



## **Ezion Holdings Limited**

### **EZION HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 199904364E)

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#### **ENTRY INTO, *INTER ALIA*:**

- (A) THE CONDITIONAL SUBSCRIPTION AGREEMENT;**
  - (B) THE CONDITIONAL OPTIONS AND CONVERTIBLE NOTES SUBSCRIPTION AGREEMENT; AND**
  - (C) THE DEPOSIT AGREEMENT.**
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#### **1. INTRODUCTION**

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the prior announcements made on 4 February 2019, 1 March 2019, 31 March 2019, 12 April 2019, 15 April 2019 and 1 October 2019 in relation to discussions with a potential strategic investor and the subsequent entry into and lapse of agreements with such investor.

*Agreements between the Company and Yinson Eden Pte. Ltd.*

- 1.2. In relation to the above, the Board wishes to announce that the Company has on 28 February 2020 entered into the following agreements (the “**Transaction Agreements**”):
- (a) a conditional subscription agreement with Yinson Eden Pte. Ltd. (the “**Subscriber**”) (the “**Conditional Subscription Agreement**”) for the proposed allotment and issue of approximately 23,042,817,426 new ordinary shares in the capital of the Company (the “**Shares**”) (the “**Subscription Shares**”) to the Subscriber and/or to such other entities as the Subscriber may direct at an issue price of S\$0.0317 (the “**Issue Price**”) per Subscription Share for the Singapore Dollar equivalent of the Relevant Debt (as defined below) and the Cash Consideration (as defined below) (based on the exchange rate of US\$1.00 : S\$1.38 (the “**Exchange Rate**”). The Issue Price is subject to adjustment, with a minimum price of S\$0.0288 (the “**Minimum Issue Price**”) and if adjusted, up to 25,363,101,126 Shares shall be issued. The Subscription Shares shall be issued in consideration of the following:
    - (i) a capitalisation of all of the Relevant Debt acquired by the Subscriber pursuant to the Debt Assignment Agreements (as defined below), following which the relevant Group Companies (as defined below) shall be deemed to have repaid all of the Relevant Debt to the Subscriber and the Subscriber shall fully release and discharge the relevant Group Companies from their payment obligations of such Relevant Debt; and
    - (ii) a cash consideration of approximately US\$47.0 million, being the sum equivalent of US\$150.0 million less the aggregate cash consideration payable and/or paid by the Subscriber to the Major Secured Lenders under the Debt Assignment Agreements (the “**Cash Consideration**”),

(collectively, the “**Proposed Subscription**”). Please see paragraph 4.1 (*Principal Terms of the Conditional Subscription Agreement*) for further information; and

Note: All figures in relation to debts (including the Relevant Debt) are as at 30 September 2019.

- (b) a conditional options and convertible notes subscription agreement with the Subscriber (the “**Conditional Options and Convertible Notes Subscription Agreement**”) for the:
- (i) proposed grant by the Company of US\$150.0 million worth of unlisted and transferable share options (the “**Options**”) to the Subscriber, with each Option carrying the right to subscribe for one (1) new Share (the “**Option Shares**”) at the Option Exercise Price (as defined below), on the terms and conditions of the Conditional Options and Convertible Notes Subscription Agreement (the “**Proposed Grant of Options**”); and
  - (ii) proposed subscription by the Subscriber to US\$20.0 million in principal amount of 8.1% convertible notes issued by the Company (the “**Convertible Notes**”) on the terms and conditions of the Conditional Options and Convertible Notes Subscription Agreement (the “**Proposed Convertible Notes Subscription**”, together with the Proposed Subscription and the Proposed Grant of Options, the “**Proposed Transactions**”).

Please see paragraph 4.2 (*Principal Terms of the Conditional Options and Convertible Notes Subscription Agreement*) for further information.

Agreements between the Subscriber and the Major Secured Lenders

- 1.3. In relation to the above, the Company has been informed by the Subscriber that the Subscriber has on 28 February 2020 entered into separate debt assignment agreements (the “**Debt Assignment Agreements**”) with each of the major secured lenders (“**Major Secured Lenders**”) of the Group and jointly controlled companies (and hereinafter, reference to the “**Group**” shall include such jointly controlled companies, and each, a “**Group Company**”), pursuant to which the Subscriber shall acquire the benefits and rights of such Major Secured Lenders in respect of approximately US\$482.3 million of the existing loans extended to the relevant Group Companies under the relevant facility and/or credit agreements with such Major Secured Lenders (the “**Relevant Debt**”).
- 1.4. The Relevant Debt is subject to the terms and conditions of the Debt Assignment Agreements and any adjustments resulting from the proposed Scheme of Arrangement (as defined below). Please see paragraph 1.13 (*Filing of the proposed Scheme of Arrangement*) and paragraph 10 (*Proposed Scheme of Arrangement*) for further information on the proposed Scheme of Arrangement.
- 1.5. The Relevant Debt, and any adjustments thereto, shall be assigned to the Subscriber and shall be owed by the relevant Group Companies directly to the Subscriber upon the completion of such Debt Assignment Agreements (the “**Debt Assignment**”), and is inter-conditional upon the completion of the Proposed Transactions and the proposed Scheme of Arrangement.
- 1.6. In addition to the above, the Company understands that the Subscriber has entered into an agreement with the Major Secured Lenders (the “**Option to Purchase Agreement**”), where the Major Secured Lenders will grant an option to the Subscriber to purchase certain assets of the Group Companies (which are secured by the relevant Group Companies in favour of the Major Secured Lenders under certain facility and/or credit agreements with the respective Major Secured Lenders) in the event that, *inter alia*, the approval for the proposed Scheme of Arrangement and/or the approvals under the EGM (as defined below) are not obtained (the “**Proposed Option to Purchase**”).

Agreement between the Company, the Subscriber and the Major Secured Lenders

- 1.7. As commitment for the Debt Assignment and support for the Group, a deposit agreement (the “**Deposit Agreement**”) was executed 28 February 2020 amongst the Company, the Subscriber and the Major Secured Lenders for the placement of a US\$20.0 million deposit by the Subscriber as part of the purchase consideration for the Debt Assignment (the “**Deposit**”).
- 1.8. Pursuant to the Deposit Agreement, the Deposit shall be on-lent by the Major Secured Lenders to the Group, and shall be utilised towards its operations and deployment plan for the Group’s

liftboats. As part of the Deposit Agreement, the Major Secured Lenders will also extend additional dollar-for-dollar funding to the Group in tandem with the Deposit for the operations and deployment of the Group's liftboats (collectively, the "**Interim Funding Arrangement**"). Please see paragraph 4.3 (*Principal Terms of the Deposit Agreement*) for further information.

- 1.9. With the above Interim Funding Arrangement, the Group has access to up to US\$40.0 million of capital for the operations and deployment of its liftboats, pending the completion of the Proposed Transactions and the proposed Scheme of Arrangement.

*The Subscriber's overall investment in the Company*

- 1.10. The Company understands from the Subscriber that its total cash outlay for the overall investment is US\$170.0 million. Of this US\$170.0 million, approximately US\$103.0 million will be utilised towards the purchase of the Relevant Debt from the Major Secured Lenders, US\$20.0 million shall be used as partial repayment of the Interim Funding Arrangement via the Proposed Convertible Notes Subscription, and the balance of approximately US\$47.0 million shall be used to fulfill the Cash Consideration for the Proposed Subscription. The Cash Consideration shall subsequently be utilised by the Company towards the satisfaction of the Company's compromise with its creditors in the proposed Scheme of Arrangement. Please see paragraph 1.13 (*Filing of the proposed Scheme of Arrangement*) and paragraph 10 (*Proposed Scheme of Arrangement*) for further information on the proposed Scheme of Arrangement.
- 1.11. In addition, the Company further understands that the Subscriber will also be instructing the Company to allot and issue to the Major Secured Lenders approximately 2,732,390,000 Subscription Shares as consideration for the purchase of the Relevant Debt (the "**MSL Consideration Shares**"). Such MSL Consideration Shares may be allotted and issued to other entities as instructed by the Major Secured Lenders (the "**MSL Entities**").
- 1.12. It is a condition to the Proposed Transactions that the Subscriber has a shareholding of the Company of at least 63.46% upon completion of the Proposed Transactions and the proposed Scheme of Arrangement (the "**Transactions Completion**"), taking into consideration (a) the allotment and issue of the MSL Consideration Shares to the MSL Entities; (b) the additional Shares to be allotted and issued in satisfaction of the Company's compromise with each class of its creditors in the proposed Scheme of Arrangement (the "**Scheme Additional Shares**"); and (c) the additional shares to be allotted and issued to professional advisors of the Company for professional services rendered in connection with the Proposed Transactions and/or the proposed Scheme of Arrangement (the "**Professional Fees Additional Shares**", collectively, with the Scheme Additional Shares, the "**Scheme and Professional Fees Additional Shares**").

