:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;"><b>Option 1</b></td> <td>Convertible bond (S\$452.5m or 79% of total outstanding)</td> </tr> <tr> <td style="text-align: center;"><b>Option 2</b></td> <td>Straight bonds (S\$122.5m or 21% of total outstanding)</td> </tr> </table>	<b>Option 1</b>	Convertible bond (S\$452.5m or 79% of total outstanding)	<b>Option 2</b>	Straight bonds (S\$122.5m or 21% of total outstanding)	<ul style="list-style-type: none"> <li>✓ Exercise of stapled warrants to convert outstanding amounts to equity</li> <li>✓ Reduction of interest rates i.e. interest savings of more than US\$1 m a year</li> </ul>	<p>3 Warrants for every 5 shares to be issued to shareholders</p> <ul style="list-style-type: none"> <li>✓ Exercise price of S\$0.2487 if exercised <i>within</i> 60 days or S\$0.2763 if exercised <i>after</i> 60 days</li> <li>✓ Exercise period of 5 years</li> </ul>
FY2015	-19%															
FY2016	-42%															
FY2017	-38%															
<b>FY2017 vs FY2014</b>	<b>-71%</b>															
<b>Option 1</b>	Convertible bond (S\$452.5m or 79% of total outstanding)															
<b>Option 2</b>	Straight bonds (S\$122.5m or 21% of total outstanding)															
	<b>Approx US\$ 1.5 billion</b> <i>refinanced amount</i>	<b>S\$ 575 million</b> <i>Refinanced amount</i>	<b>Approx US\$ 18 million</b> <i>refinanced amount</i>	<b>Approx 2,074 million</b> <b>existing shares</b>												



## Shareholders – Key Terms

### Shareholders

3 Warrants for every 5 shares to be issued to shareholders

✓ Exercise price of S\$0.2487 if exercised *within* 60 days or S\$0.2763 if exercised *after* 60 days

✓ Exercise period of 5 years

**2,074 million  
existing shares**

**B**

PROPOSED WARRANTS  
(2018-SHAREHOLDERS) ISSUE

### In return for the support to be extended to the Group:

- 3 Warrants for every 5 shares to be issued to shareholders
- Exercise price of S\$0.2487 if exercised within 60 days or S\$0.2763 if exercised after 60 days
- **Exercise price will not be reset**
- Exercise period of 5 years



## Key Terms of the Proposed Refinancing Exercise

PROPOSED TRANSACTIONS		ISSUE PRICE	WITHIN 60 DAYS EARLY CONVERSION / EXERCISE PRICE	AFTER 60 DAYS CONVERSION / EXERCISE PRICE	CONVERSION / EXERCISE PERIOD	STAKEHOLDERS
<b>A</b>	PROPOSED BONDS ISSUE (SERIES B CONVERTIBLE BONDS)		<b>S\$0.2487</b> 10% discount to the Series B Minimum Conversion Price	<b>S\$0.2763</b> , if within 6 months Reset every 6 months based on <b>6 MONTH VWAP</b> , subject to Series B Minimum Conversion Price of S\$0.2763	5 Years	Securityholders
<b>B</b>	PROPOSED WARRANTS (2018-SHAREHOLDERS) ISSUE		<b>S\$0.2487</b> 10% discount to the Warrants (2018- Shareholders) Non-Discounted Exercise Price	<b>S\$0.2763</b> 10% discount to the 6 month VWAP before suspension	5 Years	Shareholders
<b>C</b>	PROPOSED WARRANTS (2018-SECURITYHOLDERS) ISSUE		<b>S\$0.2763</b> 10% discount to the 6 month VWAP before suspension		2 Years	Securityholders
<b>D</b>	PROPOSED SERIES 008 SECURITIES CONVERSION SHARES ISSUE		<b>S\$0.2487</b> 10% discount to the Series 008 Securities Minimum Conversion Price	<b>S\$0.2763</b> , if within 6 months Reset every 6 months based on <b>6 MONTH VWAP</b> , subject to floor of Series 008 Securities Minimum Conversion Price of S\$0.2763	4 Years	Securityholders
<b>E</b>	PROPOSED INTEREST SHARES ISSUE	<b>S\$0.2763</b>				Securityholders
<b>F</b>	PROPOSED SECURITYHOLDERS CONSENT SHARES ISSUE	<b>S\$0.2763</b>				Securityholders



