

**ADDENDUM TO THE SCHEME DOCUMENT DATED 7 AUGUST 2020 (the “Scheme Document”) WITH RESPECT TO THE SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT (CAP. 50) (the “Scheme”) BETWEEN FALCON ENERGY GROUP LIMITED (the “Company”) AND THE SCHEME CREDITORS (as defined in the Scheme)**

To: The Scheme Creditors

Dear Sir/Madam,

1. We refer to the Scheme Document (containing, amongst others, the Explanatory Statement and the Scheme) which was issued by the Company to the Scheme Creditors on or about 7 August 2020. This addendum serves to supplement the matters set out in the Scheme Document. Unless otherwise defined, capitalised terms use throughout this document shall bear the same meanings as defined in the Scheme.

**Update on the Vessels**

2. A list of the Vessels owned by the Group as at 7 August 2020, which the Lenders hold security over, is set out in Schedule C of the Scheme. One of the Vessels is the “Energy Miner” which is owned by PT Bayu Maritim Berkah (“**PT BMB**”) and mortgaged to OCBC.
3. The Energy Miner was unemployed for years and eventually placed in cold lay-up in Balikpapan, Indonesia, sometime in 2018. In or around September 2020, a proposal was made to OCBC to scrap the vessel for the following reasons:
  - 3.1 The 1976-built vessel faced great difficulty competing with newer competitors with cheap rates amid depressed market conditions;
  - 3.2 The vessel’s last drydock was in May 2015. Based on the Group’s assessment, in order to put the vessel to work and meet the market’s criteria, PT BMB would have had to spend an estimated sum of USD1.5 million to conduct a special survey (dry docking) due in May 2020 and to fix various issues with respect to the vessel;
  - 3.3 Though the vessel’s estimated fair market value as at September 2019 was between USD 3 million to USD 3.5 million (with an estimated forced sale value between USD 1.2 million and USD 1.7 million), the valuation was conducted without physical inspection of the vessel and based on the assumption that the vessel is in good working order and in sound seagoing condition in hull and machinery expected of its age, size and type, fully equipped, undamaged, in Class with valid Certificates, free from all conditions, charter free on a ‘willing buyer and willing seller’ basis, for prompt delivery at an easily accessible location. In this regard, even if the issues referred to in paragraph 3.2 above could be resolved, due to the vessel’s out-of-date design and technology, it is unlikely to bring the vessel to a condition on par with the new and modern generation of vessels in the market;
  - 3.4 The vessel’s burn rate on security and charges when not working was approximately USD10,000 per month. In addition, the cost of insurance for Hull & Machinery, Protection & Indemnity and War Risk amounted to USD12,200 per annum.
4. In the circumstances, pursuant to approval from OCBC, on or about 30 September 2020, the Energy Miner was sold to PT. Tobacon for scrap for the sum of IDR 3,500,000,000.00 (approximately USD 237,127.37) and the sale proceeds were paid by PT. Tobacon to OCBC on or about 13 October 2020. The aforesaid transaction was undertaken on an arms-length basis pursuant to consideration of 3 competing quotes.
5. The quantum of the proceeds from the sale of the Energy Miner paid to OCBC will, accordingly, be deducted from OCBC’s Approved Claim.

### Clarification to terms of the Scheme

6. The Company wishes to supplement the information set out in paragraph 4.7.1 of the Explanatory Statement which relates to each Lender's right to elect to take delivery of all or some of its Secured Assets by submitting a written notice to the Company within the timeframe stipulated in the Scheme.
7. Under Clause 6.2 of the Scheme, within 7 days after the Effective Date, each Lender shall submit written notice to the Company identifying which of its Secured Assets it wishes to take delivery of. If a Lender does not submit a written notice in accordance with Clause 6.2 of the Scheme, the Lender shall be deemed to have elected to take delivery of all its Secured Assets.
8. The Company would like to clarify that each Lender is only required to give written notice of which of its Secured Assets it wishes to take delivery of within 7 days after the Effective Date. The Lender is not expected to take actual delivery of the relevant Secured Asset(s) within these 7 days.

### Amendments to the Scheme

9. We wish to inform you of certain amendments to Clause 6.1 of the Scheme (and consequential amendments in connection therewith) made at the request of and/or pursuant to discussions with Maybank, Clause 6.3 of the Scheme (and consequential amendments in connection therewith) made at the request of and/or pursuant to discussions with OCBC, as well as certain editorial amendments to the terms of the Scheme (details of which are set out in paragraph 12 below).
10. The amendments to Clause 6.1 (and consequential amendments in connection therewith) may affect the date of distribution of any Allocated Shares which are not issued to a Lender to Share Recipients in accordance with Clause 6.6(e) of the Scheme, but does not affect the distribution of Scheme Shares in accordance with Clause 6.6(d) of the Scheme.
11. The amendments to Clause 6.3 (and consequential amendments in connection therewith) relate only to a Lender who elects not to take delivery of all of its Secured Assets in accordance with the terms of the Scheme, and do not affect the rights of any other Scheme Creditors under the Scheme.
12. The amendments to the Scheme are as follows:

S/No.	Amendment	Explanation
(a)	Amendment of the definition of "Disposal Date" in Clause 1.1 of the Scheme as follows (in bold and underlined / struckthrough):  <p style="text-align: center;"><i>"Disposal Date" : The date falling <u>3024</u> months after the Effective Date.</i></p>	Please refer to the explanation with respect to the amendments to Clauses 6.1(c) of the Scheme (see item (d) below).
(b)	Amendment of the definition of "Non-Performing Vessel" in Clause 1.1 of the Scheme as follows (in bold and underlined / struckthrough):  <p style="text-align: center;"><i>"Non-Performing Vessel" : As defined in Clause <u>6.3(j)</u> <del>6.3(m)</del> below.</i></p>	Amendment to correct a referencing error.

S/No.	Amendment	Explanation
(c)	<p>Amendment of Clause 5.11(e) of the Scheme as follows (in bold and underlined / struckthrough):</p> <p><i>“The costs of any Independent Assessor shall in any event be borne by the Scheme Creditor wishing to dispute the result of the Scheme Manager’s adjudication pursuant to Clause <b><u>5.11(b)5.12(a)</u></b> above.”</i></p>	<p>Amendment to correct a referencing error.</p>
(d)	<p>Amendment of Clause 6.1(c) of the Scheme as follows (in bold and underlined / struckthrough):</p> <p><i>“The Company shall procure that each Lender’s Secured Assets are delivered and/or transferred to the Lender <b><u>by no later than the date falling 6 months after the Effective Date</u></b> on such terms <b><u>and within such time</u></b> as may be agreed upon in writing between the Company and the relevant Lender (each party acting reasonably). All costs and expenses incurred in connection with the delivery and/or transfer of a Secured Asset shall be borne by the Lender. Upon delivery or transfer of a Secured Asset to the Lender, the Lender shall be solely responsible for all costs and expenses in connection with the Secured Asset and the Group shall have no further obligations to pay any such costs and expenses.”</i></p>	<p>The amendments are to give the Lenders who elect to take delivery of their Secured Assets more certainty as to when their Secured Assets are to be delivered and/or transferred to them, and to give such Lenders sufficient time after taking delivery in accordance with Clause 6.1(c) to sell or dispose of their Secured Assets pursuant to Clause 6.1(d) of the Scheme.</p> <p>In connection with the foregoing, the definition of “Disposal Date” under Clause 1.1 of the Scheme has been amended to give the Lenders 24 months from the latest date for delivery and/or transfer of the Secured Assets (i.e. the date falling 30 months after the Effective Date) to sell or dispose of their Secured Assets.</p>
(e)	<p>Amendment of Clause 6.3(a) of the Scheme as follows (in bold and underlined / struckthrough):</p> <p><i>“Cross-collateralisation and further security. The securities held by a Lender in respect of the Lender’s Approved Claim shall be cross-collateralised (if not already <b><u>cross-collateralised done</u></b>) <b><u>at the option of the relevant Lender over securities granted in its favour</u></b> to secure the Lender’s Approved Claim. All costs and expenses to be incurred in connection with the cross-collateralisation exercise shall be borne by the Lender. For the avoidance of doubt, a Lender’s securities will not be cross-collateralised with the securities held by another Lender.”</i></p>	<p>Clause 6.3(a) of the Scheme provides for the cross-collateralisation of securities held by a Lender (who has not elected to take delivery of all of its Secured Assets under Clause 6.2 of the Scheme) to secure the Lender’s Approved Claim.</p> <p>The amendments are to clarify that the Lender has the discretion to select which of its securities shall be cross-collateralised to secure the Lender’s Approved Claim (i.e. there is no automatic cross-collateralisation of all the Lender’s securities).</p>

S/No.	Amendment	Explanation
(f)	<p>Amendment of Clause 6.3(f) of the Scheme as follows (in bold and underlined / struckthrough):</p> <p><i>“L2 (Lender’s Interest): Any surplus funds in a Designated Account after compliance with L1 shall be applied towards payment of the following:</i></p> <p style="padding-left: 40px;">(i) <i>Lender’s COF; and</i></p> <p style="padding-left: 40px;">(ii) <i>0.25% Margin.</i></p> <p><i>Contractual interest <del>(excluding and default interest)</del> shall continue to accrue on the Principal, but shall not be compounded and shall be paid in accordance with the Cash Waterfall.</i></p> <p><b><i>Payment of any and all default interest which has accrued under the Lender’s Facilities as at the Effective Date shall be deferred and the further accrual of default interest on the outstanding under the Lender’s Facilities suspended during the Scheme Period.</i></b></p> <p><i>Subject to the completion of the Scheme in accordance with Clause 9.1 below <b><u>and without prejudice to Clause 6.3(m) below</u></b>, upon the expiry of the Scheme Period, the Lender agrees to, <b><u>in good faith, consider waiving, releasing and discharging (be it in whole or in part) waive and release and discharge</u></b> the Company from any and all claims for any default interest payable to the Lender <b><u>which remains outstanding at the end of the Scheme Period, but for the avoidance of doubt is not bound to do so.</u></b></i></p> <p><i>Any available funds in a Designated Account (after taking into account any deductions allowed by the Lender under L1) shall be applied towards payment of the Lender’s Interest on a monthly basis.”</i></p>	<p>Please refer to the explanation with respect to the amendments to Clauses 6.3(m) and 6.3(n) of the Scheme (see items (i) and (j) below).</p>
(g)	<p>Amendment of Clause 6.3(g) of the Scheme as follows (in bold and underlined / struckthrough):</p> <p><i>“L3 (Administrative Overheads): The Lender agrees to bear the Administrative Overheads.</i></p>	<p>Consequential amendment in connection with the amendment to Clause 6.3(l) of the Scheme (see item (h) below).</p>