*Filing of the proposed Scheme of Arrangement*

- 1.13. Together with the proposed Debt Assignment and conversion of the Relevant Debt via the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription, the Company will file the necessary applications to propose a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of its creditors, in accordance with Section 210 of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**") or the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) (the "**Insolvency Act**") or under any applicable law(s) of Singapore, to compromise at least US\$740 million of the Company's debt and, unless agreed otherwise by the Subscriber and the Company, will result in the Group's debts immediately after the court approval of the such compromise, to not exceed US\$403 million (the "**Scheme of Arrangement**"). The Company believes that this will holistically address the Company's unsustainable debt burden. Please see paragraph 10 (*Proposed Scheme of Arrangement*) for further information.
- 1.14. In relation to the Proposed Transactions and proposed Scheme of Arrangement, the Group is in cross default of its borrowings and intends to address it under the proposed Scheme of Arrangement.

Agreement between the Company and one of the Major Secured Lenders

- 1.15. In connection with the proposed Scheme of Arrangement, the Company has secured the support of one of its Major Secured Lenders, Oversea-Chinese Banking Corporation Limited (“OCBC”) and entered into a deed of obligations on 28 February 2020 (the “**Deed of Obligations**”) whereby OCBC has agreed to cap or limit its recovery under the proposed Scheme of Arrangement and relevant Debt Assignment Agreement.
- 1.16. **Shareholders of the Company (the “Shareholders”) should note that completion of the Proposed Transactions and the proposed Scheme of Arrangement are inter-conditional and shall take place simultaneously. Accordingly, if completion of any one (1) of the Proposed Transactions and/or the proposed Scheme of Arrangement does not proceed in accordance with the Transaction Agreements, none of the Proposed Transactions will proceed.**

**2. THE SUBSCRIBER**

- 2.1. The Subscriber is a private limited company incorporated in Singapore and as at the date of this Announcement, has a paid-up capital of US\$1 and is currently an indirect wholly-owned subsidiary of Yinson Holdings Berhad (“**Yinson Holdings**”). To the best of the Company’s knowledge, the Subscriber is participating in the Debt Assignment and the Proposed Transactions for its investment purposes.
- 2.2. The Company understands from the Subscriber that Yinson Holdings is considering the option of bringing in strategic investors to co-invest in the Subscriber, who together, may jointly control the Subscriber. Upon Transactions Completion, Yinson Holdings envisages that the Subscriber may no longer be an indirect wholly-owned subsidiary of Yinson Holdings. The Company will provide update(s) to its Shareholders accordingly.
- 2.3. Yinson Holdings is a public limited company incorporated in Malaysia with its shares listed and quoted on the Main Market of Bursa Malaysia (“**Bursa**”). It is a premier Malaysian integrated offshore production and support services provider company listed on the Bursa. Yinson Holdings was established in 1983 as a transport agency partnership business in Johor Bahru. In 2011, Yinson Holdings and its subsidiaries (“**Yinson Group**”) ventured into the offshore services industry through the provision of chartering services as well as vessel management. In 2014, Yinson Holdings achieved another milestone in marine services when it acquired Fred. Olsen Production ASA. With the acquisition, Yinson Holdings inherited three floating production storage and offloading (“**FPSO**”) and one (1) mobile offshore production unit management contract which was also complemented with a strong and experienced FPSO team to grow the business. In 2016, the Yinson Group disposed all of its non-oil & gas business segments and streamlined its business to be a full-fledged oil & gas company. Currently, Yinson Holdings is the sixth largest independent FPSO leasing company globally having a wide geographical presence in Malaysia, Vietnam, Singapore, Norway, USA and Africa.
- 2.4. Yinson Holding’s current market capitalisation stands at approximately RM7.65 billion as at the date of this Announcement.
- 2.5. As at the date of this Announcement, neither Yinson Holdings nor the Subscriber (a) holds any Shares; or (b) is related to any of the Directors, substantial shareholders of the Company, or their respective associates. There is also no connection (including business relationship) between Yinson Holdings and the Subscriber and the Company’s directors or substantial shareholders.
- 2.6. Upon completion of the Proposed Subscription, the Subscriber will hold 23,042,817,426 Shares (and if the Issue Price is adjusted to the Minimum Issue Price, 25,363,101,126 Shares) representing approximately 86.1% (and if the Issue Price is adjusted to the Minimum Issue Price, 87.2%) of the enlarged share capital of the Company as at the date of this Announcement. Assuming full exercise of the Options and full conversion of the Convertible Notes, the Subscriber will hold an aggregate of 29,844,711,977 Shares (and if based on the Issue Price being adjusted to the Minimum Issue Price, 32,851,402,913 Shares) representing

approximately 88.9% (and if based on the Issue Price being adjusted to the Minimum Issue Price, 89.8%) of the enlarged share capital of the Company as at the date of this Announcement. For the avoidance of doubt, these figures include the Subscription Shares which may be allotted and issued as MSL Consideration Shares to the MSL Entities but exclude any Scheme and Professional Fees Additional Shares. Please see paragraphs 1.11 and 1.12 for further information on the MSL Consideration Shares and the Scheme and Professional Fees Additional Shares, respectively.

- 2.7. The Company will be seeking specific approval from Shareholders at an extraordinary general meeting (the “**EGM**”) in relation to, *inter alia*, the Proposed Subscription, Proposed Grant of Options, Proposed Convertible Notes Subscription and the Proposed Whitewash Resolution (as defined below). Please see paragraph 9 (*Regulatory and Shareholder Approvals Required*) for further information.

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

#### **3.1. Background of the Proposed Transactions**

Notwithstanding the completion of a refinancing exercise in 2018, due to the systemic problems in the industry and uncertainty in the oil prices (that has also affected the Group’s clients), the market conditions remained very challenging for the Group. This is worsened by the persistent oversupply of certain marine assets like tugs, barges, workboats and drilling and accommodation rigs (jack ups). As such, the Group’s recognised additional impairments to these classes of assets, negatively impacting its financial position.

Furthermore, due to difficulties of the Group to access funding for capital expenditures, the Group has been unable to re-deploy its liftboats. Coupled with the above mentioned factors, the Group’s operating cashflow has weakened since 2018.

In order for the Group to re-deploy its vessels, grow its market share in the liftboat business and strengthen its financial position, the Group needs to have a strategic investor.

The management team has been in discussions with various potential strategic investors for more than a year and is of the opinion that there are many synergies in the business activities that can be further developed between the Group and the Subscriber.

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

The rationale for issuing the Subscription Shares and the Options to the Subscriber is to allow the Group to improve its financial position by allowing the Group to reduce its borrowings, debt-to-equity ratio and debt service obligations, and to allow the Group to have access to additional funds in the event the Subscriber exercises its Options. Notwithstanding the general caution of bank lenders and financial institutions towards the offshore oil and gas industry, the improved financial position of the Group will enable it to gain ease of access to the funds required by the Group to fund capital expenditures and deploy its assets, allowing growth of the Group’s market share in the liftboat business.

The rationale of entry into the Deposit Agreement is to allow the Group to have access to funds via the Interim Funding Arrangement for its operations and deployment of its liftboats, pending the completion of the Proposed Transactions and the proposed Scheme of Arrangement.

The Convertible Notes are issued to the Subscriber and the proceeds from such issue shall be used by the Company to repay the Major Secured Lenders for the interim funding provided by the Major Secured Lenders via the Interim Funding Arrangement to the Company in accordance with the terms and conditions of the Deposit Agreement.

#### 4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTIONS

##### 4.1. Principal Terms of the Conditional Subscription Agreement

<b>Issue Price of Subscription Shares</b>	<p>The Issue Price per Subscription Share is expected to be S\$0.0317. This is at a discount of 26.3% to the volume weighted average price of S\$0.043 of the Shares in respect of trades done on the SGX-ST on 26 February 2019 (being the last full market day preceding the day on which the Conditional Subscription Agreement and Conditional Option and Convertible Notes Subscription Agreement were signed) (the “<b>Last Traded Price</b>”).</p> <p>The Issue Price is subject to adjustment, with a Minimum Issue Price of S\$0.0288, which is at a discount of 33.0% to the Last Traded Price.</p>
<b>Adjustments to the Issue Price</b>	<p>Downward adjustment shall be made to the Issue Price where necessary, such that the Subscriber shall hold such number of Subscription Shares constituting at least 63.46% of the enlarged share capital of the Company, taking into consideration the MSL Consideration Shares to be allotted and issued to the MSL Entities and the issue of the Scheme and Professional Fees Additional Shares, at Transactions Completion.</p>
<b>Relevant Debt to be capitalised pursuant to the issue of the Subscription Shares</b>	<p>US\$482,330,928.64, to be converted into Singapore dollars at the Exchange Rate.</p>
<b>Cash Consideration</b>	<p>Up to US\$46,985,964.44, assuming that the Subscriber pays to the Major Secured Lenders in aggregate of US\$103,014,035.56 under the Debt Assignment Agreements, such that the total cash payable by the Subscriber to the Company and/or the Major Secured Lenders does not exceed US\$150,000,000.</p>
<b>Total number of Subscription Shares</b>	<p>23,042,817,426 Shares (and if the Issue Price is adjusted to the Minimum Issue Price, 25,363,101,126 Shares), representing approximately 86.1% (and if the Issue Price is adjusted to the Minimum Issue Price, 87.2%) of the enlarged share capital of the Company as at the date of this Announcement.</p>
<b>Places of the Subscription Shares</b>	<p>All of the Subscription Shares shall be allotted and issued to the Subscriber, save for such MSL Consideration Shares which the Subscriber may direct the Company to allot and issue to the MSL Entities under the Debt Assignment Agreements.</p> <p>If or as and when such other entities are identified, the Company will make the necessary announcement(s) in accordance with Rule 810(2) of the Listing Manual of the SGX-ST.</p>
<b>Completion</b>	<p>Subject to provisions of the Conditional Subscription Agreement, completion shall take place on the date falling five (5) business days after the date on which the Conditions Precedent have been fulfilled or waived, or such other date as may be mutually agreed between the parties (the “<b>Subscription Completion Date</b>”) at the office of the Subscriber’s solicitors (or at such other place or by such other means as may be agreed between the parties) (the “<b>Subscription Completion</b>”).</p>