## Key Terms of the Proposed Refinancing Exercise (con't)

PROPOSED TRANSACTIONS		ISSUE PRICE	WITHIN 60 DAYS EARLY CONVERSION / EXERCISE PRICE	AFTER 60 DAYS CONVERSION / EXERCISE PRICE	CONVERSION / EXERCISE PERIOD	STAKEHOLDERS
<b>G</b>	PROPOSED WARRANTS (2018-RCF) ISSUE		<b>S\$0.2487</b> 10% discount to the Warrants (2018-RCF) Non-Discounted Exercise Price	<b>S\$0.2763</b> 10% discount to the 6 month VWAP before suspension	5 Years	Secured Lenders
<b>H</b>	PROPOSED TLF CONSENT SHARES ISSUE	<b>S\$0.2763</b>				Secured Lenders
<b>I</b>	PROPOSED WARRANTS (2018-UNSECURED LENDERS) ISSUE		<b>S\$0.2763</b> , if within 6 months Reset every 6 months based on <b>6 MONTH VWAP</b> , subject to floor of the Warrants (2018- Unsecured Lenders) Initial Exercise Price of S\$0.2763		5 Years	Others
<b>J</b>	PROPOSED PROFESSIONAL FEES SHARES ISSUE	<b>S\$0.2763</b>				Others
<b>K</b>	PROPOSED PRIVATE SUBSCRIBER OPTION SHARES ISSUE		<b>Call Option Issue Price: S\$0.2763</b> , if within 6 months Reset every 6 months based on <b>6 MONTH VWAP</b> , subject to floor of S\$0.2763 <b>Put Option Issue Price: S\$0.2487</b> or 20% discount to the last full day VWAP, subject to a minimum issue price of S\$0.144		5 Years	Others





## Impact of the Proposed Refinancing

Assuming full conversion of bonds and exercise of warrants, post-refinancing:

Stakeholders	No. of Shares (in millions)	% Shareholding	Reduction of Refinanced Liabilities (US\$'million)	New Funds Raised (US\$'millions)
Shareholders	Up to 3,673	56%	-	Up to 381
Securityholders	Up to 2,322	35%	Up to 320	Up to 95
Secured Lenders	Up to 236	4%	Up to 33	-
Others	Up to 352	5%	Up to 18	Up to 10
<b>Total</b>	<b>Up to 6,583</b>	<b>100%</b>	<b>Up to 371</b>	<b>Up to 486</b>



# Forward Strategies





## **Forward Strategies**

- (a) Management re-organization
- (b) Continue with cost cutting
- (c) Strategic review of our business to focus on Liftboat business
- (d) To seek strategic partners/investors upon completion of re-financing



## **Forward Strategies**

### **(a) Management Re-organization**

Senior management team of the Company has been re-organised to better manage the challenges the Group is currently facing and to re-engineer for future growth



## Forward Strategies

### (b) Continue with cost cutting

- Management of the Group has taken a reduction in compensation to tide the Group over the challenging times.

FY2015	- 19%
FY2016	- 42%
FY2017	- 38%
<b>FY2017 vs FY2014</b>	<b>- 71%</b>

- Doing more with less - More work, longer hours, less people
- On-going cost reduction exercise to identify areas to reduce operating expenses



## Forward Strategies

- (c) Strategic review of our business to focus on Liftboat Business





## Forward Strategies

- (d) Upon completion of re-financing, seek strategic partners/investors to:
  - (i) Strengthen Ezion's financial position
  - (ii) Enable the Group to have more Liftboats to meet customers' requirements



**Indicative Timeline**





## Indicative Timeline

Indicative Timeline	Key Milestones
28 March 2018	EGM for Shareholders' approval
Mid April	Issuance of Warrants to Shareholders Issuance of Refinancing Bonds, Interest Shares and Consent Shares to Bondholders
Mid April	Targeted Resumption of trading

Company will make further announcement in due course once approvals are obtained as per SGX requirements.



# Key Takeaways



## Key Takeaways

A 6-year runway with strengthened fundamentals as sector recovers with higher deployment and improved charter rates anticipated:

1. Healthier balance sheet
2. Fixed principal and interest payments reduced
3. Burn rates stemmed
4. Gearing reduced
5. Improved working capital
6. Paves the way for new strategic partners/investors to grow core business in promising liftboat sector



**Q&A**



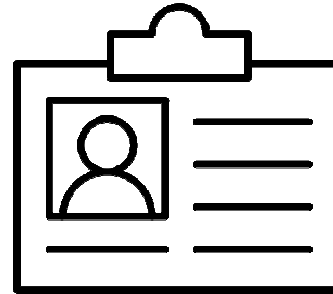
## Q&A

Please state your name before asking your question

1



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Thank You for Your  
Time and Attention