S/No.	Amendment	Explanation
	<p><b><u>Subject to Clause 6.3(l)(ii), the</u></b><del>The</del>  Lender's contribution to the Administrative Overheads shall be debited from its Designated Account. The maximum amount of Administrative Overheads which may be debited from the Designated Account shall be the Administrative Overheads Budget agreed with the Lender or the actual Administrative Overheads incurred, whichever is lower.</p> <p>If the actual Administrative Overheads incurred exceeds the Administrative Overheads Budget, the Group will have to obtain the Lenders' prior written consent before debiting any amount exceeding the Administrative Overheads Budget from the Designated Account for the settlement of the excess Administrative Overheads incurred."</p>	
(h)	<p>Amendment of Clause 6.3(l) of the Scheme as follows (in bold and underlined / struckthrough):</p> <p><i>"Disposal of other Secured Assets. Without prejudice to Clause 6.3(j) above;</i></p> <p><b><u>(i) Subject to Clause 6.3(l)(ii), during the Scheme Period, the Company may with the prior written consent of the relevant Lender dispose of any Secured Asset. Any proceeds from such disposal shall be applied in the order of priority set out in Clause 6.3(k) above save that, with respect to Clause 6.3(k)(i), the reference to expenses incurred in relation to and/or payable for the purpose of giving effect to the sale or scrap of the Non-Performing Vessel shall be deemed to be a reference to expenses incurred in relation to and/or payable for the purpose of giving effect to the any disposal pursuant to this Clause 6.3(l). The Lender shall use all reasonable endeavours to procure that any Existing Security in respect of the Secured Asset shall be discharged in order to facilitate any such sale.</u></b></p> <p><b><u>(ii) The Company shall have the right to deal with, sell or scrap a Non-</u></b></p>	<p>Clause 6.3(l) of the Scheme enables the Company to dispose of any Secured Asset with the prior written consent of the relevant Lender.</p> <p>The amendments give the Company the right to dispose of a Secured Asset which is a Non-Performing Vessel if the Lender does not respond to the Company's request to dispose of the Non-Performing Vessel within the specified period.</p> <p>In the event the Lender expressly refuses to consent to the Company's request to dispose of the Non-Performing Vessel, the amendments provide that the Lender shall bear all Administrative Overheads in respect of such Non-Performing Vessel even if the actual Administrative Overheads incurred exceeds the Administrative Overheads Budget, and shall continue to do so until the earlier of such time as the Vessel is no longer a Non-Performing Vessel or the Vessel is sold, scrapped or otherwise disposed of.</p> <p>The amendments are to encourage the disposal of a Non-Performing Vessel by a Lender so as to reduce any Administrative Overheads in respect of the Non-Performing Vessel that would otherwise have to be borne by the Group.</p>

S/No.	Amendment	Explanation
	<p><b><u>Performing Vessel as it deems fit if the Company has provided the relevant Lender with a request in writing to dispose of the Non-Performing Vessel pursuant to Clause 6.3(l)(i), and such Lender fails to respond within 3 weeks of the date of such written request. In the event the Lender informs the Company of its refusal to consent to the Company's request to dispose of a Non-Performing Vessel (such notice of refusal to be given in writing by Lender no later than 3 weeks from the date of the written request by the Company), starting from the date of the Lender's notice of refusal, the Lender shall bear all Administrative Overheads in respect of such Non-Performing Vessel even if the actual Administrative Overheads incurred exceeds the Administrative Overheads Budget, and shall continue to do so until the earlier of such time as the Vessel is no longer a Non-Performing Vessel or the Vessel is sold, scrapped or otherwise disposed of."</u></b></p>	
(i)	<p>Deletion of Clause 6.3(m) of the Scheme in its entirety and insertion of a new Clause 6.3(m) as follows:</p> <p><i>"If a Lender's Approved Claim has not been settled in full at the end of the Scheme Period, the outstanding balance of the Lender's Approved Claim shall be sustained post-Scheme Period. Within three (3) months after the last day of the Scheme Period (or such other date as may be agreed upon in writing between the Company and the Lender), the Company shall either refinance the amount of Approved Claim sustained post-Scheme Period or the Company and the Lender shall renegotiate in good faith and enter into a new agreement governing the repayment of the amount of Approved Claim sustained post-Scheme Period, failing which the Lender shall be entitled to enforce all its rights under the Lender's Facilities."</i></p>	<p>An automatic discharge of any unsecured portion of a Lender's remaining Approved Claim (including default interest) pursuant to the disposal of all its Secured Assets or at the end of the Scheme Period, may not be commensurate with the Lender's contribution to the Group during the Scheme Period via the Cash Waterfall or reflective of the actual sustainability of the debt. For example, at the end of the Scheme Period, a Lender may have a working Vessel valued at US\$1 million which is still able to generate sufficient Vessel Income to continue servicing the whole of the Lender's remaining Approved Claim of US\$2 million.</p> <p>The amendments will enable the Company and such Lender to work out a more appropriate arrangement based on the circumstances at the relevant time. In this regard, in the event such Lender's Approved Claim has not been settled in full pursuant to the disposal of all its Secured</p>

S/No.	Amendment	Explanation
(j)	Deletion of Clause 6.3(n) of the Scheme in its entirety.	Assets in accordance with Clause 6.3(j) or Clause 6.3(l) of the Scheme, or the Lender's Approved Claim has not been settled in full at the end of the Scheme Period, any unsecured portion of the remaining Approved Claim will not be automatically discharged. Instead, the Company shall work together with the Lender to, within the stipulated time, either refinance the amount of Approved Claim sustained post-Scheme Period or the Company and the Lender shall renegotiate and enter into a new agreement governing the repayment of the amount of Approved Claim sustained post-Scheme Period, failing which the Lender shall be entitled to enforce all its rights under the Lender's Facilities.
(k)	Amendment of Clause 9.2(a) of the Scheme as follows (in bold and underlined):  <i>"if the Company does not comply with any provision of the Scheme, provided that no failure of the Company to comply with any provision of the Scheme shall be deemed to have occurred if the failure to comply is capable of remedy and is remedied within thirty (30) days of any <b><u>Participating Scheme</u></b> Creditor giving notice to the Company"</i>	Editorial amendment for consistency with the opening paragraph of Clause 9.2 of the Scheme, which refers to any "Participating Scheme Creditor".
(l)	Removal of the "Energy Miner" from Schedule C of the Scheme.	Amendment to address the sale of the vessel "Energy Miner", details of which are set out in paragraphs 2 to 4 above.

13. A modified version of the Scheme incorporating the amendments set out above is annexed hereto at **Annex A**. Save as amended or modified herein, all the terms and conditions of the Scheme Document shall continue to apply and have full force and effect. For the avoidance of doubt, any reference in the Scheme Document to "the Scheme" shall be read as a reference to the modified version of the Scheme annexed hereto at Annex A from the date hereof.
14. The voting at the Scheme Meeting on 13 November 2020 will be based on the revised version of the Scheme annexed hereto.

Dated this 4<sup>th</sup> day of November 2020

Yours faithfully

Tan Pong Tyea  
Director  
For and on behalf of Falcon Energy Group Limited

**Annex A**  
**Modified Scheme**



**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

HC/OS 206

/2020

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In the Matter of Part VII, Section 210  
of the Companies Act (Cap. 50)

And

In the Matter of FALCON ENERGY GROUP LIMITED.  
(Singapore UEN No. 200403817G)

**SCHEME OF ARRANGEMENT**  
under Section 210 of the Companies Act (Cap. 50)

Between

**FALCON ENERGY GROUP LIMITED.**  
(Singapore UEN No. 200403817G)

And

**THE SCHEME CREDITORS**  
(as defined herein)

Dated the 7<sup>th</sup> day of August 2020

(as modified on the 4<sup>th</sup> day of November 2020)

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## PREAMBLE

- (A) The Company (as defined in Clause 1 below) was listed on the SGX SESDAQ on 2 December 2004 through a reverse takeover of Sembawang Music Holdings Limited and changed its name to “Falcon Energy Group Limited” on 6 November 2006.
- (B) The Company is experiencing financial difficulties and proposes, *inter alia*, to restructure and repay its unsecured liabilities in accordance with the terms set out herein.
- (C) This Scheme (as defined in Clause 1 below) is entered into between the Company and the Scheme Creditors (as defined in Clause 1 below) and is proposed under section 210 of the Act (as defined in Clause 1 below).

## 1. DEFINITIONS

- 1.1 In this Scheme (as defined below), except where the context or subject matter otherwise indicates or requires, the following words and phrases shall have the meanings set out opposite them:

“ <b>0.25% Margin</b> ”	: 0.25% of the margin applicable to the Lender’s facilities.
“ <b>Account Holder</b> ”	: A person who is recorded in the books of the CDP as being a holder of a book entry interest in the Notes in an account with the CDP or, as the context may require, is or was recorded in such books as being such a holder of Notes in such an account at the Ascertainment Date.
“ <b>ACRA</b> ”	: The Accounting and Corporate Regulatory Authority of Singapore.
“ <b>Act</b> ”	: The Companies Act (Cap. 50).
“ <b>Administrative Overheads</b> ”	: Any and all ship management costs in respect of a Lender’s Vessels, such amounts to be determined by the Company.
“ <b>Administrative Overheads Budget</b> ”	: The maximum amount of a Lender’s contribution to Administrative Overheads which shall be agreed in writing between the Lender and the Company (and which may be amended by mutual consent in writing from time to time by the Company and the Lender).
“ <b>Allocated Shares</b> ”	: As defined in Clause 6.1(b) below.
“ <b>AmBank</b> ”	: AmBank (M) Berhad
“ <b>AMPL</b> ”	: Asetanian Marine Pte Ltd
“ <b>AMPL Eligible Debt</b> ”	: The aggregate of the approved claims of the AMPL Scheme Creditors.
“ <b>AMPL Scheme</b> ”	The scheme of arrangement proposed to be entered into between AMPL and the AMPL Scheme Creditors subject to any modifications approved or imposed by the

relevant creditors and/or the Court.

- “AMPL Scheme Creditors”** : The creditors of AMPL who are subject to and entitled to participate in the AMPL Scheme.
- “AMPL Scheme Meeting”** : The meeting of the AMPL Scheme Creditors to be convened pursuant to AMPL’s application under section 210 of the Act for the purpose of considering, and if thought fit, approving (with or without modification) the AMPL Scheme.
- “Approved Claim”** : The Claim of a Scheme Creditor against the Company to the extent admitted in accordance with Clause 5 below.
- “Ascertainment Date”** : 31 March 2020
- “Associated Creditors”** : The following Unsecured Creditors:
- (a) CH Offshore Limited;
  - (b) TS Amber Limited;
  - (c) TS Pearl Limited; and
  - (d) TS Drilling Pte Ltd.
- “Associated Creditors’ Scheme Meeting”** : The meeting of the Associated Creditors who are associated creditors of the Company to be convened pursuant to the Company’s application under section 210(1) of the Act for the purpose of considering and, if thought fit, approving with or without modification, the Scheme.
- “Bank Mandiri Account”** : USD account no. 117-000-6132-385 and IDR account nos. 117-000-6132-377 and 117-000-6263-503.
- “Business Day”** : A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore.
- “Cash Waterfall”** : As defined in Clause 6.3(d) below.
- “CDP”** : The Central Depository (Pte) Limited
- “Chairman”** : Wong Pheng Cheong Martin of KPMG
- “CHO”** : CH Offshore Limited
- “CHO Shares”** : Energian Pte. Ltd’s shares in CHO
- “CIMB”** : CIMB Bank Berhad
- “Claim”** : Any claim or right in respect of the indebtedness or any other liability of the Company to any Scheme Creditor arising out of, in relation to and/or in connection with any and all agreements, transactions,

dealings and matters effected or entered into or occurring at any time on or prior to the Ascertainment Date (whether the claim be present or contingent or whether liquidated or sounding only in damages and whether in contract or tort or howsoever arising including, but not limited to, all interest, default interest, premium, principal, additional amounts, make whole amounts, fees and commissions accruing on or payable in respect of, or any other accretions whatsoever arising in respect of, such claims or rights whether on or prior to the Ascertainment Date).

- “Code”** : Singapore Code on Take-overs and Mergers
- “COF”** : Cost of funds
- “Company”** : Falcon Energy Group Limited
- “Court”** : The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore.
- “D&C Status Report”** : As defined in Clause 6.3(r)(ii) below.
- “Delivered Vessels”** : Any and all Vessels which a Lender elects to take delivery of in accordance with Clause 6.2 below.
- “Depositor”** : As defined in section 81SF of the Securities and Futures Act (Cap. 289).
- “Designated Account”** : All account(s) established / to be established by the Group for a Lender into which all Vessel Income for the Lender’s Vessels shall be transferred, and which shall be subject to a charge in favour of the Lender, in accordance with Clause 6.3(b) below.
- “Disposal Date”** : The date falling 30 months after the Effective Date.
- “Disputed Claim”** : Any Claim (or part thereof) stated in a Proof of Debt or Voting Instruction Form which is disputed and subject to adjudication in accordance with section 211F of the Act read with the provisions of the Companies (Proofs of Debt in Schemes of Arrangement) Regulations 2017.
- “Effective Date”** : As defined in Clause 2.1 below.
- “Encumbrances”** : Any claim, charge, mortgage, security,

lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind.