The Subscriber shall, upon request of the Company, but no later than two (2) business days before the Subscription Completion Date:

- (a) furnish such information, including its address and other particulars, to the Company (in particular, for the Company to update its relevant register(s)), the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”), The Central Depository (Pte) Limited (“**CDP**”), the Monetary Authority of Singapore (“**MAS**”), the SGX-ST and/or any other relevant authority as may reasonably be required in connection with the Subscription; and
- (b) provide such undertakings as may reasonably be required by the Company, ACRA, CDP, MAS, the SGX-ST and/or any other relevant authority in connection with the Subscription (including those relating to the satisfaction of the conditions for listing and quotation of the Subscription Shares as may be required by the SGX-ST). For the avoidance of doubt, the Subscriber shall not be obliged to provide any undertaking where the terms and conditions of such undertaking are not satisfactory or acceptable to the Subscriber in its reasonable discretion.

On the Subscription Completion Date:

- (a) each of the Company and the Subscriber shall deliver to the other party evidence that it is authorised to execute the Conditional Subscription Agreement;
- (b) the Company shall, against compliance by the Subscriber of sub-paragraph (a) above:
  - (i) deliver to the Subscriber certified true copies of the resolutions passed by the board of directors of the Company:
    - (A) approving the allotment and issue of the Subscription Shares to the Subscriber and/or the MSL Entities;
    - (B) approving the giving of financial assistance by the Company in compliance with the requirements set out in section 76(9BA) of the Companies Act, if required; and
    - (C) appointing as directors of the Company, the person(s) nominated by the Subscriber as notified to the Company in writing at least thirty (30) days prior to the Subscription Completion Date, with effect from the Subscription Completion Date;
  - (ii) on the Subscription Completion Date, allot and issue the Subscription Shares to CDP and instruct CDP to credit the securities account of the Subscriber and/or the MSL Entities with such number of Subscription Shares (in relation to the MSL Entities, the MSL Consideration Shares, as notified by the Subscriber to the Company and where the Subscription Shares shall be credited to the securities account(s) of the

	<p>Subscriber and/or the MSL Entities (particulars of such securities account(s) to be notified to the Company no later than seven (7) days before the Subscription Completion Date) no later than 5.00 p.m. on the Subscription Completion Date, subject always to CDP's settlement timing;</p> <p>(iii) deliver to CDP the share certificate(s) registered in the name of CDP, for the account of the Subscriber and/or the MSL Entities, for the relevant number of the Subscription Shares;</p> <p>(iv) file the return on allotment with ACRA for the issuance of the Subscription Shares to CDP for the account of the Subscriber and/or the MSL Entities;</p> <p>(v) deliver to the SGX-ST such documents and confirmations as may be required by the SGX-ST for the purposes of (A) the listing and quotation of the Subscription Shares on the Main Board of the SGX-ST and for such Subscription Shares to be admitted to the Official List of the SGX-ST without undue delay after the Subscription Completion Date and in any event no later than one (1) business day after the Subscription Completion Date; and (B) the lifting of any trading halt or suspension of the Shares on the SGX-ST; and</p> <p>(vi) deliver to the Subscriber (A) a copy of its correspondence with and documents delivered to the SGX-ST, evidencing that the Company has satisfied sub-paragraph (v) above; (B) evidence that any trading halt or suspension in the Company's Shares on the SGX-ST has been lifted or will be lifted as at the Subscription Completion Date, or such other date as may be mutually agreed between the Parties and that the Shares have not been delisted from the SGX-ST as at the Subscription Completion Date, or such other date as may be mutually agreed between the parties; and (C) evidence that the Subscription Shares, less any such Subscription Shares allotted and issued to the MSL Entities and taking into consideration the issue of the Scheme and Professional Fees Additional Shares, represents not less than 63.46% of the enlarged share capital of the Company on the Subscription Completion Date;</p> <p>(c) against compliance by the Company of the foregoing, the Subscriber shall pay the Cash Consideration to the Company by telegraphic transfer to the account designated by the Company and notified to the Subscriber no later than three (3) business days before the Subscription Completion Date or delivery to the Company of a cashier's order or bankers' draft for the Cash Consideration provided always that such Cash Consideration shall be received in clear funds on the Completion Date; and</p> <p>(d) the entire amount of the Relevant Debt shall be deemed to be repaid by the Company without any further obligation to the Subscriber in respect of such amount of the Relevant Debt. For the avoidance of doubt, all the Relevant Debt shall</p>
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	<p>be capitalised into Subscription Shares under the Proposed Subscription.</p> <p>No party shall be obliged to perform any of its obligations above unless the other party performs its obligations.</p> <p>Without prejudice to any other remedies available, if in any respect the provisions of this section are not complied with by either party on the Subscription Completion Date, the party not in default may:</p> <ul style="list-style-type: none"> <li>(a) defer Subscription Completion to a date not more than twenty eight (28) days after the Subscription Completion Date and not later than nine (9) months from the date of the Conditional Subscription Agreement, or such other date as may be mutually agreed between the parties (and so that the provisions of this section shall apply to Subscription Completion as so deferred);</li> <li>(b) effect Subscription Completion so far as practicable having regard to the defaults which have occurred (without prejudice to their rights hereunder); or</li> <li>(c) terminate the Conditional Subscription Agreement and no party shall have any claim against the other party for costs, damages, compensation or otherwise, save for any claim by the Subscriber against the Company arising from antecedent breach of the terms of the Conditional Subscription Agreement or the parties' respective liability for the payment of costs and expenses in accordance with the Conditional Subscription Agreement.</li> </ul>
<p><b>Moratorium</b></p>	<p>The Subscriber irrevocably and unconditionally undertakes not to, directly or indirectly:</p> <ul style="list-style-type: none"> <li>(a) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, transfer or otherwise dispose of, any of or any interest in, the Subscription Shares;</li> <li>(b) enter into any swap, hedge, or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Subscription Shares;</li> <li>(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the sub-paragraphs (a) or (b) above;</li> <li>(d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or</li> <li>(e) publicly announce any intention to do any of the above,</li> </ul> <p>for three (3) calendar months after the date of listing of the Subscription Shares on the Main Board of the SGX-ST.</p> <p>Notwithstanding the above, the moratorium undertaking shall not preclude (a) the granting of security over any of the Subscription Shares by the Subscriber to the Subscriber's lenders, including</p>

	<p>any transfer of any of the Subscription Shares to the Subscriber's lenders in connection with such security; and (b) the transfer of any shares of the Subscriber, or any shares of the Subscriber's direct or indirect shareholders, with the consequence that the Subscriber ceases to be an indirect wholly-owned subsidiary of Yinson Holdings.</p> <p>The Subscriber acknowledges that in the event that it has granted security over any of its Subscription Shares (including any transfer of any of the Subscription Shares to the Subscriber's lenders in connection with such security), the Subscriber shall promptly provide the following information to the Company for announcement purposes (provided only if such disclosure is required by Rule 728 of the Listing Manual of the SGX-ST):</p> <ul style="list-style-type: none"> <li>(a) the number of Shares and the percentage of the shareholdings in the Company that is subject of the security interest;</li> <li>(b) the party(ies) in whose favour the security interest is created or financial instrument given; and</li> <li>(c) all other material details which are necessary for the understanding of the arrangements.</li> </ul> <p>This moratorium shall not apply to such MSL Consideration Shares which are allotted and issued to the MSL Entities as consideration to the Major Secured Lenders under the Debt Assignment Agreements.</p>
<p><b>Conditions Precedent</b></p>	<p>The completion of the Proposed Subscription shall be subject to, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>(a) the approval in-principle of the SGX-ST for the listing and quotation of the Subscription Shares, the Option Shares and the new Shares to be issued pursuant to the conversion of the Convertible Notes (the "<b>Convertible Notes Shares</b>") on the Main Board of the SGX-ST having been obtained from the SGX-ST (and such approval not having been withdrawn or revoked), and if such approval is granted subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber, and to the extent that any conditions to such approval are required to be fulfilled on or before completion of the Proposed Subscription, they are so fulfilled to the satisfaction of the SGX-ST or so waived by them;</li> <li>(b) the approval from the Board having been obtained for the transactions contemplated under, <i>inter alia</i>, the Conditional Subscription Agreement (including without limitation the Proposed Subscription) and the Conditional Options and Convertible Notes Subscription Agreement in connection thereto, and such approval not having been revoked or amended;</li> <li>(c) the approval by Shareholders having been obtained at the EGM to be duly convened for, <i>inter alia</i>, the allotment and issue of the Subscription Shares, the grant of Options, the issue of Convertible Notes, the allotment and issue of Option Shares and the Convertible Notes Shares, the transfer of controlling interest in the Company to the</li> </ul>