- “Exchange Rate”** : The currency conversion rate to be ascertained for the conversion of an amount denominated in a foreign currency amount into an amount in US\$, such conversion rate being the foreign exchange rate published or reported in Reuters for the conversion of that currency into US\$.
- “Excluded Creditor”** : Any of the following persons or entities:
- (a) KPMG Services Pte. Ltd;
  - (b) Rajah & Tann Singapore LLP;
  - (c) Any person or entity whose claim against the Company would be entitled to priority under section 328 of the Act in the event of liquidation of the Company including but not limited to the Inland Revenue Authority of Singapore and the Company’s employees; and
  - (d) The creditors listed in **Schedule D** hereto.
- “Existing Security”** : Any mortgage, pledge, lien, charge, assignment, debenture or other security on or against a Non-Performing Vessel which is required to be discharged in order to facilitate the sale of the said Non-Performing Vessel in accordance with Clause 6.3(j) below.
- “Explanatory Statement”** : The explanatory statement relating to this Scheme issued by the Company pursuant to section 211 of the Act.
- “FEG”** : Falcon Energy Group Limited
- “FEG Eligible Debt”** : The aggregate of (i) the Approved Claims of the Unsecured Creditors and (ii) the Approved Claims of the Lenders who elect to take delivery of all their Secured Assets in accordance with Clause 6.2 below.
- “General Meeting”** : Any meeting of the Participating Scheme Creditors convened in accordance with Clause 14 below.
- “Group”** : The Company and the subsidiaries set out in **Schedule B** hereto.
- “Implementation Date”** : The Effective Date or date on which all

Disputed Claims are resolved in accordance with the terms of the Scheme, whichever is later.

- “Independent Assessor”** : An independent assessor appointed in accordance with Clause 5.11(b) below.
- “Intermediary”** : A person who holds an interest in any Notes on behalf of another person or persons (or, as the context may require, who held an interest at the Ascertainment Date).
- “KPMG”** : KPMG Services Pte. Ltd.
- “Lenders”** : Collectively refers to (i) AmBank, (ii) CIMB, (iii) Maybank, and (iv) OCBC, and each a **“Lender”**.
- “Lender’s Facilities”** : The facilities granted to the Group, details of which are set out at **Schedule C** hereto.
- “Lenders’ Scheme Meeting”** : The meeting of the Lenders to be convened pursuant to the Company’s application under section 210(1) of the Act for the purpose of considering and, if thought fit, approving with or without modification, the Scheme.
- “Lodgement Date”** : The date on which a copy of the Sanction Order is lodged with ACRA in accordance with section 210(5) of the Act, or such earlier date as the Court may determine and as may be specified in the Sanction Order.
- “Maybank”** : Malayan Banking Berhad
- “MVF Report”** : As defined in Clause 6.3(r)(i) below.
- “Non-Performing Vessel”** : As defined in Clause 6.3(j) below.
- “Non-Participating Scheme Creditor”** : Any Scheme Creditor who fails to submit a Voting Instruction Form or Proof of Debt as the case may be in accordance with Clause 5.2 below on or before the Voting Instruction Form Submission Date or Proof of Debt Submission Date as the case may be or whose Approved Claim is determined to be nil in accordance with the terms of the Scheme.
- “Notes”** : The Series 001 SGD50 million Notes issued by the Company pursuant to a Multicurrency Medium Term Note programme signed with Standard Chartered Bank.

<b>“Noteholders”</b>	:	Any person or entity with an economic or beneficial interest as principal in the Notes.
<b>“Notes Trustee”</b>	:	Deutsche Bank AG in its capacity as trustee of the Notes
<b>“OCBC”</b>	:	Oversea-Chinese Banking Corporation Limited
<b>“Ordinary Resolution”</b>	:	A resolution passed at any General Meeting with the support of a majority in number of each class of Participating Scheme Creditors present and voting (whether in person or by proxy) on the resolution and whose Approved Claims at that time in aggregate constitute more than fifty percent (50%) in value of the total Approved Claims of each class of all the Participating Scheme Creditors present and voting (whether in person or by proxy) on the resolution.
<b>“Other Creditor”</b>	:	A Scheme Creditor (including, for the avoidance of doubt, a Lender) who is not a Noteholder
<b>“Participating Creditor”</b>	<b>Scheme</b> :	Any and all Scheme Creditors except the Non-Participating Scheme Creditors.
<b>“Principal”</b>	:	The principal debt due and owing under a Lender’s Facilities, details of which are set out in <b><u>Schedule C</u></b> hereto.
<b>“Proof of Debt”</b>	:	A proof of debt of a Scheme Creditor in respect of its Claim the form of which is set out in <b><u>Appendix D</u></b> of the Scheme Document.
<b>“Proof of Debt Submission Date”</b>	:	<b>4 September 2020, 5:00PM (Singapore time)</b>
<b>“Proxy Form Submission Date”</b>	:	<b>10 November 2020, 10:00AM (Singapore time)</b>
<b>“Related Creditor”</b>	:	The creditors of the Company listed in <b><u>Schedule E</u></b> hereto.
<b>“Related Creditor Claims”</b>	:	The aggregate of the Claims of all Related Creditors.
<b>“Requisite Majority”</b>	:	A majority in number representing three-fourths in value of the relevant creditors or class of creditors present and voting either in person or by proxy at each Scheme Meeting.
<b>“Reserve”</b>	:	An amount equivalent to the aggregate of 3 months of Vopex and Administrative



		Overheads, or such other amount as may be agreed in writing between the Lender and the Company from time to time.
<b>“Sanction Order”</b>	:	The order of the Court approving the Scheme under section 210(4) of the Act.
<b>“Scheme”</b>	:	This scheme of arrangement proposed by the Company under section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or the Scheme Creditors.
<b>“Scheme Conditions”</b>	:	As defined in Clause 2.1 below.
<b>“Scheme Creditor”</b>	:	A creditor of the Company who holds a Claim except Excluded Creditors.
<b>“Scheme Manager”</b>	:	Wong Pheng Cheong Martin and Toh Ai Ling of KMPG Services Pte. Ltd., acting jointly and severally, or any other person appointed in accordance with Clause 10.4 below.
<b>“Scheme Manager Claim”</b>	:	Any claim by a Scheme Manager against any person to enforce this Scheme.
<b>“Scheme Proceeding”</b>	<b>Manager</b> :	Any legal proceeding in any jurisdiction in which any Scheme Manager Claim is made against any person (whether as a claim, counterclaim or otherwise).
<b>“Scheme Meeting”</b>	:	Together, the Lenders’ Scheme Meeting, the Unsecured Creditors’ Scheme Meeting and the Associated Creditors’ Scheme Meeting, or any one of them (as the case may be).
<b>“Scheme Period”</b>	:	A period of 5 years starting from the Effective Date or the period starting from the Effective Date to the Termination Date, whichever is shorter.
<b>“Scheme Shares”</b>	:	Shares forming 90% of the enlarged share capital of the Company.
<b>“Secured Assets”</b>	:	Any and all assets which form the subject matter of the Security Documents including, for the avoidance of doubt, the Vessels and any CHO Shares.
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with the CDP, but does not include a securities sub-account.
<b>“Security”</b>	:	Any mortgage, pledge, lien, charge, assignment, debenture or other security on or against any property, right or entitlement or other security interest given

by the Company.

- “Security Documents”** : The documents to be designated by the Company as a Security Document for the purpose of cross-collateralising the securities held by a Lender (if necessary) to secure the Approved Claim of the relevant Lender pursuant to Clause 6.3(a) below and the charges over each Designated Account referred to in Clause 6.3(b) below.
- “SGX-ST”** : The Singapore Exchange Securities Trading Limited.
- “Share Recipient”** : The persons eligible to participate in the issuance of Scheme Shares in accordance with the terms of the Scheme as described in Clause 6.5 below.
- “Shares”** : Ordinary shares in the capital of the Company
- “SIC”** : Securities Industry Council
- “Special Resolution”** : A resolution passed at any General Meeting with the support of a majority in number of the Participating Scheme Creditors present and voting (whether in person or by proxy) on the resolution and whose Approved Claims at that time in aggregate constitute more than seventy-five percent (75%) in value of the total Approved Claims of all the Participating Scheme Creditors present and voting (whether in person or by proxy) on the resolution.
- “Specified Address”** : Falcon Energy Group Limited  
10 Anson Road  
#33-15, International Plaza  
Singapore 079903
- “Specified E-Mail Address”** : scheme@feg.com.sg
- “Termination Date”** : The date on which this Scheme is terminated pursuant to Clause 9 below.
- “Total Eligible Debt”** : As defined in Clause 6.4 below.
- “Total Vessel Income”** : The aggregate amount of Vessel Income from a Lender’s Vessels credited into the Group’s Bank Mandiri Account in a given month in accordance with Clause 6.3(c) below for all the Lender’s Vessels.
- “Transfer Instrument”** : A transfer instrument (the form of which is set out in **Schedule A** hereto) to be duly executed by a Scheme Creditor and a transferee in respect of any assignment

and transfer of all rights, title, interest and benefits under and arising from the Scheme in relation to a Claim, subject to the terms of the Scheme.

<b>“US\$” or “USD”</b>	:	United States Dollars, being the lawful currency of the United States of America.
<b>“Unsecured Creditors”</b>	:	All Scheme Creditors who hold an Approved Claim (including, for the avoidance of doubt, the Noteholders) save for the Lenders.
<b>“Unsecured Creditors’ Scheme Meeting”</b>	:	The meeting of the Unsecured Creditors (not including Associated Creditors) to be convened pursuant to the Company’s application under section 210(1) of the Act for the purpose of considering and, if thought fit, approving with or without modification, the Scheme.
<b>“Valuation Reports”</b>	:	The valuation reports dated 18 September 2019 by Ritchie & Bisset (Asia) Pte. Ltd. on the Vessels of the Group.
<b>“Vessels”</b>	:	All vessels owned by the Group which the Lenders hold security over, and each a <b>“Vessel”</b> .
<b>“Vessel Income”</b>	:	All earnings / proceeds with respect to each Vessel
<b>“Video-Conference”</b>	:	Any video-conferencing platform as may be deemed appropriate by the Chairman or Scheme Managers (as the case may be) at their sole and absolute discretion including, but not limited to, Microsoft Teams or Zoom.
<b>“Vopex”</b>	:	Any and all operating expenses incurred by any company in the Group in respect of and attributable to a Vessel
<b>“Vopex Budget”</b>	:	The maximum amount of a Lender’s contribution to Vopex which shall be agreed in writing between the Lender and the Company (and may be amended by mutual consent in writing from time to time by the Company and the Lender).
<b>“Voting Instruction Form Submission Date”</b>	:	<b>4 September 2020, 5:00PM (Singapore time)</b>

1.2 The headings in this Scheme are inserted for convenience only and shall be ignored in construing this Scheme.

1.3 Words denoting the singular number only shall, where applicable, include the plural number and *vice versa*, and words denoting persons only shall, where applicable, include firms and corporations.

- 1.4 Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.
- 1.5 Words importing any gender shall, where applicable, include the other gender and references to any person shall, where applicable, include that person's successor and permitted assigns.
- 1.6 Any reference to a statutory provision shall include such provision and any regulations made in pursuance thereof as may from time to time be modified or re-enacted whether before or after the date of this Scheme.
- 1.7 Any reference in this Scheme to a time of day and date shall be a reference to Singapore time and date, unless otherwise stated.