	<p>Subscriber and the Proposed Whitewash Resolution (as defined below);</p> <p>(d) the issue and subscription of the Subscription Shares, the Option Shares and the Convertible Notes Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Conditional Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore or Malaysia or in any other jurisdiction affecting the parties or the Company;</p> <p>(e) there being no delisting of the Shares from the SGX-ST;</p> <p>(f) all resolutions of the board of directors and the shareholders of each of the Company and the other affected members of the Group Companies having been passed to approve the proposed Scheme of Arrangement (which has been approved by the courts pursuant to Part VII of the Companies Act or Part 5 of the Insolvency Act (as the case may be)) and to authorise the entry into, delivery and performance by each of the Company and the other affected members of the Group Companies of all agreements and documents to be entered into in connection therewith;</p> <p>(g) the proposed Scheme of Arrangement, in the form approved in writing by the Subscriber, and being binding on the Company and all the creditors or classes of creditors of the Group Companies meant to be bound by the proposed Scheme of Arrangement, the members of the Company and the Shareholders and having been approved by the courts pursuant to Part VII of the Companies Act or Part 5 of the Insolvency Act (as the case may be) and lodged with the ACRA of Singapore in accordance with Section 210(5) of the Companies Act or Section 71(10) of the Insolvency, Act (as the case may be), provided that if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (i) the Subscriber's investment in the Group Companies (contemplated under, <i>inter alia</i>, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (ii) any of the Major Secured Lenders' interests in respect of the Relevant Debt (save as contemplated in the proposed Scheme of Arrangement in the form voted upon by the Major Secured Lenders), such alterations or conditions shall be acceptable to the Subscriber and/or (as the case may be) the Major Secured Lenders;</p> <p>(h) subject to the provisions of the Conditional Subscription Agreement, there having been no occurrence of any event or discovery of any fact rendering any of the representations, warranties and undertakings in the Conditional Subscription Agreement untrue or incorrect in any material respect;</p> <p>(i) each the Company and the Subscriber not being in breach of any of its undertakings and the covenants in the Conditional Subscription Agreement;</p>
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	<p>(j) each of Yinson Holdings and the Subscriber having received approvals from:</p> <ul style="list-style-type: none"> <li>(i) its board of directors and its shareholders for, <i>inter alia</i>, the Debt Assignment, the Proposed Subscription and the Conditional Options and Convertible Notes Subscription Agreement; and</li> <li>(ii) Bank Negara Malaysia in respect of the Debt Assignment, the Proposed Subscription and the Conditional Options and Convertible Notes Subscription Agreement and the Debt Assignment (if required);</li> </ul> <p>(k) the Securities Industry Council of Singapore (the “<b>SIC</b>”) having granted the Subscriber and its concert parties (and not having revoked or repealed such grant) a waiver of their obligation to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “<b>Takeover Code</b>”) for the Shares not held by the Subscriber and its concert parties following the issue of the Subscription Shares, the Option Shares and the Convertible Notes Shares (including, where applicable, a waiver to make a general offer for the downstream companies held by the Company) and from having to comply with the requirements of Rule 14 of the Takeover Code, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber (the “<b>Whitewash Waiver</b>”); and (ii) the independent Shareholders approving at a general meeting of the Company the proposed ordinary resolution of the Company which if passed by the independent Shareholders would result in a waiver by the independent Shareholders of their right to receive a mandatory general offer from the Subscriber and its concert parties in connection with the issue of the Subscription Shares, the Option Shares and the Convertible Notes Shares (the “<b>Proposed Whitewash Resolution</b>”);</p> <p>(l) such consents, approval or waiver as may be required (or deemed necessary by the Company and/or the Subscriber, as the case may be) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Company and/or the Subscriber, as the case may be, in respect of the transactions contemplated in the Conditional Subscription Agreement and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Company and/or the Subscriber, as the case may be; and</p> <p>(m) the entry into the following agreements:</p> <ul style="list-style-type: none"> <li>(i) Deposit Agreement (and the funding of the Deposit by the Subscriber thereto);</li> <li>(ii) Debt Assignment Agreements between the Subscriber and each of the Major Secured Lenders;</li> </ul>
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	<ul style="list-style-type: none"> <li>(iii) Option to Purchase Agreement between the Subscriber and each of the Major Secured Lenders;</li> <li>(iv) Conditional Options and Convertible Notes Subscription Agreement, in such form and substance satisfactory to the Subscriber in its absolute discretion;</li> <li>(v) amendment agreements between relevant Group Company and the respective lenders in relation of the relevant facility and/or credit facilities extended to such Group Company, in form and substance reasonably acceptable to the Subscriber;</li> <li>(vi) Deed of Obligations between the Company and OCBC; and</li> <li>(vii) bilateral release, waiver and discharge agreements between the respective Major Secured Lenders and the borrowers of all indebtedness in respect of which the contingent claims under the corporate guarantees have been compromised in the proposed Scheme of Arrangement except in relation to Teras Lyza Pte Ltd.</li> </ul>
<b>Further Conditions</b>	<p>The parties further agree that the completion of the Proposed Subscription is conditional upon:</p> <ul style="list-style-type: none"> <li>(a) any trading halt or suspension in Shares on the SGX-ST being lifted as at Subscription Completion Date, or such other date as may be mutually agreed between the parties in writing; and</li> <li>(b) the Subscription Shares, less any such MSL Consideration Shares to be allotted and issued to the MSL Entities and taking into consideration the issue of the Scheme and Professional Fees Additional Shares, representing not less than 63.46% of the enlarged share capital of the Company on the Subscription Completion Date.</li> </ul>
<b>Inter-Conditionality</b>	<p>Completion of the Proposed Subscription is conditional upon and shall take place simultaneously with (a) the Debt Assignment and completion of all transactions contemplated under each of the Debt Assignment Agreements to be entered into; and (b) the completion of the Proposed Grant of Options and the Proposed Convertible Notes Subscription.</p> <p>If the Conditional Subscription Agreement is terminated in accordance with its terms, the Conditional Options and Convertible Notes Subscription Agreement shall automatically be terminated.</p> <p>If the Conditional Options and Convertible Notes Subscription Agreement or any Debt Assignment Agreement is terminated in accordance with its terms, the Conditional Subscription Agreement shall automatically be terminated.</p>
<b>Representations, Warranties and Undertakings</b>	<p>Each of the Company and the Subscriber have, in the Conditional Subscription Agreement, provided such representations, warranties and undertakings as are customary for transactions of the nature of the Proposed Subscription or other similar transactions.</p>

<b>Status of the Subscription Shares</b>	The Subscription Shares, when issued by the Company, will rank <i>pari passu</i> in all respects with and carry all rights similar to the then existing ordinary shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Subscription Shares.
<b>Long-Stop Date</b>	If the Conditions Precedent are not satisfied or waived within nine (9) months from the date of the Conditional Subscription Agreement (or such other date as may be mutually agreed between the Company and the Subscriber), the Conditional Subscription Agreement shall terminate.
<b>Termination Rights</b>	Each of the Company and the Subscriber shall be entitled to terminate the Conditional Subscription Agreement in the event of any breach of the representations, warranties and undertakings which has not been remedied to the reasonable satisfaction of the non-defaulting party within seven (7) days of the receipt of notice of breach.

4.2. **Principal Terms of the Conditional Options and Convertible Notes Subscription Agreement**

<b>Aggregate Number of Options</b>	5,931,232,091 Options (and if the Issue Price is adjusted to the Minimum Issue Price, 6,529,968,454 Options).
<b>Exercise Rights of Options</b>	<p>Each Option entitles the holder of the Option (the “<b>Option Holder</b>”) to subscribe for one (1) Option Share at the Option Exercise Price.</p> <p>The Option Holder may only exercise the Options in tranches of 1,000 Options at any time during the Option Exercise Period (as defined below, save where the balance of Options held by the Option Holder is less than 1,000 Options, in which case, the Option Holder may exercise all but not some of such balance of the Options.</p>
<b>Option Exercise Price</b>	<p>The option exercise price per Option Share is subject to adjustment in tandem with the Issue Price and shall be at a 10.0% premium to the Issue Price (rounded up to the nearest hundredth of a cent) (the “<b>Option Exercise Price</b>”).</p> <p>The Option Exercise Price per Option Share is expected to be S\$0.0349, which is at a discount of 18.8% to the Last Traded Price (and if the Issue Price is adjusted to the Minimum Issue Price, S\$0.0317, which is at a discount of 26.3% to the Last Traded Price).</p>
<b>Option Exercise Period</b>	<p>The period commencing on and including the date of issue of the Options and expiring on the fifth (5th) anniversary of the date of issue of the Options, unless such date is a date on which the register of members is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the register of members of the Company or immediate preceding market day (as the case may be) (the “<b>Option Exercise Period</b>”).</p> <p>At the expiry of the Option Exercise Period, the Options, if not exercised, shall lapse and cease to be valid for any purpose</p>