## **2. SCHEME CONDITIONS, EFFECTIVENESS AND IMPLEMENTATION OF THE SCHEME**

2.1 This Scheme shall become effective on the date on which all the following conditions precedent ("**Scheme Conditions**") have been satisfied or, where applicable, waived, in accordance with the terms of the Scheme ("**Effective Date**"):

- (a) the approval of the Scheme by the Requisite Majority at the Scheme Meetings;
- (b) the approval of the AMPL Scheme by the Requisite Majority at the AMPL Scheme Meeting;
- (c) the approval of the Scheme by the Court with or without modifications, additions or conditions imposed by the Court pursuant to section 210 of the Act;
- (d) the approval of the AMPL Scheme by the Court with or without modifications, additions or conditions imposed by the Court pursuant to section 210 of the Act;
- (e) a copy of the Orders of Court sanctioning the Scheme being lodged with ACRA in accordance with section 210(5) of the Act;
- (f) a copy of the Orders of Court sanctioning the AMPL Scheme being lodged with ACRA in accordance with section 210(5) of the Act;
- (g) the approval of the SGX-ST for the listing and quotation of the Scheme Shares;
- (h) the approval of the SGX-ST for the resumption of trading of the Company's shares on the SGX-ST;
- (i) the approval of the shareholders of the Company being obtained at an extraordinary general meeting for the allotment and issue of the Scheme Shares;
- (j) the SIC granting a whitewash waiver from the requirement to make a mandatory general offer pursuant to the Code in connection with the allotment and issue of the Scheme Shares and independent shareholders of the Company approving the whitewash waiver at an extraordinary general meeting;
- (k) all necessary governmental and regulatory approvals and consents to the Scheme and the AMPL Scheme and underlying transactions thereunder being obtained; and
- (l) the execution of the Security Documents.

2.2 All the above conditions are inter-conditional and are required to be fulfilled or waived in order for the Scheme to become effective. Accordingly, if any of the above conditions are not fulfilled or are not waived, the Scheme will not become effective.

- 2.3 The Scheme Conditions in Clause(s) 2.1(a) to 2.1(h) above are not capable of being waived.
- 2.4 The Scheme Conditions in Clauses 2(i) to 2(j) above may only be waived by the relevant regulatory authorities while the Scheme Condition in Clause 2.1(l) above may only be waived by the relevant Lender whose Security Documents are to be dispensed with (to the extent legally permissible).
- 2.5 Upon the Effective Date:
- (a) this Scheme shall be binding on all Scheme Creditors regardless of whether such Scheme Creditors attended or voted (in favour of or against the Scheme) at the Scheme Meeting;
  - (b) all rights of each Scheme Creditor to the payments and distributions in accordance with the Scheme shall be accepted in full and final settlement and absolute discharge of all of its Claims; and
  - (c) The Company shall take the necessary steps to implement the Scheme.

### **3. RELEASE AND DISCHARGE**

On and from the Effective Date:

- 3.1 the Company shall be completely and absolutely released and discharged from all Claims to each Scheme Creditor (regardless of whether or not it has submitted a Proof of Debt or Voting Instruction Form under this Scheme);
- 3.2 unless otherwise expressly provided in the Scheme, the Scheme Creditors waive:
- (a) all default interest, premium, additional amounts, make whole amounts, fees, commissions and penalties chargeable, accruing on, or payable in respect of, or any other accretions whatsoever arising in respect of the Claims, as at or after the Ascertainment Date under or in connection with any other agreement relating to a Claim;
  - (b) any and all right to claim for any legal fees incurred by the Scheme Creditors arising out of and/or in connection with the Claims other than those awarded under an order of court or arbitral award made on or before the Ascertainment Date or agreed to be paid by the Company, which shall be subject to this Scheme;
- 3.3 Each of the Scheme Creditors shall (regardless of whether or not it has submitted a Proof of Debt or Voting Instruction Form under this Scheme):
- (a) discontinue, withdraw and/or terminate any and all legal, arbitration, insolvency, enforcement or other proceedings commenced by that Scheme Creditor against the Company or any assets of the Company in any jurisdiction for the payment or recovery of its Claims; and
  - (b) release or take all such action required for the release to the Company of all rights, funds or property arrested, seized, garnished or attached in any legal, arbitration, insolvency, enforcement or other proceedings referred to in Clause 3.3(a) above,

with no order as to costs within fourteen (14) days from the Effective Date, failing which, the Company shall be entitled to seek the appropriate orders or awards against the Scheme Creditor from the relevant court or tribunal to enforce and/or give effect to this undertaking. The Scheme Creditor shall be liable for any costs incurred by the Company in enforcing and/or giving effect to this undertaking on an indemnity basis.

### **4. MORATORIUM**

- 4.1 Save as expressly provided under the Scheme, during the Scheme Period, no Scheme Creditor shall, whether directly or indirectly, take any steps to initiate, commence, procure, or continue any legal or other proceedings against the Company or any of its assets and properties in respect of any Claims in any jurisdiction including, but not limited to, court action (including winding up proceedings, judicial management and any analogous proceedings in any other jurisdiction), arbitration, the appointment of a receiver or receiver and manager, and/or the enforcement of any judgment or court order.
- 4.2 Any Scheme Creditor who receives or recovers, at any time, on or after the Ascertainment Date, from the Company any sum in discharge of any portion of its Approved Claim, shall within two (2) Business Days after it receives or recovers such sum (other than the payments made pursuant to this Scheme), notify the Company of the amount and currency so received, how it was received or recovered and whether it represents principal or interest or other sums. Such Scheme Creditor shall, within two (2) Business Days after receiving a request from the Company, pay to the Company an amount equal to the sum so received or recovered (free and clear of all deductions or withholdings).

## **5. DETERMINATION OF APPROVED CLAIMS**

- 5.1 All Approved Claims, which will in turn determine the Scheme Creditors' entitlement to receive distributions, payments or benefits under the Scheme and vote at the Scheme Meeting and any General Meeting, shall be determined as at the Ascertainment Date.
- 5.2 **Subject to Clauses 5.3 and 5.4 below, Scheme Creditors who fail to submit a Proof of Debt or Voting Instruction Form (through any relevant Account Holder) as the case may be in accordance with Clause 5.5 and 5.6 below before the Proof of Debt Submission Date or Voting Instruction Form Submission Date as the case may be shall be considered a Non-Participating Scheme Creditor. A Non-Participating Scheme Creditor shall not be entitled to any distributions, payments or benefits under this Scheme or be entitled to vote at the Scheme Meeting and any General Meeting but shall, nonetheless, be bound by the terms of the Scheme in the event that it becomes effective and shall have its Claim compromised or waived under the terms of this Scheme.**
- 5.3 The Chairman may at his sole and absolute discretion accept and admit a Proof of Debt or Voting Instruction Form as the case may be submitted by a Scheme Creditor for voting purposes at the Scheme Meeting notwithstanding that the Scheme Creditor has not submitted its Proof of Debt or Voting Instruction Form at the Specified Address or the Specified E-Mail Address on or before the Proof of Debt Submission Date or Voting Instruction Form Submission Date as the case may be.
- 5.4 The Scheme Manager may at his sole and absolute discretion accept and admit a Proof of Debt or Voting Instruction Form as the case may be submitted by a Scheme Creditor for purposes of receiving distributions, payments and benefits under the Scheme and voting at any General Meeting notwithstanding that the Scheme Creditor has not submitted its Proof of Debt or Voting Instruction Form at the Specified Address or the Specified E-Mail Address on or before the Proof of Debt Submission Date or Voting Instruction Form Submission Date as the case may be.

### **Noteholders**

- 5.5 The Account Holders shall obtain from Noteholders on whose behalf they hold interests in the Notes, whatever information or instructions they may require to submit a duly completed Voting Instruction Form in respect of the each Noteholder's Claim up to and including the Ascertainment Date to the Company at the Specified Address or the Specified E-Mail Address by no later than the Voting Instruction Form Submission Date.

### **Other Creditors**

- 5.6 Each Other Creditor shall submit a Proof of Debt in respect of its Claim up to and including the Ascertainment Date to the Company at the Specified Address or the Specified E-Mail Address by no later than the Proof of Debt Submission Date.

#### **Adjudication Procedure**

- 5.7 Subject to Clause 5.11 below, the adjudication of the Proofs of Debt and Voting Instruction Forms for the purposes of determining the Approved Claim of each Scheme Creditor shall be carried out in accordance with section 211F of the Act read with the provisions of the Companies (Proofs of Debt in Schemes of Arrangement) Regulations 2017. For the avoidance of doubt, the Voting Instruction Form shall be deemed to be a Noteholder's proof of debt for purposes of section 211F of the Act.
- 5.8 For the purpose of determining the Noteholders' Approved Claims, the Claim of a Noteholder will be admitted based on the aggregate of:
- (a) the principal amount of the Notes held by a Noteholder recorded in the books of the CDP as at the Ascertainment Date; and
  - (b) any and all interest accruing on the Notes up to and including the Ascertainment Date which shall be calculated by the Company (subject to review by the Chairman, Independent Assessor or Scheme Manager, as the case may be, pursuant to the adjudication of the Voting Instruction Forms in accordance with the terms of this Scheme).
- 5.9 Any Scheme Creditor who fails to raise a dispute in relation to the rejection of its Proof of Debt or Voting Instruction Form as the case may be in accordance with section 211F of the Act read with the provisions of the Companies (Proofs of Debt in Schemes of Arrangement) Regulations 2017 shall be deemed to have admitted and accepted the decision or determination of the Chairman or the Independent Assessor (as the case may be) as regards its Claim in its Proof of Debt or Voting Instruction Form and the amount(s) of its Approved Claim.
- 5.10 Notwithstanding the completion of the adjudication of any Proof of Debt or Voting Instruction Form in accordance with section 211F of the Act, in the event the Scheme becomes effective in accordance with its terms, the Scheme Manager may adjudicate any Proof of Debt or Voting Instruction Form *de novo*, or review and revise any past adjudication of any Proof of Debt or Voting Instruction Form, at his sole and absolute discretion.
- 5.11 Following the adjudication of any Proof of Debt or Voting Instruction Form pursuant to Clause 5.10 above:
- (a) The Scheme Manager shall give written notice to each Scheme Creditor of the results of his adjudication pursuant to Clause 5.10 above and of the Scheme Creditor's Approved Claim within three (3) months of the Effective Date or such longer period as the Scheme Manager may reasonably determine at his discretion;
  - (b) Any Scheme Creditor who wishes to dispute any aspect of the Scheme Manager's determination as notified to such Scheme Creditor by the Scheme Manager pursuant to Clause 5.11(a) above must give written notice of such dispute to the Scheme Manager at the 16 Raffles Quay, #22-00, Hong Leong Building, Singapore 048581 within seven (7) Business Days after the date of the Scheme Manager's notice, after which the Scheme Creditor shall be deemed to have admitted and accepted the decision or determination of the Scheme Manager as regards its Approved Claim pursuant to Clause 5.10 above. If a Scheme Creditor gives such notice of dispute to the Scheme Manager, such Scheme Creditor shall send a written request to the Scheme Managers to seek their agreement on the appointment of an Independent Assessor. If no agreement can be reached on the appointment of an Independent Assessor within fourteen (14) Business Days after the date of the Scheme Manager's notice, the Scheme Creditor may take out an application to the Court to determine the appointment of the Independent Assessor;

- (c) After the appointment of the Independent Assessor, the Scheme Manager is to, as soon as practicable, provide the relevant Proof of Debt or Voting Instruction Form to the Independent Assessor;
- (d) After the Independent Assessor has been provided with the Proof of Debt or Voting Instruction Form, he must, within seven (7) Business Days, make a decision on the dispute and send a written notice of the decision along with the reasons for his decision to the Scheme Manager, the Company and the Scheme Creditor referred to in this Clause;
- (e) The costs of any Independent Assessor shall in any event be borne by the Scheme Creditor wishing to dispute the result of the Scheme Manager's adjudication pursuant to Clause 5.11(b) above;
- (f) Any determination or decision by any Independent Assessor appointed under this Clause shall be subject to appeal to the Court within 7 calendar days of such determination or decision, and for the avoidance of doubt, neither the Company nor the Scheme Manager shall be liable in any event for any such costs, fees and expenses incurred by such Scheme Creditor in relation to or arising from such Scheme Creditor's submission of an application to the Court; and
- (g) Any part of the Claim that is admitted pursuant to such fresh adjudication shall be the relevant Scheme Creditor's Approved Claim for the purpose of receiving distributions, payments and benefits under the Scheme and voting at any General Meeting.