<b>Option Exercise Date</b>	<p>The option exercise date, in relation to the exercise of the Options, shall be the market day (falling within the Option Exercise Period) on which the applicable conditions referred to in Conditional Options and Convertible Notes Subscription Agreement are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls on a date when the register of members of the Company is closed, the option exercise date shall be the following market day on which the register of members is open (the “<b>Option Exercise Date</b>”).</p> <p>The Options which are exercised shall be treated as exercised on the Option Exercise Date, and shall immediately thereafter be cancelled on the Option Exercise Date.</p>
<b>Gross Proceeds to be Raised from Proposed Grant of Options (assuming the exercise of all the Options)</b>	Approximately S\$207,000,000 (assuming full exercise of the Options) (the “ <b>Option Proceeds</b> ”).
<b>Status of the Option Shares</b>	The Option Shares, when issued by the Company, will rank <i>pari passu</i> in all respects with and carry all rights similar to the then existing ordinary shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Option Shares.
<b>Notice of Expiration of the Option Exercise Period</b>	The Company shall, not later than one (1) month before the expiry of the Option Exercise Period, announce the same on the SGXNET. Additionally, the Company shall, not later than one (1) month before the same, take reasonable steps to notify the Option Holder(s) in writing of the expiry date and such notice(s) shall be delivered personally or by post to the address(es) of the Option Holder(s).
<b>Alteration to Terms of Options</b>	<p>No material alteration to the terms of the Options after the issue thereof to the advantage of the Subscriber shall be made, unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of Shareholders in general meeting has been sought.</p> <p>No modification or alteration shall materially adversely affect the rights attaching to any Option granted prior to such modification or alteration, except with the written consent of the option holders holding or representing not less than 50% of the Options for the time being unexercised.</p>
<b>Principal Amount of Convertible Notes</b>	US\$20,000,000.00.
<b>Gross Proceeds to be Raised from the Proposed Convertible Notes Subscription</b>	US\$20,000,000.00 (the “ <b>Convertible Notes Proceeds</b> ”).
<b>Status and Transferability of the Convertible Notes</b>	The Convertible Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Notes shall, save for such

	<p>exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.</p> <p>The Convertible Notes are not transferable.</p>
<b>Denomination</b>	The Convertible Notes are issued in the denomination of US\$1,000.
<b>Interest Rate of Convertible Notes and Accrual</b>	<p>8.1% per annum, to be paid semi-annually in arrears.</p> <p>Subject to the written approval of the Subscriber, in the event that any interest is not paid when due (the "<b>Unpaid Interest</b>"), the Unpaid Interest can be deferred to a later date to be agreed by the parties on a compounding basis or be added to form part of principal amount of the Convertible Notes.</p>
<b>Conversion Price</b>	The conversion price per Convertible Note is the Issue Price, subject to adjustments (a) in tandem with the Issue Price and the Minimum Issue Price; and (b) as summarised below in <i>Adjustments</i> , in accordance with the Conditional Options and Convertible Notes Subscription Agreement (the " <b>Conversion Price</b> ").
<b>Conversion Rights</b>	<p>Subject as hereinafter provided, the Subscriber shall have the right to convert the Convertible Notes into Convertible Notes Shares during the Conversion Period (as defined below) (the "<b>Conversion Right</b>"): </p> <p>(a) The Conversion Right attaching to the Convertible Notes may be exercised, at the option of the Subscriber thereof, at any time after the date of issue of the Convertible Notes up to the close of business on the date falling on the fifth (5th) anniversary of such issue date of the Convertible Notes (the "<b>Convertible Notes Maturity Date</b>") or, if such Convertible Notes have been called for redemption prior to the Convertible Notes Maturity Date, then up to the close of business on a date no later than seven (7) business days prior to the date fixed for redemption thereof (the "<b>Conversion Period</b>"). If the final date on which the Conversion Right may be exercised is not a business day for the Company, then the period for the exercise of the Conversion Right by the Subscriber shall end on the immediately following business day.</p> <p>(b) Notwithstanding the foregoing, if the Conversion Date (as defined below) would otherwise fall during a period in which the register of members of the Company is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares (a "<b>Book Closure Period</b>"), such Conversion Date shall be postponed to the first market day on which the Shares are trading, after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and shall be deemed to have expired if, as a result of any postponement pursuant to this condition, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date.</p>



	<p>(c) The number of Convertible Notes Shares to be issued on conversion of Convertible Notes will be determined by dividing the principal amount of the Convertible Notes to be converted by the Conversion Price (at the Exchange Rate) (the “<b>Conversion Price</b>”) in effect at the date on which the Company receives a notice of conversion in accordance with the Conditional Options and Convertible Notes Subscription Agreement (“<b>Conversion Date</b>”). The Conversion Price is equal to the Issue Price and shall be subject to adjustment in tandem with the Issue Price (which has a Minimum Issue Price of S\$0.0288). Following conversion in accordance with these Conditions, the rights of the converting noteholder in respect of such Convertible Notes shall be extinguished and released, and in consideration and in exchange therefor, the Company shall allot and issue Convertible Notes Shares credited as paid-up in full as provided in this Condition. A Conversion Right may only be exercised in respect of Convertible Notes in a minimum denomination of US\$1,000. In relation to any of the Convertible Notes held by the Subscriber that are being converted at any one time, the number of Convertible Notes Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Convertible Notes to be converted.</p> <p>(d) Fractions of Convertible Notes Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.</p>
<p><b>Alteration to Terms of Convertible Notes</b></p>	<p>No material alteration to the terms of the Convertible Notes after the issue thereof to the advantage of the Subscriber shall be made, unless the alterations are made pursuant to the conditions of the Convertible Notes or the prior approval of Shareholders in general meeting has been sought.</p> <p>No modification or alteration shall materially adversely affect the rights attaching to the Convertible Notes granted prior to such modification or alteration, except with the written consent of the Subscriber.</p>
<p><b>Events of Default of the Convertible Notes</b></p>	<p>The Subscriber may, at its discretion, give notice to the Company that the Convertible Notes are, and they shall accordingly thereby become, immediately due and repayable at 100% of their principal amount plus accrued interest (subject as provided below and without prejudice to the right of the Subscriber to exercise the Conversion Right in respect of its Convertible Notes in accordance the Conditional Options and Convertible Notes Subscription Agreement) if any of the following events has occurred:</p> <p>(a) if default is made in the payment of any principal or interest due in respect of the Convertible Notes and the default continues for a period of more than five (5) days from the date of notice of default provided by the Subscriber to the Company, unless a delay in interest payment has been agreed to in writing by the Subscriber; or</p> <p>(b) if any order is made by any competent court or effective resolution passed for the winding up or dissolution of the Company, except for the purposes of a reconstruction,</p>

	amalgamation, merger, consolidation or reorganisation on terms approved by the Subscriber.
<b>Adjustments</b>	<p>The Option Exercise Price, the number of Options and the Conversion Price are subject to certain anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Options and the Convertible Notes. Such circumstances relate to, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>(a) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;</li> <li>(b) a capital distribution made by the Company to Shareholders;</li> <li>(c) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or</li> <li>(d) any consolidation, subdivision or conversion of Shares.</li> </ul>
<b>Conditions Precedent</b>	<p>The completion of the Proposed Grant of Options and the Proposed Convertible Notes Subscription shall be subject to, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>(a) the approval in-principle of the SGX-ST for the listing and quotation of the Subscription Shares, the Option Shares and the Convertible Notes Shares on the Main Board of the SGX-ST having been obtained from the SGX-ST (and such approval not having been withdrawn or revoked), and if such approval is granted subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber, and to the extent that any conditions to such approval are required to be fulfilled on or before the completion of the Proposed Grant of Options and the Proposed Convertible Notes Subscription, they are so fulfilled to the satisfaction of the SGX-ST or so waived by them;</li> <li>(b) the approval from the Board having been obtained for the transactions contemplated under, <i>inter alia</i>, the Conditional Options and Convertible Notes Subscription Agreement (including without limitation the Proposed Grant of Options and the Proposed Convertible Notes Subscription) and the Conditional Subscription Agreement in connection thereto, and such approval not having been revoked or amended;</li> <li>(c) the approval by Shareholders having been obtained at the EGM to be duly convened for, <i>inter alia</i>, the allotment and issue of the Subscription Shares pursuant to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Notes Subscription, the allotment and issue of Option Shares and the Convertible Notes Shares, the transfer of controlling interest in the Company to the Subscriber and the Proposed Whitewash Resolution;</li> <li>(d) the issue and subscription of the Subscription Shares, the Option Shares and the Convertible Notes Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Conditional Options and Convertible Notes Subscription Agreement by any</li> </ul>

	<p>applicable legislative, executive or regulatory body or authority of Singapore or Malaysia or in any other jurisdiction affecting the parties or the Company;</p> <p>(e) there being no delisting of the Shares from the SGX-ST;</p> <p>(f) all resolutions of the board of directors and the shareholders of each of the Company and the other affected members of the Group Companies having been passed to approve the proposed Scheme of Arrangement (which has been approved by the courts pursuant to Part VII of the Companies Act or Part 5 of the Insolvency Act (as the case may be)) and to authorise the entry into, delivery and performance by each of the Company and the other affected members of the Group Companies of all agreements and documents to be entered into in connection therewith;</p> <p>(g) the proposed Scheme of Arrangement, in the form approved in writing by the Subscriber, and being binding on the Company and all the creditors or classes of creditors of the Group Companies meant to be bound by the proposed Scheme of Arrangement, the members of the Company and the Shareholders and having been approved by the courts pursuant to Part VII of the Companies Act or Part 5 of the Insolvency Act (as the case may be) and lodged with the ACRA of Singapore in accordance with Section 210(5) of the Companies Act or Section 71(10) of the Insolvency Act (as the case may be), provided that if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (i) the Subscriber's investment in the Group Companies (contemplated under, <i>inter alia</i>, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (ii) any of the Major Secured Lenders' interests in respect of the Relevant Debt (save as contemplated in the proposed Scheme of Arrangement in the form voted upon by the Major Secured Lenders), such alterations or conditions shall be acceptable to the Subscriber and/or (as the case may be) Major Secured Lenders;</p> <p>(h) there having been no occurrence of any event or discovery of any fact rendering any of the representations, warranties and undertakings in the Conditional Options and Convertible Notes Subscription Agreement untrue or incorrect in any material respect as at the completion date of the Proposed Grant of Options and Proposed Convertible Notes Subscription, or such other date as may be mutually agreed between the parties ("<b>Options Completion Date</b>"), as if they had been given again on the Options Completion Date;</p> <p>(i) each the Company and the Subscriber not being in breach of any of its undertakings and the covenants in the Conditional Options and Convertible Notes Subscription Agreement as at the Options Completion Date;</p> <p>(j) each of Yinson Holdings and the Subscriber having received approvals from:</p>
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	<ul style="list-style-type: none"> <li>(i) its board of directors and its shareholders for, <i>inter alia</i>, the Debt Assignment, the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription; and</li> <li>(ii) Bank Negara Malaysia in respect of the Debt Assignment, the Proposed Subscription and the Conditional Options and Convertible Notes Subscription Agreement and the Debt Assignment (if required);</li> </ul> <p>(k) the SIC having granted the Subscriber and its concert parties (and not having revoked or repealed such grant) a waiver of their obligation to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by the Subscriber and its concert parties following the issue of the Subscription Shares, the Option Shares and the Convertible Notes Shares (including, where applicable, a waiver to make a general offer for the downstream companies held by the Company) and from having to comply with the requirements of Rule 14 of the Takeover Code, subject to (i) the Whitewash Waiver; and (ii) the independent Shareholders approving the Proposed Whitewash Resolution;</p> <p>(l) such consents, approval or waiver as may be required (or deemed necessary by the Company and/or the Subscriber, as the case may be) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Company and/or the Subscriber, as the case may be, in respect of the transactions contemplated in the Conditional Options and Convertible Notes Subscription Agreement and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Company and/or the Subscriber, as the case may be; and</p> <p>(m) the entry into the following agreements:</p> <ul style="list-style-type: none"> <li>(i) Deposit Agreement (and the funding of the Deposit by the Subscriber thereto);</li> <li>(ii) Debt Assignment Agreements between the Subscriber and each of the Major Secured Lenders, in such form and substance satisfactory to the Subscriber in its absolute discretion;</li> <li>(iii) Option to Purchase Agreement between the Subscriber and each of the Major Secured Lenders;</li> <li>(iv) Conditional Subscription Agreement, in such form and substance satisfactory to the Subscriber in its absolute discretion;</li> <li>(v) amendment agreements between relevant Group Company and the respective lenders in relation of the relevant facility and/or credit facilities extended to</li> </ul>
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	<p>such Group Company, in form and substance reasonably acceptable to the Subscriber;</p> <p>(vi) Deed of Obligations between the Company and OCBC; and</p> <p>(vii) bilateral release, waiver and discharge agreements between the respective Major Secured Lenders and the borrowers of all indebtedness in respect of which the contingent claims under the corporate guarantees have been compromised in the proposed Scheme of Arrangement except in relation to Teras Lyza Pte Ltd.</p>
<p><b>Completion</b></p>	<p>Completion shall take place on the Options Completion Date at the office of the Subscriber's solicitors (or at such other place or by such other means as may be agreed between the parties) (the "<b>Options Completion</b>").</p> <p>On the Options Completion Date:</p> <p>(a) each of the Company and the Subscriber shall deliver to the other party evidence that it is authorised to execute the Conditional Options and Convertible Notes Subscription Agreement and undertake all the transactions as contemplated under the Conditional Options and Convertible Notes Subscription Agreement;</p> <p>(b) against the payment of the cash consideration of S\$1.00 by the Subscriber (the receipt, sufficiency and adequacy of which the Company acknowledges), the Company shall (i) grant such number of Options (as determined by dividing US\$150,000,000.00 by the Option Exercise Price to the Subscriber; and (ii) register the Subscriber as holder of such number of the Options in the option register; and</p> <p>(c) against the payment of the cash consideration of US\$20,000,000.00 by the Subscriber to the Company (by telegraphic transfer to the account designated by the Company and notified to the Subscriber no later than three (3) business days before the Options Completion Date or delivery to the Company of a cashier's order or bankers' draft for the cash consideration provided always that such cash consideration shall be received in clear funds on the Options Completion Date), the Company shall issue to the Subscriber the Convertible Notes in a certificate as set out in the Conditional Options and Convertible Notes Subscription Agreement.</p> <p>No party shall be obliged to perform any of its obligations above unless the other party performs its obligations.</p> <p>Without prejudice to any other remedies available, if in any respect the provisions of this section are not complied with by either party on the Options Completion Date, the party not in default may:</p> <p>(a) defer Options Completion to a date not more than twenty-eight (28) days after the Options Completion Date and not later than nine (9) months from the date of the Conditional Options and Convertible Notes Subscription Agreement, or such other date as may be mutually agreed between the</p>

	<p>parties (and so that the provisions of this section shall apply to the Options Completion as so deferred);</p> <p>(b) effect Options Completion so far as practicable having regard to the defaults which have occurred (without prejudice to their rights hereunder); or</p> <p>(c) terminate the Conditional Options and Convertible Notes Subscription Agreement and no party shall have any claim against the other party for costs, damages, compensation or otherwise, save for any claim by the Subscriber against the Company arising from antecedent breach of the terms hereof.</p> <p>All the transactions contemplated by the Conditional Options and Convertible Notes Subscription Agreement to be consummated at Options Completion shall be deemed to occur simultaneously, and no such transaction shall be deemed consummated unless all such transactions are consummated.</p>
<b>Inter-Conditionality</b>	<p>Completion of the Proposed Grant of Options and the Proposed Convertible Notes Subscription is conditional upon and shall take place simultaneously with (a) the Debt Assignment and completion of all transactions contemplated under each of the Debt Assignment Agreements; and (b) the Proposed Subscription and completion of all transactions contemplated under the Conditional Subscription Agreement.</p> <p>If the Conditional Options and Convertible Notes Subscription Agreement is terminated in accordance with its terms, the Conditional Subscription Agreement shall automatically be terminated.</p> <p>If any of the Conditional Subscription Agreement or any Debt Assignment Agreements are terminated in accordance with its terms, the Conditional Option and Convertible Notes Subscription Agreement shall automatically be terminated.</p>
<b>Long-Stop Date</b>	<p>If the Conditions Precedent are not satisfied or waived within nine (9) months from the date of the Conditional Options and Convertible Notes Subscription Agreement (or such other date as may be mutually agreed between the Company and the Subscriber), the Conditional Options and Convertible Notes Subscription Agreement shall terminate.</p>
<b>Termination Rights</b>	<p>Each of the Company and the Subscriber shall be entitled to terminate the Conditional Options and Convertible Notes Subscription Agreement in the event of any breach of the representations, warranties and undertakings which has not been remedied to the reasonable satisfaction of the non-defaulting party within seven (7) days of the receipt of notice of breach.</p>

#### 4.3. Principal Terms of the Deposit Agreement

<b>Deposit</b>	<p>US\$20,000,000.00 in cash to be deposited by the Subscriber into the account(s) to be jointly controlled by the Subscriber, the Company and RSM Corporate Advisory Pte Ltd (the “<b>Designated Approver</b>”) (the “<b>Designated Account</b>”) immediately upon the execution of the Deposit Agreement.</p>
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	<p>The Deposit shall be made as part of the purchase consideration for the Debt Assignment and in favour of the Major Secured Lenders, and shall be utilised in the manner as set out in the Deposit Agreement.</p>
<b>Use of Deposit</b>	<p>Monies in the Designated Account may only be used for (a) the purpose of co-funding the costs arising from the reactivation, modification and mobilisation of the liftboats owned by a Group Company and is an existing security under the existing revolving credit facilities between the Major Secured Lenders and the relevant Group Company (the “<b>Relevant Liftboat Borrower</b>”) (“<b>Liftboats</b>”); and/or (b) for the purpose of procuring that a Relevant Major Secured Lender (as defined below) issues a bank guarantee in connection with the reactivation, modification and mobilisation of a Liftboat.</p>
<b>Drawdown from the Designated Account</b>	<p>For each drawdown of the Deposit from the Designated Account by the Company, the Major Secured Lender that has an existing security over the Liftboats (the “<b>Relevant Major Secured Lender</b>”) shall:</p> <p>(a) not charge any interest on such part of the loans from that Relevant Major Secured Lender to the extent such part of the loans is derived from the amounts drawn down from the Designated Account by the Company (the “<b>Drawdown Amount</b>”); and</p> <p>(b) extend and disburse financing to the Relevant Liftboat Borrower under the existing revolving credit facility between the Relevant Major Secured Lender and the Relevant Liftboat Borrower (the “<b>Relevant RCF</b>”) on the basis of a dollar-for-dollar in relation to the Drawdown Amount required for the relevant Liftboat (the “<b>Deposit Dollar-to-Dollar Funding</b>”).</p> <p><i>By way of illustration, if the sum required by the Group to activate a Liftboat amounts to US\$2,000,000, the Drawdown Amount made from the Designated Account will be US\$1,000,000 and the Relevant Major Secured Lender shall grant the drawdown of the other US\$1,000,000 under the terms of the Relevant RCF.</i></p> <p>Any drawdown from the Designated Account by the Company shall be in accordance with the following:</p> <p>(a) a duly completed notice (“the <b>Drawdown Notice</b>”) shall be jointly delivered by the Company and the Relevant Liftboat Borrower to each of the Subscriber and the Relevant Major Secured Lender, and a copy of such Drawdown Notice shall be jointly delivered by the Company and the Relevant Liftboat Borrower to each of the other Major Secured Lenders, at least five (5) working days in advance of the date of the drawdown;</p> <p>(b) in relation to the Deposit Dollar-to-Dollar Funding, the Relevant Liftboat Borrower shall provide a separate notice of drawdown to the Relevant Major Secured Lender in accordance with the facility agreement relating to the Relevant RCF; and</p> <p>(c) the proposed drawdown from the Designated Account shall be subject to the unanimous approval of the Subscriber and</p>