5.12 Each Scheme Creditor shall promptly provide the Scheme Manager with all such information and documents requested by the Chairman or the Scheme Manager (as the case may be) which are relevant to its Claim in its Voting Instruction Form or Proof of Debt (as the case may be), or to the determination of the amount of its Approved Claim.

5.13 The Claims of each Scheme Creditor shall be:

- (a) for the purposes of computation under the Scheme, insofar as the Claim is in a currency other than US\$, the value of such Claim shall be converted to US\$ at the Exchange Rate;
- (b) reduced by any amount paid or distributed by the Company to that Scheme Creditor under this Scheme;
- (c) reduced by any amount recovered or received by or for the account of that Scheme Creditor under or arising from any guarantee given to that Scheme Creditor by any person with respect to any indebtedness or liability of the Company as at the Ascertainment Date to that Scheme Creditor;
- (d) where there have been any mutual credits, mutual debits or other mutual dealings between the Company and any Scheme Creditor as at the Ascertainment Date, the debts and liabilities to which each party is or may become subject as a result of such mutual credits, debits or dealings as at the Ascertainment Date shall be set off against each other and only the balance, if any, shall be used for the purposes of calculating and determining a Scheme Creditor's Approved Claim;
- (e) where a Scheme Creditor submits more than one Voting Instruction Form or Proof of Debt as the case may be (each Voting Instruction Form or Proof of Debt being submitted in respect of a separate Claim against the Company), the amounts under all Voting Instruction Forms or Proofs of Debt as the case may be submitted by such Scheme Creditor shall be totalled, and treated as one amount and one vote;
- (f) for Claims that contain an interest, commission and/or fee component, only interest, commissions and/or fees accruing up to the Ascertainment Date may be set out in a Voting Instruction Form or Proof of Debt as the case may be relating to such Claim, and (as the case may be) admitted and no interest shall accrue on any commission or fee.



## 6. RESTRUCTURING PLAN

### The Lenders

6.1 **Principal terms.** Each Lender's Approved Claim shall be restructured under the Scheme as follows:

- (a) Each Lender may elect to take delivery of all or some of its Secured Assets in accordance with Clause 6.2 below;
- (b) Each Lender who has elected to take delivery of all of its Secured Assets shall be allocated and issued Scheme Shares for the whole of its Approved Claim in accordance with Clause 6.1(e) below (the "**Allocated Shares**");
- (c) The Company shall procure that each Lender's Secured Assets are delivered and/or transferred to the Lender by no later than the date falling 6 months after the Effective Date on such terms as may be agreed upon in writing between the Company and the relevant Lender (each party acting reasonably). All costs and expenses incurred in connection with the delivery and/or transfer of a Secured Asset shall be borne by the Lender. Upon delivery or transfer of a Secured Asset to the Lender, the Lender shall be solely responsible for all costs and expenses in connection with the Secured Asset and the Group shall have no further obligations to pay any such costs and expenses.
- (d) All Secured Assets shall be sold or disposed of by the Lender who has elected to take delivery of all of its Secured Assets by no later than the Disposal Date and the net proceeds of sale from the Lender's Secured Assets shall be applied towards reducing the Lender's Approved Claim. If a Lender fails to sell or dispose of any of its Secured Assets by the Disposal Date, any portion of the Lender's Approved Claim which remains unsatisfied shall automatically be deemed to have been settled in full and the Lender shall not be entitled to receive any Allocated Shares;
- (e) With respect to any Lender who has elected to take delivery of all of its Secured Assets and who has sold or disposed of all of its Secured Assets by no later than the Disposal Date, the Company shall issue the Allocated Shares to a Lender within 2 weeks after the Disposal Date in full and final settlement of such portion of the Lender's Approved Claim which remains unsatisfied pursuant to the sale or disposal of the Secured Assets as at the Disposal Date. Any Allocated Shares which are not issued to a Lender shall be distributed in accordance with Clause 6.6 below;
- (f) With respect to any Lender who has not elected to take delivery of all of its Secured Assets, any portion of the Approved Claim of the Lender which remains unsatisfied pursuant to the sale or disposal of the Secured Assets as at the Disposal Date shall be settled in accordance with Clause 6.3 below.

6.2 **Election for delivery of Secured Assets.** Within 7 days after the Effective Date, each Lender shall submit a written notice to the Company identifying which of its Secured Assets it wishes to take delivery of. If a Lender does not submit a written notice in accordance with this Clause 6.2, the Lender shall be deemed to have elected to take delivery of all its Secured Assets.

6.3 **Remaining Secured Assets.** With respect to any Lender who has not elected to take delivery of all of its Secured Assets, the Company shall make payment to the Lender in respect of its Approved Claim in accordance with Clauses 6.3(a) to 6.3(s) below. For the avoidance of doubt, Clauses 6.3(a) to 6.3(s) below do not apply to a Lender who has elected to take delivery of all of its Secured Assets or to any Secured Assets which has been transferred or delivered to a Lender pursuant to Clause 6.1 above:

- (a) Cross-collateralisation and further security. The securities held by a Lender in respect of the Lender's Approved Claim shall be cross-collateralised (if not already done) at the option of the relevant Lender over securities granted in its favour to secure the Lender's Approved Claim. All costs and expenses to be incurred in connection with the cross-collateralisation exercise shall be borne by the Lender. For the avoidance of doubt, a Lender's securities will not be cross-collateralised with the securities held by another Lender.
- (b) Where the Secured Asset(s) which the Lender has elected not to take delivery of in accordance with Clause 6.2 above comprise Vessels, the Company shall procure the establishment of a Designated Account for the Lender (if one has not already been established) and shall execute or procure the execution of (as may be applicable) a charge over the Designated Account established in favour of the Lender.

*Cash Management Principles Under The Cash Waterfall*

- (c) Vessel Income: All Vessel Income shall first be credited into the Group's Bank Mandiri Account. Within T+3 business days of receipt of any Vessel Income attributable to the Lender's Vessels into the Group's Bank Mandiri Account (where "T" is the date of receipt of such Vessel Income in the Group's Bank Mandiri Account), the Group shall issue letter(s) of instruction to Bank Mandiri for all such Vessel Income to be transferred to the relevant Designated Account established by the Group for the Lender.
- (d) Cash Waterfall: The Vessel Income shall be applied in the following manner:
  - (i) First, payment of Vopex for the Lender's Vessels in accordance with L1;
  - (ii) Second, payment of the Lender's Interest in accordance with L2;
  - (iii) Third, payment of Administrative Overheads in accordance with L3;
  - (iv) Fourth, payment of the Remaining Margin (subject to Reserve) in accordance with L4; and
  - (v) Fifth, repayment of Principal in accordance with L5.

For the avoidance of doubt, any and all Vessel Income from a Lender's Vessels shall only be applied for the benefit of that Lender.

- (e) L1 (Vopex): The Vopex for a given month shall be debited from the Total Vessel Income every month based on the Vopex Budget agreed with the Lender or the actual Vopex incurred, whichever is lower. If the actual Vopex incurred exceeds the Vopex Budget, the Group must obtain the prior written consent from the Lender before debiting any amount exceeding the Vopex Budget from the Total Vessel Income for the settlement of the additional Vopex incurred.
- (f) L2 (Lender's Interest): Any surplus funds in a Designated Account after compliance with L1 shall be applied towards payment of the following:
  - (i) Lender's COF; and
  - (ii) 0.25% Margin

Contractual interest and default interest shall continue to accrue on the Principal, but shall not be compounded and shall be paid in accordance with the Cash Waterfall.

Subject to the completion of the Scheme in accordance with Clause 9.1 below and without prejudice to Clause 6.3(m) below, upon the expiry of the Scheme Period, the Lender agrees to, in good faith, consider waiving, releasing and discharging (be it in

whole or in part) the Company from any and all claims for any default interest payable to the Lender which remains outstanding at the end of the Scheme Period, but for the avoidance of doubt is not bound to do so.

Any available funds in a Designated Account (after taking into account any deductions allowed by the Lender under L1) shall be applied towards payment of the Lender's Interest on a monthly basis.

- (g) L3 (Administrative Overheads): The Lender agrees to bear the Administrative Overheads.

Subject to Clause 6.3(l)(ii), the Lender's contribution to the Administrative Overheads shall be debited from its Designated Account. The maximum amount of Administrative Overheads which may be debited from the Designated Account shall be the Administrative Overheads Budget agreed with the Lender or the actual Administrative Overheads incurred, whichever is lower.

If the actual Administrative Overheads incurred exceeds the Administrative Overheads Budget, the Group will have to obtain the Lenders' prior written consent before debiting any amount exceeding the Administrative Overheads Budget from the Designated Account for the settlement of the excess Administrative Overheads incurred.

- (h) L4 (Remaining Margin subject to Reserve): Any available funds in a Designated Account (after taking into account any deductions under L1 to L3) shall be applied towards payment of the Remaining Margin subject to there being sufficient funds in the Designated Account to satisfy the Reserve.

In the event there are insufficient funds in the Designated Account to pay the Remaining Margin, any shortfall in the payment of the Remaining Margin shall be paid in subsequent months when there is a surplus in the Designated Account after settling the Remaining Margin payable to the Lender for a given month.

- (i) L5 (Principal repayment): Starting from the second year of the Scheme Period, any available funds in a Designated Account (after taking into account any deductions under L1 to L4) shall be applied towards payment of the Principal due and owing to the Lender under the Lender's Facilities subject to there being sufficient funds in the Designated Account to satisfy the Reserve.

#### *Sale of Non-Performing Vessels*

- (j) Sale of Non-Performing Vessels: The Lender shall have the right to sell and/or request that the Company use all reasonable endeavours to procure the sale or scrapping of a Vessel if the utilisation of the Vessel for a 9-month rolling period starting from the Effective Date is less than 30% ("**Non-Performing Vessel**"), on terms to be agreed between the Company and the Lender (each, acting reasonably). The Lender shall use all reasonable endeavours to procure that any Existing Security in respect of the Non-Performing Vessel shall be discharged in order to facilitate any such sale.

- (k) Application of proceeds: Any proceeds from the sale or scrap of any Non-Performing Vessel shall be applied in the following order of priority:

- (i) First, towards payment of any expenses incurred in relation to and/or payable for the purpose of giving effect to the sale or scrap of the Non-Performing Vessel (e.g. shipyard dues and government tariffs etc.);
- (ii) Second, towards payment of the Principal due and owing to the relevant Lender;
- (iii) Third, towards payment of any remaining balance of the relevant Lender's Approved Claim (including interest);

- (v) Fourth, to the Company.
- (l) **Disposal of other Secured Assets.** Without prejudice to Clause 6.3(j) above:
- (i) Subject to Clause 6.3(l)(ii), during the Scheme Period, the Company may with the prior written consent of the relevant Lender dispose of any Secured Asset. Any proceeds from such disposal shall be applied in the order of priority set out in Clause 6.3(k) above save that, with respect to Clause 6.3(k)(i), the reference to expenses incurred in relation to and/or payable for the purpose of giving effect to the sale or scrap of the Non-Performing Vessel shall be deemed to be a reference to expenses incurred in relation to and/or payable for the purpose of giving effect to the any disposal pursuant to this Clause 6.3(l). The Lender shall use all reasonable endeavours to procure that any Existing Security in respect of the Secured Asset shall be discharged in order to facilitate any such sale.
- (ii) The Company shall have the right to deal with, sell or scrap a Non-Performing Vessel as it deems fit if the Company has provided the relevant Lender with a request in writing to dispose of the Non-Performing Vessel pursuant to Clause 6.3(l)(i), and such Lender fails to respond within 3 weeks of the date of such written request. In the event the Lender informs the Company of its refusal to consent to the Company's request to dispose of a Non-Performing Vessel (such notice of refusal to be given in writing by Lender no later than 3 weeks from the date of the written request by the Company), starting from the date of the Lender's notice of refusal, the Lender shall bear all Administrative Overheads in respect of such Non-Performing Vessel even if the actual Administrative Overheads incurred exceeds the Administrative Overheads Budget, and shall continue to do so until the earlier of such time as the Vessel is no longer a Non-Performing Vessel or the Vessel is sold, scrapped or otherwise disposed of.
- (m) If a Lender's Approved Claim has not been settled in full at the end of the Scheme Period, the outstanding balance of the Lender's Approved Claim shall be sustained post-Scheme Period. Within three (3) months after the last day of the Scheme Period (or such other date as may be agreed upon in writing between the Company and the Lender), the Company shall either refinance the amount of Approved Claim sustained post-Scheme Period or the Company and the Lender shall renegotiate in good faith and enter into a new agreement governing the repayment of the amount of Approved Claim sustained post-Scheme Period, failing which the Lender shall be entitled to enforce all its rights under the Lender's Facilities.