	<p>the Designated Approver, provided that such approval shall not be withheld if the proposed drawdown has been budgeted and approved in the approved budget as set out in the Deposit Agreement (the “<b>Approved Budget</b>”).</p>
<b>Conditions Precedent</b>	<p>The Interim Funding Arrangement in accordance with the Deposit Agreement is conditional upon the following conditions having been fulfilled (or waived by the Subscriber):</p> <ul style="list-style-type: none"> <li>(a) the entry into the respective Debt Assignment Agreements between the Subscriber and the respective Major Secured Lenders;</li> <li>(b) the entry into the Conditional Subscription Agreement between the Subscriber and the Company;</li> <li>(c) the entry into the Conditional Options and Convertible Notes Subscription Agreement between the Subscriber and the Company;</li> <li>(d) the entry into the Option to Purchase Agreement between the Subscriber and the Major Secured Lenders;</li> <li>(e) the entry into the Deed of Obligations between the Company and OCBC; and</li> <li>(f) the opening of the Designated Account.</li> </ul>
<b>Long-stop Date</b>	<p>If the Conditions Precedent are not satisfied or waived within one (1) month from the date of the Deposit Agreement (or such other date as may be mutually agreed between the Company, the Subscriber and the Major Secured Lenders), the Deposit Agreement shall be terminated.</p>
<b>Charge over Designated Account</b>	<p>The Designated Account shall be subject to a first priority mortgage charge in favour of a security trustee for the benefit of the Major Secured Lenders (“<b>Designated Account Charge</b>”).</p> <p>Subject to <i>Repayment by the Major Secured Lenders to the Subscriber</i> as set out below, each Major Secured Lender shall have rights to and in respect of the Designated Account in the proportion as to the amounts owed by the Relevant Liftboat Borrowers to them pursuant to the Deposit Dollar-to-Dollar Funding which the Major Secured Lenders have provided to the Relevant Liftboat Borrowers.</p> <p>As soon as reasonably practicable after the date of the Deposit Agreement, the Company and the Major Secured Lenders shall take the necessary steps to create and register the Designated Account Charge.</p>
<b>Undertakings</b>	<p>Each of the Major Secured Lender undertakes to the Subscriber and to the Company that:</p> <ul style="list-style-type: none"> <li>(a) it will disburse the Deposit Dollar-to-Dollar Funding for the co-funding of the reactivation, modification and mobilisation of the relevant Liftboat(s) in accordance with the Deposit Agreement, when the Designated Approver has verified and confirmed to such Major Secured Lender that the funds to be disbursed to the Company will be applied to co-fund the reactivation, modification and mobilisation of the relevant</li> </ul>



	<p>Liftboat and that such amount of the Deposit Dollar-to-Dollar Funding is within the Approved Budget in respect of such Liftboat;</p> <p>(b) it will not, without the prior written consent of the Subscriber, exercise its right to sell any Liftboat before the later of (i) the date on which the Debt Assignment in respect of the Relevant Debt is completed as contemplated in the respective Debt Assignment Agreements; and (ii) the earliest to occur of (A) the date of completion of the sale and purchase of the mortgaged assets as contemplated in the Option to Purchase Agreement; (B) the date of termination of the Option to Purchase Agreement; and (C) (in the event the Proposed Option to Purchase is not exercised by the expiry of the option period (as defined in the Option to Purchase Agreement)) the last day of such option period;</p> <p>(c) it will vote in favour of, and procures that its assignee or successor votes in favour of, the proposed Scheme of Arrangement at the creditors' meeting convened to vote on the proposed Scheme of Arrangement, including such adjourned or re-scheduled meeting(s) and any meeting(s) to re-vote on the proposed Scheme of Arrangement;</p> <p>(d) it will vote in favour of the resolutions tabled at the EGM, save for any resolutions tabled at the EGM which it is required to abstain from voting pursuant to applicable laws or regulations and rules of governmental, administrative, regulatory or supervisory entities (including without limitation the SGX-ST or the SIC);</p> <p>(e) it will expressly support, and procure that its assignee or successor expressly supports, the Company's application(s) for leave to convene the creditors' meeting to vote on the proposed Scheme of Arrangement;</p> <p>(f) as soon as practicable, it will enter into the bilateral release, waiver and discharge with the relevant Group Companies in respect of those indebtedness which are the subject of the contingent claims under the corporate guarantees from the Company which have been compromised in the proposed Scheme of Arrangement, but excluding the indebtedness owing by Teras Lyza Pte Ltd; and</p> <p>(g) in the event that (i) the approval for the proposed Scheme of Arrangement (including, for the avoidance of doubt, if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (A) the Subscriber's investment in the Group Companies (contemplated under, <i>inter alia</i>, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (B) any Major Secured Lenders' interest in respect of the Relevant Debt (save as already contemplated in the proposed Scheme of Arrangement in the form voted upon by that Major Secured Lenders), such alterations or conditions shall be acceptable to the Subscriber and/or (as the case may be) the Major Secured Lenders) and/or approvals under the EGM are not obtained; and/or (ii) the proposed Scheme of Arrangement, Debt Assignment,</p>
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	<p>Proposed Subscription, Proposed Grant of Options and Proposed Convertible Notes Subscription and all other transactions contemplated thereunder are not completed successfully; and (iii) the Subscriber has exercised its option to purchase in accordance with the terms of the Option to Purchase Agreement, it will complete its obligations for the sale of the assets to the Subscriber in accordance with the terms of the Option to Purchase Agreement.</p> <p>The Company undertakes to each of the Major Secured Lenders and to the Subscriber that:</p> <p>(a) it will hold the EGM after the proposed Scheme of Arrangement approval is obtained; and</p> <p>(b) upon the completion of the proposed Scheme of Arrangement, Debt Assignment, Proposed Subscription, Proposed Grant of Options and Proposed Convertible Notes Subscription and all other transactions contemplated thereunder, it will apply the Convertible Notes Proceeds towards repayment of the Deposit and terminate the Deposit Agreement.</p> <p>The Subscriber undertakes to each of the Major Secured Lender and to the Company that upon the approval for the proposed Scheme of Arrangement (including, for the avoidance of doubt, if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (a) the Subscriber's investment in the Group Companies (contemplated under, <i>inter alia</i>, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (b) any Major Secured Lenders' interest in respect of the Relevant Debt (save as already contemplated in the proposed Scheme of Arrangement in the form voted upon by that Major Secured Lenders), such alterations or conditions shall be acceptable to the Subscriber and/or (as the case may be) the Major Secured Lenders) and approvals under the EGM being obtained, it will use its reasonable endeavours to obtain all relevant board and shareholder approvals (including that of Yinson Holdings) required for, among others, the Debt Assignment, the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Notes Subscription and the Option to Purchase.</p>
<p><b>Repayment and forfeiture of the Deposit</b></p>	<p><b><i>Repayment by the Company and the Relevant Liftboat Borrowers to the Major Secured Lenders:</i></b></p> <p>If the proposed Scheme of Arrangement, the Debt Assignment, the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription and all other transactions contemplated thereunder have been successfully completed, the Major Secured Lenders shall be deemed to have lent the full amount of the Deposit to the Company and the Relevant Liftboat Borrowers, and the Deposit shall be repaid to the Major Secured Lenders by the Company using the proceeds from the issue of the Convertible Notes Proceeds in the proportion of US\$5,000,000 for each Major Secured Lender.</p>

**Repayment by the Company and the Relevant Liftboat Borrowers to the Subscriber:**

Without prejudice to sub-paragraph (c) under *Repayment by the Major Secured Lenders to the Subscriber*, in the event that:

- (a) the approval for the proposed Scheme of Arrangement (including, for the avoidance of doubt, if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (i) the Subscriber's investment in the Group Companies (contemplated under, *inter alia*, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (ii) any Major Secured Lenders' interest in respect of the Relevant Debt (save as already contemplated in the proposed Scheme of Arrangement in the form voted upon by that Major Secured Lenders), such alterations or conditions shall be acceptable to the Subscriber and/or (as the case may be) the Major Secured Lenders) and/or the approvals under the EGM are not obtained; and/or
- (b) the proposed Scheme of Arrangement, the Debt Assignment, the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription and all other transactions contemplated thereunder are not completed successfully for any reason whatsoever; and
- (c) the purchase of the mortgaged assets (including, without limitation, any excluded option asset (as defined in the Option to Purchase Agreement) by the Subscriber (and/or its nominees) has been completed in accordance with the terms of the Option to Purchase Agreement,

the Major Secured Lenders shall be deemed to have (a) lent the full amount of the Deposit to the Company and the Relevant Liftboat Borrowers; and (b) assigned their respective benefits in and to the Designated Account to the Subscriber, such that the full amount of the Deposit shall thereafter be jointly owed by the Company and the Relevant Liftboat Borrowers to the Subscriber. The Major Secured Lenders further undertake to the Subscriber to enter into such other definitive and/or ancillary documents as may be required for the purpose of perfecting such assignment.