*Reporting requirements*

- (r) At every monthly interval following the Effective Date, the Company shall:
- (i) provide a monthly fund movement report prepared by the Company to the Lender and the Scheme Manager setting out the Vessel Income and Vopex for the preceding month in respect of all Vessels which remain mortgaged to the Lender as at the date of the report (the "**MVF Report**");
- (ii) provide a report prepared by the Group to the Lender and the Scheme Manager setting out an update on the deployment and charter status for the preceding month of all Vessels which remain mortgaged to the Lender as at the date of the report (the "**D&C Status Report**").
- (s) The Scheme Manager shall at every 3-month interval following the Effective Date prepare and provide a monitoring report to the Lender based on the MVF Report, the

D&C Status Report and any and all other information that the Scheme Manager may require and request from the Company as the Scheme Manager may in his sole and absolute discretion deem appropriate.

## Scheme Shares

6.4 **Total Eligible Debt.** The Total Eligible Debt which shall participate in the issuance of Scheme Shares shall comprise the following:

- (a) the FEG Eligible Debt; and
- (b) the AMPL Eligible Debt (which shall be treated as an indebtedness of the Company).

6.5 **Share Recipient.** The following persons shall be eligible to participate in the issuance Scheme Shares in accordance with the terms of the Scheme:

- (a) the Unsecured Creditors;
- (b) the Lenders who have elected to take delivery of all Secured Assets pursuant to Clause 6.2 above; and
- (c) the AMPL Scheme Creditors.

6.6 **Scheme Share Issuance.** The Total Eligible Debt shall be settled as follows:

- (a) The Total Eligible Debt shall be converted to Scheme Shares.
- (b) The number of Scheme Shares to be allotted to each Share Recipient shall be determined by the following formula:

$$\frac{\text{Approved Claim of the Share Recipient}}{\text{Total Eligible Debt}} \times 90\% \text{ of the enlarged share capital of the Company}$$

- (c) The Scheme Shares shall (i) be duly authorised, validly issued and credited as fully paid-up; (ii) rank *pari passu* in all respects with any other shares of the Company then in issue; and (iii) free from all Encumbrances and entitled to all rights attached thereto on or after the date of issue.
- (d) The Scheme Shares shall be issued by the Company to Unsecured Creditors and the AMPL Scheme Creditors within 2 weeks of the Implementation Date.
- (e) The Scheme Shares shall be issued by the Company to the Lenders who have elected to take delivery of all Secured Assets pursuant to Clause 6.2 above in accordance with Clause 6.1 above. Any Allocated Shares which are not issued to a Lender in accordance with Clause 6.1 above shall be distributed *pari passu* to all Share Recipients.

## 7. DISTRIBUTION AND PAYMENT MECHANISM

7.1 Any and all distributions or payments under this Scheme shall:

- (a) in the case of any cash distribution or payment, be made by the Company by cheque or by bank transfer to a bank account designated by the payee, provided that the fees and expenses incurred in connection with such bank transfer shall be borne by the payee and may be deducted from any sum payable to the payee under this Scheme;
- (b) in the case of any distribution of the Scheme Shares to Noteholders, the Company shall allot and issue the Scheme Shares to the relevant Account Holder, who shall distribute the Shares to the relevant Noteholder and pending such distribution, the relevant Account

Holder shall hold on trust the Scheme Shares for the Noteholders;

- (c) in the case of Scheme Creditors who are not Depositors or who have not provided the Company with details of a Securities Account, the Company shall execute such instrument(s) or instruction(s) of transfer for the transfer of the relevant number of Scheme Shares to the relevant Scheme Creditors. Thereafter, the relevant share certificate(s) pertaining to such Scheme Shares made out in favour of such Scheme Creditors shall be sent by ordinary post in prepaid envelopes addressed to such Scheme Creditors at their respective registered addresses in Singapore or such other address in Singapore as any such Scheme Creditor may notify to the Company at the sole risk of such Scheme Creditors, and the Company shall not be liable for any delay or loss in transmissions of the relevant share certificate(s);
- (d) On and from the Effective Date, each Scheme Creditor (not being a Depositor or who have not provided the Company with details of a Securities Account) irrevocably agrees and authorises the Company and the Scheme Manager to execute or effect on behalf of such Scheme Creditor any and all instrument(s), document(s) or instruction(s) as shall be necessary or as the Company or the Scheme Manager may reasonably require to give effect to the Scheme. Every such instrument, document or instruction to be executed by the Company and/or the Scheme Manager shall be effective as if it had been executed by the relevant Scheme Creditor;
- (e) On and from the Effective Date, each Scheme Creditor (not being a Depositor or who have not provided the Company with details of a Securities Account) irrevocably agrees and authorises the Company and the Scheme Manager to execute or effect on behalf of such Scheme Creditor any and all instrument(s), document(s) or instruction(s) as shall be necessary or as the Company or the Scheme Manager may reasonably require to give effect to the Scheme. Every such instrument, document or instruction to be executed by the Company and/or the Scheme Manager shall be effective as if it had been executed by the relevant Scheme Creditor;
- (f) On and from the Effective Date, each Scheme Creditor being a Depositor irrevocably agrees and authorises the Company and/or the Scheme Manager to execute or effect on behalf of each such Scheme Creditor any and all instrument(s), document(s) or instruction(s) as shall be necessary or as the Company or the Scheme Manager may reasonably require to give effect to the Scheme. Every such instrument, document or instruction to be executed by the Company and/or the Scheme Manager shall be effective as if it had been executed by the relevant Scheme Creditor.

7.2 If for any reason whatsoever, any distribution or payment made to a Participating Scheme Creditor pursuant to this Scheme is not received by that Participating Scheme Creditor and such non-receipt of distribution or payment is not the result of any fault on the part of the Company, such Participating Scheme Creditor shall be deemed to have waived all its rights in relation to that distribution or payment upon the expiry of six (6) months from the date of such payment being made.

## **8. RELATED CREDITOR CLAIMS**

8.1 Related Creditors shall not be entitled to receive any distributions, payments or benefits under this Scheme or vote at any General Meeting, and the Company shall be completely and absolutely released and discharged from all Related Creditor Claims on and from the Effective Date.

## **9. COMPLETION AND TERMINATION OF THE SCHEME**

9.1 The Scheme shall terminate by performance when:

- (a) the Scheme Manager (acting reasonably) certifies under hand that the Scheme has been completed or so substantially completed that it cannot be continued without needlessly protracting this Scheme;

- (b) the Participating Scheme Creditors in General Meeting resolve by Special Resolution to terminate this Scheme on the basis that the Scheme has been completed or so substantially completed that it cannot be continued without needlessly protracting this Scheme; or
- (c) an order of the Court sanctioning the termination of the Scheme is obtained.

9.2 The Scheme shall also terminate if the Participating Scheme Creditors in General Meeting resolve by Special Resolution to terminate this Scheme upon any of the following events occurring:

- (a) if the Company does not comply with any provision of the Scheme, provided that no failure of the Company to comply with any provision of the Scheme shall be deemed to have occurred if the failure to comply is capable of remedy and is remedied within thirty (30) days of any Participating Scheme Creditor giving notice to the Company;
- (b) if the Company ceases or threatens to cease to carry on its business or any material part thereof or materially changes the nature or mode of conduct of its trading in any material aspect;
- (c) an order is made for the Company to be placed under judicial management and for the appointment of a judicial manager;
- (d) if a receiver and/or manager or other similar officer is appointed over the undertakings, properties, assets, or revenues of the Company;
- (e) if an order is made for the winding up of the Company or a resolution passed or if a notice is issued convening a meeting for the purpose of passing any such resolution;
- (f) if, in Singapore or elsewhere, the Company is declared by the Minister to be a declared company under the provisions of Part IX of the Companies Act;
- (g) if the AMPL Scheme is terminated; or
- (h) if a material situation shall arise which in the opinion of any of the Participating Scheme Creditors (acting reasonably) makes it improbable that the Company will be able to perform its obligations under the Scheme.

9.3 In the event that the Scheme is terminated under Clause 9.2, the Scheme shall cease to be binding on the Participating Scheme Creditors and each Participating Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company for any outstanding part of the Participating Scheme Creditor's Approved Claim which the Company has failed to settle in accordance with the terms of the Scheme.

## **10. SCHEME MANAGER**

10.1 The Company shall appoint the Scheme Managers before the Effective Date on terms to be agreed between the Scheme Managers and the Company and such appointment shall continue until terminated in accordance with Clause 10.4 below or until completion or termination of the Scheme in accordance with Clause 9 above, whichever is earlier. The Scheme Managers shall be entitled to such reasonable fees and remuneration for their performance of their duties and services as Scheme Managers and for taking any action that they are required, authorised or empowered to take under or in respect of this Scheme as may be agreed with the Company or determined by the Court.

10.2 The Company shall do everything that is necessary to give effect to the directions and instructions of the Scheme Managers, to the extent reasonably necessary and expedient to enable the Scheme Managers to carry out their functions under this Scheme, and the Company shall not prevent, frustrate, object to or otherwise prejudice the carrying out by the Scheme Managers of

their duties and functions under this Scheme.

### 10.3 Duties and powers of Scheme Managers

- (a) The Scheme Managers shall oversee the implementation of and the Company's compliance with the provisions of the Scheme and shall have the power to do all such things as he may consider necessary or desirable towards that end including without limitation:-
- (i) to initiate, prosecute, discontinue, withdraw and/or settle any claim or proceeding against any person to enforce this Scheme;
  - (ii) to appoint an agent to carry out or to assist them in carrying out any of their duties or functions which the Scheme Managers are unable to perform;
  - (iii) to delegate the performance of their duties and the exercise of any of their powers to any suitably qualified person;
  - (iv) to, at the Company's costs and expense, engage lawyers, financial or other professional advisers and consultants to advise and assist the Scheme Managers in the exercise of its rights and the performance or discharge of their duties as the Scheme Managers;
  - (v) to enforce for the benefit of the Scheme Creditors any and all the undertakings and obligations of the Company under this Scheme and to commence proceedings against the Company in their capacity as Scheme Managers to enforce such undertakings and obligations, and in this connection, no Scheme Creditor shall commence any action against the Company to enforce any undertaking or obligation of the Company under this Scheme or to recover any loss arising from any breach by the Company of any such undertaking or obligation;
  - (vi) to enforce for the benefit of the Company any and all the undertakings and obligations of the Scheme Creditors (in whole or in part) under this Scheme and to commence proceedings against any one or more of the Scheme Creditors in their capacity as Scheme Managers to enforce such undertakings and obligations; and
  - (vii) to do everything reasonable or necessary to implement the provisions of this Scheme.
- (b) To the extent that, in the Scheme Managers' reasonable opinion, there is any doubt as to whether the Scheme Managers may execute, perform or do any act, matter or thing under the powers conferred upon him under this Scheme then that act, matter or thing may be executed, performed or done with the Ordinary Resolution of the Scheme Creditors.
- (c) Subject to Clause 10.3(d) below, the Scheme Managers shall comply with any resolution duly passed at a General Meeting unless and to the extent varied or rescinded by an order of the Court.
- (d) The Scheme Managers may at any time apply to the Court:
- (i) for any order or direction in relation to any particular matter arising in connection with the carrying out of his powers, duties or functions under this Scheme or the construction or interpretation of any specific provision of this Scheme and shall do all such things as the Court may order or sanction; and/or



- (ii) for any order or direction in connection with any allegations raised by any Scheme Creditor against the Scheme Managers or in respect of or arising from any resolution passed at a General Meeting.
- (e) The Scheme Managers may rely on any representation, notice or document believed by it to be genuine, correct and appropriately authorised and any statement made by any person regarding any matters which may reasonably be assumed to be within its knowledge or within its power to verify.
- (f) The Scheme Managers shall not be obliged to make or commence or continue any Scheme Manager Claim or Scheme Manager Proceedings or take any action if the Scheme Managers is satisfied that the monies for the time being provided or made available to him by the Company and/or the Scheme Creditors for that purpose are insufficient to pay, defray, reimburse or meet all fees, expenses and liabilities which have been incurred or may otherwise be incurred.
- (g) The Scheme Managers may settle or discontinue or withdraw any Scheme Manager Claim or Scheme Manager Proceedings on such terms as the Scheme Manager considers appropriate (i) if the Scheme Managers are satisfied that the monies for the time being provided or made available to him by the Company and/or the Scheme Creditors for that purpose are insufficient to pay, defray, reimburse or meet all fees, expenses and liabilities which have been incurred or may otherwise be incurred; or (ii) if the Scheme Managers is advised to do so by any legal advisor engaged by the Scheme Managers.
- (h) Notwithstanding anything to the contrary in the Scheme:
  - (i) The Scheme Managers shall not be obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality; and
  - (ii) The Scheme Managers shall act in accordance with any direction or order of the Court and shall not be liable to any person whatsoever for doing so.

#### 10.4 Appointment, Resignation and Removal of the Scheme Managers

- (a) A Scheme Manager shall cease to hold office as the Scheme Manager upon the occurrence of any of the following events:
  - (i) the Scheme Manager may resign at any time by giving at least thirty (30) days' notice to the Company save that the resignation of the Scheme Manager shall not take effect unless and until a new Scheme Manager is appointed. In connection herewith, the resigning Scheme Manager or the Company may appoint the successor Scheme Manager, who shall have the capacity and experience to undertake the duties of the Scheme Manager;
  - (ii) the passing of a resolution at a General Meeting convened for the purpose of appointing any person or persons to replace the Scheme Manager;
  - (iii) upon the making of an order of the Court, upon an application by the Company or the Scheme Manager, for the removal or replacement of the Scheme Manager; and/or
  - (iv) the death or bankruptcy of the Scheme Manager.
- (b) The Court may, upon an application by the Company or the Scheme Manager, by order appoint any person or persons as Scheme Manager whether in substitution of, or in addition to, the person then holding appointment as the Scheme Manager or to fill any vacancy resulting from death or bankruptcy.

- (c) Every person who ceases to be a Scheme Manager shall make available to its successor such documents and records in its possession and provide such assistance as the successor Scheme Manager may reasonably request for the purposes of performing any functions or duties as Scheme Manager under the Scheme.
- 10.5 The Scheme Managers disclaim all personal liability under any contract, agreement or other arrangement entered into on behalf of the Company, or with regard to any other act or omission to act, in connection with this Scheme.
- 10.6 The Scheme Managers shall not be responsible
- (a) for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Scheme Managers, the Company or any other person given in or in connection with this Scheme; or
  - (b) for the legality, validity, effectiveness, adequacy or enforceability of this Scheme or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Scheme.
- 10.7 The Scheme Managers shall not be liable to any Scheme Creditor for any and all losses, damages, charges, costs and expenses of whatsoever nature which such Scheme Creditor may sustain, incur or suffer in connection with or arising from any act or omission on its part in relation to any Scheme Manager Claim or Scheme Manager Proceedings, unless directly caused by fraud, dishonesty or wilful misconduct on their part.
- 10.8 The Scheme Managers will not be responsible for any delay (or any related consequences) in crediting an account with any amount required to be paid to any Scheme Creditor under this Scheme if the Scheme Managers has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any bank used by the Scheme Managers for that purpose.
- 10.9 The Scheme Managers and their delegates appointed under Clause 10.4 shall not be liable for any and all losses, damages, charges, costs and expenses of whatsoever nature which the Company may at any time and from time to time sustain, incur or suffer at any time, whether before or after the Termination Date, in connection with the exercise of their powers in the performance of their duties under this Scheme, unless such losses, damages, charges, costs or expenses arise out of the gross negligence, fraud or wilful default of the Scheme Managers.
- 10.10 In exercising his powers and carrying out his functions under this Scheme, the Scheme Manager shall be deemed at all times to act as agent for and on behalf of the Company. Nothing in this Scheme shall constitute the Scheme Manager as an agent of any Scheme Creditor.

## **11. ASSIGNMENT OF APPROVED CLAIM**

- 11.1 No Scheme Creditor shall assign or transfer any of its rights, title, interests and/or benefits under the Scheme except as expressly provided hereunder.
- 11.2 A Scheme Creditor (the “**Transferor**”) may at any time absolutely assign and transfer to any person (the “**Transferee**”) its rights, title, interest and benefits under and arising from the Scheme, by delivering to the Scheme Manager a Transfer Instrument executed by both the Transferor and Transferee. Such Transferee shall, by delivery of such Transfer Instrument to the Scheme Manager, be deemed to have agreed to be bound by and subject to the terms of the Scheme.
- 11.3 Notwithstanding service or delivery of a Transfer Instrument to the Scheme Managers, the Scheme Managers shall have no obligation or duty to accept or act upon the Transfer Instrument and may at its absolute discretion withhold making any payment or distribution under the Scheme to the Transferee and the Transferor identified in the Transfer Instrument until:

- (a) the Scheme Managers are satisfied that the Transfer Instrument had been duly, validly and effectively executed by the Transferor and the Transferee (in the form and substance satisfactory to the Scheme Managers) and/or by any person duly and lawfully empowered to do so on behalf of the Transferor and/or the Transferee; and
- (b) the identities of the Transferor and/or the Transferee have been verified to the satisfaction of the Scheme Managers,

and the Scheme Managers may for the foregoing purpose require the Transferor and/or Transferee to furnish to the Scheme Managers such information, evidence and/or legal opinion as the Scheme Managers may consider appropriate at the expense of the Transferor or Transferee.

- 11.4 A Transferee shall become a Scheme Creditor in place of the Transferor (and such Transferor shall cease to be a Scheme Creditor) for the purpose of the Scheme on the date that confirmation in writing of the transfer is given by the Scheme Managers to the Transferee. Upon completion of the transfer, the Company and the Transferor shall be released from further obligations towards one another under this Scheme.
- 11.5 No Transferee shall be entitled to receive under this Scheme payment of any amount of any distribution greater than that which the Transferor would have been entitled.
- 11.6 All costs, fees and expenses incurred in relation to any assignment or transfer carried out pursuant to this Clause (including but not limited to any such costs, fees and expenses incurred by the Company) shall be wholly borne by the Transferor.

## **12. TAXES AND WITHHOLDINGS**

12.1 All sums payable by the Company under the terms of the Scheme shall be paid:

- (a) Free of any restriction or condition; and
- (b) Without deduction or withholding (except to the extent required by law) on account of any other amount, whether by way of set-off, counterclaim or otherwise.

12.2 If the Company or any other person on its behalf (whether or not a party to this Scheme) must at any time deduct or withhold any tax or other amount from any sum paid or payable by, or received or receivable from, the Company under this Scheme or the other documents contemplated hereby, the Company shall be entitled to deduct an amount equivalent to the tax or other amount withheld, from the amount payable to the Scheme Creditor to which that sum is due.

12.3 If the Company or any other person on its behalf (whether or not a party to this Scheme) must at any time pay any tax or other amount on, or calculated by reference to, any sum received or receivable by any Scheme Creditor under this Scheme or the other documents contemplated hereby (except for a payment by any Scheme Creditor of tax on its own overall net income imposed by the jurisdiction of its incorporation, or, in the case of a Scheme Creditor, where its facility office is located), the Company shall pay or procure the payment of that tax or other amount before any interest or penalty becomes payable.

12.4 Within thirty (30) days after paying such sum from which it is required by law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any tax or other amount which it is required by Clause 12.3 to pay, the Company shall deliver to the relevant Scheme Creditor receipts or other evidence satisfactory to the relevant Scheme Creditor showing that deduction, withholding or payment and (where remittance is required) the remittance thereof to the relevant taxing or other authority.

## **13. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

13.1 All procedural amendments, including any extension or abridgment of time in connection with anything to be done under the Scheme (save in respect of any Scheme Condition or payment or

distribution obligations of the Company under the Scheme), shall be approved by Ordinary Resolution passed at a General Meeting.

- 13.2 All substantive modifications and/or amendments to and decisions to be taken regarding the Scheme shall be approved by Special Resolution passed at a General Meeting. Any proposed modification, amendment and/or decision to be taken with respect to any payment or distribution obligations of the Company under the Scheme shall be regarded as a substantive modification and/or amendment to the Scheme.
- 13.3 Save as provided for under Clauses 13.1 and 13.2 above, any modifications and/or amendments to the terms of the Scheme and any decisions to be taken regarding the Scheme shall be approved by Ordinary Resolution passed at a General Meeting.
- 13.4 Subject to Clauses 13.1 and 13.2 above, the Scheme Manager shall determine whether a proposed modification, amendment and/or decision to be taken regarding the Scheme is procedural or substantive in nature or otherwise and any such determination by the Scheme Manager shall be conclusive and binding on all parties to the Scheme.

#### **14. MEETINGS OF SCHEME CREDITORS**

- 14.1 After the Effective Date, the Company or the Scheme Manager may, whenever it thinks fit or appropriate, convene a General Meeting of any or all classes of Participating Scheme Creditors to propose an Ordinary Resolution or (if required by this Scheme) a Special Resolution as the Company or the Scheme Manager may in its sole discretion deem fit, in respect of any matters arising in connection with the terms and/or implementation of the Scheme.
- 14.2 After the Effective Date, the Company shall convene a General Meeting of all classes of Scheme Creditors upon the submission of a written request from any two or more Participating Scheme Creditors in any class whose Approved Claims subsisting at the relevant time in aggregate constitute not less than thirty percent (30%) of the total Approved Claims of all Participating Scheme Creditors subsisting at such relevant time. In the event the Company fails to convene and hold a General Meeting within thirty (30) days after the date of any request of such Participating Scheme Creditors, then those requesting Participating Scheme Creditors may convene a General Meeting. The costs and expenses of convening any such General Meeting shall be borne by the requisitioning Participating Scheme Creditor(s), if so requested in writing by the Company.
- 14.3 The following provisions shall apply to any General Meeting:
- (a) Any accidental omission to give notice of meeting or the non-receipt of notice by any Participating Scheme Creditor shall not invalidate any meeting or the proceedings thereat.
  - (b) Any notice of meeting shall be accompanied by a Proxy Form to be issued by the Company (in such form as may be determined by the Company) and each Participating Scheme Creditor shall, at least forty-eight (48) hours before the General Meeting, lodge the Proxy Form with the Company at the Specified Address. If a Participating Scheme Creditor fails to lodge a Proxy Form at least forty-eight (48) hours before the General Meeting, that Participating Scheme Creditor shall not be entitled to vote at the General Meeting unless so admitted to vote at the discretion of the chairman of the General Meeting.
  - (c) Any Participating Scheme Creditor which is not a natural person must appoint a proxy to attend and vote on its behalf at all General Meetings and any Participating Scheme Creditor may appoint any natural person to be its proxy or attorney to attend and vote on its behalf at any or all General Meetings. No Participating Scheme Creditor shall be entitled to appoint more than one (1) proxy or attorney to attend and vote at any General Meeting and the proxy or attorney shall not be allowed to attend and vote at any General Meeting except in the absence of its appointor. A Participating Scheme Creditor may revoke the appointment of any person as its proxy or attorney by giving written notice thereof to the Company.

- (d) At any such meeting, two (2) Participating Scheme Creditors present in person or by proxy shall form a quorum for the transaction of business and no business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business (unless there is only one (1) Participating Scheme Creditor in a class, in which case that one (1) Participating Scheme Creditor present shall form a quorum and may transact any business which a General Meeting is competent to transact).
- (e) The Company shall be entitled to nominate the chairman of the meeting, but if no representative of the Company is present within thirty (30) minutes of the time appointed for the holding of the meeting, the Participating Scheme Creditors present in person or by proxy shall choose one of their number to be chairman.
- (f) If within half an hour from the time appointed for any meeting, a quorum of Participating Scheme Creditors is not present, the meeting shall stand adjourned to such place and time at the discretion of the chairman, and if at such adjourned meeting, a quorum is still not present, any one (1) Participating Scheme Creditor present shall form a quorum and may transact any business which a General Meeting is competent to transact.
- (g) The chairman may with consent of the meeting adjourn the meeting from time to time and from place to place, to a place and time determined by the Company.
- (h) Any meeting at which it is proposed to: (i) pass an Ordinary Resolution shall be called by giving at least fourteen (14) Business Days' notice in writing to the Participating Scheme Creditors; and/or (ii) pass a Special Resolution shall be called by giving at least twenty-one (21) Business Days' notice in writing to the Participating Scheme Creditors.
- (i) Any Scheme Creditor with a Disputed Claim shall be entitled to have notice of and attend a General Meeting, but shall only be entitled to vote at a General Meeting to the extent that any part of the Scheme Creditor's Claim has been admitted as an Approved Claim.
- (j) For the avoidance of doubt, it shall not be necessary for the Company to hold separate meetings for the Lenders (to the extent that they hold an Approved Claim) and the Unsecured Creditors, if the Scheme Manager in his sole and absolute discretion deem appropriate. However, if a joint meeting of the Lenders (to the extent that they hold an Approved Claim) and the Unsecured Creditors is held, any and all votes cast by the Scheme Creditors present and voting (in person or by proxy) at such meeting will nonetheless be calculated based on their respective classes.

## 15. NOTICES

- 15.1 The sending of notices and other documents by the Scheme Manager to Scheme Creditors under this Scheme shall be in accordance with Regulation 9 of the Companies (Proofs of Debt in Schemes of Arrangement) Regulations 2017, which shall be deemed incorporated by reference herein *mutatis mutandis*. For the purposes of this Clause 15, the Scheme Creditors shall be taken to have previously agreed in writing within the meaning of Regulation 9 to receive notices, requests or other information by way of their electronic mail address or facsimile transmission number (as the case may be) provided in their Proof of Debt or Voting Instruction Form, or last known electronic mail address or facsimile transmission number (as the case may be) given to the Scheme Manager.
- 15.2 Any notice or communication to the Company or the Scheme Manager under this Scheme may be served by posting it by prepaid registered post to the address of the Company or Scheme Manager notified to the Scheme Creditors, and if so posted shall be deemed to have been received by the Company or Scheme Manager respectively, upon actual receipt thereof. Any notice to the Scheme Manager or the Company not in compliance with this Clause 15.2 shall be deemed of no effect for all purposes of the Scheme, save as otherwise permitted by the Scheme Manager in their absolute discretion.

- 15.3 The non-receipt of any notice or other communication sent in accordance with Clause 15.1 above shall not affect any part or provision of this Scheme.

## **16. CONFLICT AND INCONSISTENCY**

In the case of a conflict or inconsistency between the terms of this Scheme and the terms of the Explanatory Statement, the terms of this Scheme shall prevail.

## **17. SEVERABILITY**

- 17.1 If any provision in this Scheme shall be, or at any time shall become invalid, illegal or unenforceable in any respect under any law, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provisions of this Scheme but this Scheme shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.
- 17.2 To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 17.1, then such provision or part of it shall, to the extent that it is invalid, illegal or unenforceable, be deemed not to form part of this Scheme and the validity, legality and enforceability of the remainder of this Scheme shall, subject to any deletion or modification made under Clause 17.1, not be affected.

## **18. GOVERNING LAW AND JURISDICTION**

- 18.1 This Scheme shall be governed by, and construed in accordance with, by the laws of the Republic of Singapore.
- 18.2 The Company and the Scheme Creditors hereby irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore in relation to any dispute arising out of or in connection with this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme.

## **19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B OF SINGAPORE**

Save as expressly provided in this Scheme, a person who is not a party to this Scheme has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of this Scheme.

## SCHEDULE A

### Form of Transfer Instrument

This Transfer is made on the [●] day of [●] between:

- (1) [Insert name] (Registration No. [●]) of [insert address] (the "Transferor"); and
  - (2) [Insert name] (Registration No. [●]) of [insert address] (the "Transferee").
- (each a "Party" and both collectively referred to herein as the "Parties")

#### Whereas:

- (A) By a scheme of arrangement dated 7 August 2020 proposed by Falcon Energy Group Limited under section 210 of the Companies Act (Cap. 50) in HC/OS 206 / 2020 and approved by the High Court of the Republic of Singapore on [●] (the "Scheme"), the Transferor is a Participating Scheme Creditor of the transferee or successor in title of a Participating Scheme Creditor.
- (B) The Transferor has agreed to assign and transfer to the Transferee all of the Transferor's rights, title, interest and benefits under and arising from the Scheme subject to the terms of the Scheme.

#### Now it is hereby agreed as follows:

1. Unless otherwise defined, the capitalised terms used throughout this document shall bear the same meanings as defined in the Scheme.
2. The Transferor hereby assigns and transfers absolutely to the Transferee all the Transferor's rights, title, interests and/or benefits under the Scheme except as expressly provided hereunder under and arising from the Scheme and the full benefit and advantage thereof to hold the same unto the Transferee absolutely with effect from the date hereof.
3. The Transferee hereby absolutely, unconditionally and irrevocably agrees to be bound by and subject to the terms of the Scheme.
4. For purposes of the Scheme:
  - (a) the Transferee hereby requests that all payments and distributions under the Scheme to the Transferee be effected by cheque or by bank transfer to the Transferee's bank account specified hereunder:

**[insert Transferee's bank account number and address of bank at which the account is established]**

The Transferee agrees that the fees and expenses incurred in connection with such bank transfer shall be borne by the Transferee and may be deducted from any sum payable to the Transferee under the Scheme.

- (b) the details of the Transferee for the purposes of Clause 11 of the Scheme are as follows:

Address: [●]  
E-mail: [●]  
Fax: [●]

5. This Transfer Instrument shall be exclusively governed by the laws of the Republic of Singapore and the Parties irrevocably submit to the exclusive jurisdiction of the Courts of the Republic of Singapore.

**IN WITNESS WHEREOF**, the Parties have executed this Transfer Instrument as a deed on the date first above written.

THE TRANSFEROR

Signed, sealed and delivered )

By **[insert name]** )

For and on behalf of )

**[insert name]** )

In the presence of:

THE TRANSFEREE

Signed, sealed and delivered )

By **[insert name]** )

For and on behalf of )

**[insert name]** )

In the presence of:



## SCHEDULE B

### List of the Company's relevant subsidiaries and associates

<u>No.</u>	<u>Name of Subsidiaries / Associates</u>
1	Asetanian Marine Pte Ltd
2	Bayu Maritime International Pte. Ltd.
3	Century Marine S.A.
4	Energian Pte. Ltd.
5	Excel Marine S.A.
6	Falcon Resources Management Pte Ltd
7	Motley Trio Offshore Pte Ltd
8	Morrison Marine S.A.
9	Oilfield Services Company Limited
10	PT Bayu Maritim Berkah
11	PT Bayu Maritim Makmur
12	Trio Victory Inc.

## SCHEDULE C

### List of Lender's Facilities/Liabilities subject to the Scheme

<u>No.</u>	<u>Lender</u>	<u>Outstanding as of 31 December 2019 (USD)</u>	<u>Security</u>	<u>Owner of Asset</u>
1	AmBank	22,767,293.77	Support Station 3	Morrison Marine S.A.
			Falcon Warrior	Century Marine S.A.
			Bayu Cakrawala	Excel Marine S.A.
2	CIMB	32,405,516.57	K300	Trio Victory Inc.
			Bayu Laut	PT Bayu Maritim Makmur
			CHO Shares (194,380,175 shares as at 8 July 2020)	Energian Pte. Ltd.
3	Maybank	14,558,499.18	Bayu Constructor	PT Bayu Maritim Bekah
			Garuda Emas	PT Bayu Maritim Bekah
4	OCBC	35,007,476.74	Falcon Chief	Motley Trio Offshore Pte Ltd
			Tirta Samundera	PT Bayu Maritim Bekah
			Tirta Rajawali	PT Bayu Maritim Bekah
			Falcon Force	PT Bayu Maritim Bekah
			Bayu Rajawali	PT Bayu Maritim Bekah
			Tirta Elang	PT Bayu Maritim Bekah
			Tirta Makmur	PT Bayu Maritim Bekah
	<b>Total</b>	<u>104,738,786.26</u>		

## SCHEDULE D

### List of sundry creditors identified in the Scheme who provide essential services to the Company as at 31 March 2020

<u>No.</u>	<u>Descriptions</u>	<u>Total (USD)</u>
1	AIA Singapore Pte Ltd	11,172.39
2	Auto System Pte Ltd	638.69
3	Cultural & Entertainment Holidays Pte Ltd	24,974.58
4	Candid Water Cooler Pte Ltd	56.80
5	Deloitte & Touche LLP	101,439.61
6	DHL Express (Singapore) Pte Ltd	2.32
7	Elite Trading & Investment Pte Ltd	39,012.18
8	KPMG Services Pte. Ltd. (to add provision)	146,509.41
9	Keppel Electric Pte Ltd	408.03
10	NTC Integration (Pte) Ltd	2,254.21
11	Parkway Shenton Pte Ltd	287.04
12	Singapore Exchange Securities Trading Limited	26,299.16
13	Shell Eastern Petroleum (Pte) Limited	238.90
14	Socio Vitae Pte Ltd	125.00
15	The Central Depository Pte Ltd	7,061.80
16	TTS Copier International Pte Ltd	75.63
17	TNT Express Worldwide (Singapore) Pte Ltd	10.29
18	IRAS	188,182.90
19	Rajah & Tann Singapore LLP	325,406.78
20	Expenses payables - outstanding payroll from Apr'19 to Mar'20	449,339.19
21	Provision for unutilised leave	67,869.33
22	Provision for bonus & CPF	62,450.84
23	Salemlaw Office Management Services Pte. Ltd.	31,784.42
24	Pareto SG Pte Ltd	19,926.96
25	Accrued CPF	16,602.52
26	Lien Kait Long	102,703.65
27	Mak Yue-Chen Andrew	79,002.81
28	Tan Tee Beng	43,890.44
	<b>Total</b>	<b><u>1,747,725.88</u></b>

**SCHEDULE E**

**List of Related Creditors as of 31 March 2020**

<b><u>No.</u></b>	<b><u>Descriptions</u></b>	<b><u>Total (USD)</u></b>
1	Century Marine S.A.	16,427,173.51
2	Oilfield Services Company Ltd	10,803,333.36
3	Trio Victory Inc.	9,330,711.98
4	Excel Marine S.A.	14,986,120.34
5	Imperial Marine S.A.	8,351,645.25
6	Innovest Resources Ltd	21,794,223.44
7	Falcon Energy Projects Pte Ltd	16,579,541.11
8	Morrison Marine S.A.	25,779,714.79
9	CGL Resources Ltd	476,000.00
10	Bayu Maritim International Pte Ltd	908,039.79
	<b>Total</b>	<b><u>125,436,503.57</u></b>