**Repayment by the Major Secured Lenders to the Subscriber:**

- (a) In the event that:
  - (i) the approval for the proposed Scheme of Arrangement (including, for the avoidance of doubt, if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (A) the Subscriber's investment in the Group Companies (contemplated under, *inter alia*, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (B) any Major Secured Lenders' interest in respect of

	<p>the Relevant Debt (save as already contemplated in the proposed Scheme of Arrangement in the form voted upon by that Major Secured Lenders), such alterations or conditions shall be acceptable to the I Subscriber and/or (as the case may be) the Major Secured Lenders) and/or the approvals under the EGM are not obtained; and/or</p> <p>(ii) the proposed Scheme of Arrangement, the Debt Assignment, the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription and all other transactions contemplated thereunder are not completed successfully for any reason whatsoever; and</p> <p>(iii) the purchase of the mortgaged assets by the Subscriber (and/or its nominees) under the Option to Purchase Agreement was not completed because the materiality percentage (as defined in the Option to Purchase Agreement) did not satisfy the materiality threshold (as defined in the Option to Purchase Agreement) or the completion materiality percentage (as defined in the Option to Purchase Agreement) did not satisfy the completion materiality threshold (as defined in the Option to Purchase Agreement), an amount equal to the full amount of the Deposit shall be repaid by the Major Secured Lenders to the Subscriber, in the following manner:</p> <p>(A) first, all balances in the Designated Account which are not drawn shall be returned to the Subscriber immediately upon demand; and</p> <p>(B) second, all amounts that have been withdrawn from the Designated Account and utilised for the purposes as set out in the Deposit Agreement shall be returned by the Relevant Major Secured Lenders to the Subscriber on the earlier of (1) the date falling 12 months from the start date of the Proposed Option to Purchase (as set out in the Option to Purchase Agreement); and (2) the date on which the sale of the Liftboats that such amounts have been utilised for is completed, such repayment to be made in priority to the discharge of the respective mortgage over such Liftboats.</p> <p>(b) In the event that one or more of the Major Secured Lenders breaches certain of the undertakings under the Deposit Agreement (the “<b>Defaulting Major Secured Lenders</b>”), an amount equal to the full amount of Deposit shall be repaid by the Defaulting Major Secured Lenders (such amount of the Deposit to be borne equally by the number of the Defaulting Major Secured Lenders) to the Subscriber immediately upon demand.</p> <p>(c) In the event that the Subscriber does not exercise its right to purchase any of the excluded option assets (as defined in the Option to Purchase Agreement) (the “<b>Unpurchased Excluded Option Assets</b>”) by the time period stipulated</p>
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under the Option to Purchase Agreement for any reason whatsoever, all amounts that have been withdrawn from the Designated Account and utilised for the purposes as set out in the Deposit Agreement, shall be repaid by each of the Relevant Major Secured Lenders to the Subscriber on the earlier of (i) the date falling 12 months from the start date of the Proposed Option to Purchase (as set out in the Option to Purchase Agreement); and (ii) the date on which the sale of the Liftboats that such amounts have been utilised for is completed, such repayment to be made in priority to the discharge of the respective mortgage over such Liftboats. For the avoidance of doubt, the amount to be repaid by each Relevant Major Secured Lender to the Subscriber pursuant to this sub-paragraph (c) shall not exceed the amount which has been withdrawn from the Designated Account for the purposes set out in the Deposit Agreement.

For the avoidance of doubt, the amount to be repaid by the Major Secured Lenders to the Subscriber pursuant to *Repayment by the Major Secured Lenders to the Subscriber* shall not exceed US\$20,000,000.

***Forfeiture by the Subscriber:*** If

- (a) upon the approval for the proposed Scheme of Arrangement (including, for the avoidance of doubt, if such approval is granted by the courts subject to any alterations or conditions of the proposed Scheme of Arrangement imposed by the courts which results in a material adverse impact to (i) the Subscriber's investment in the Group Companies (contemplated under, *inter alia*, the proposed Scheme of Arrangement and the agreements to which any of the Subscriber or Group Company is a party thereto); or (ii) any Major Secured Lenders' interest in respect of the Relevant Debt (save as already contemplated in the proposed Scheme of Arrangement in the form voted upon by that Major Secured Lenders), such alterations or conditions shall be acceptable to the Subscriber and/or (as the case may be) the Major Secured Lenders) and the approvals under the EGM being obtained, but the Subscriber fails to obtain its shareholders approval (including that of Yinson Holdings) required for the Debt Assignment, the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Notes Subscription and the Proposed Option to Purchase; or
- (b) the Subscriber fails to exercise the Proposed Option to Purchase in accordance with the terms of the Option to Purchase Agreement,

the Deposit shall be fully forfeited by the Subscriber to the Major Secured Lenders, with the full amount of the Deposit being deemed to be owing jointly by the Company and the Relevant Liftboat Borrowers to the Major Secured Lenders. Upon the forfeiture, the Major Secured Lenders shall have full control over the Designated Account and the remaining monies in the Designated Account shall be released to the Major Secured Lenders in the following manner:

- (i) first, a sum of up to the total amount of the Deposit Dollar-to-Dollar Funding provided by the Major

	<p>Secured Lenders pursuant to the Deposit Agreement shall be distributed to the Major Secured Lenders, such that each Major Secured Lender shall be entitled to receive a sum equivalent to the proportion which its Deposit Dollar-to-Dollar Funding bears to the aggregate Deposit Dollar-to-Dollar Funding of all the Major Secured Lenders; and</p> <p>(ii) in the event there is any monies remaining after the distribution pursuant to sub-paragraph (i) above, the remaining monies shall be distributed to the Major Secured Lenders, such that each Major Secured Lender shall be entitled to receive a sum equivalent to the proportion which the outstanding debt owing by the Group to it bears to the outstanding debt owing by the Group to all the Major Secured Lenders.</p> <p>For the avoidance of doubt, the Group Companies shall have no recourse against the Subscriber for the Deposit.</p> <p><b>Repayment upon Mutual Termination:</b></p> <p>If the Deposit Agreement is terminated on a date which was mutually agreed in writing among all parties (the “<b>Mutual Termination Date</b>”):</p> <p>(a) an amount equal to the balance amount standing to the credit of the Designated Account as at the Mutual Termination Date or the Deposit, whichever is lower, shall be repaid by the Major Secured Lenders to the Subscriber on the Mutual Termination Date; and</p> <p>(b) as at the Mutual Termination Date, the Major Secured Lenders shall be deemed to have (i) lent all amounts that have been withdrawn from the Designated Account (including the returned amount under the Deposit Agreement, which forms part of the Deposit) as at the Mutual Termination Date to the Company and the Relevant Liftboat Borrowers; and (ii) assigned their respective benefits in and to the Designated Account to the Subscriber, such that the amounts referred to in sub-paragraph (b)(i) above shall thereafter be jointly owed by the Company and the Relevant Liftboat Borrowers to the Subscriber. The Major Secured Lenders further undertake to the Subscriber to enter into such other definitive and/or ancillary documents as may be required for the purpose of perfecting such assignment.</p>
<p><b>Termination</b></p>	<p>The Deposit Agreement shall be terminated in the following scenarios:</p> <p>(a) on the date of repayment as provided above in accordance with <i>Repayment by the Company to the Major Secured Lenders</i>;</p> <p>(b) on the later of (i) the date when the Major Secured Lenders assign their respective benefits in and to the Designated Account to the Subscriber pursuant to <i>Repayment by the Company and the Relevant Liftboat Borrowers to the Subscriber</i>; or (ii) the date of payment of all amounts that have been withdrawn from the Designated Account in</p>

	<p>relation to the Unpurchased Excluded Option Assets and for the purposes set out in the Deposit Agreement by each of the Relevant Major Secured Lenders in accordance with sub-paragraph (c) of <i>Repayment by the Major Secured Lenders to the Subscriber</i>;</p> <p>(c) in the event of forfeiture by the Subscriber to the Major Secured Lenders under <i>Forfeiture by the Subscriber</i>; or</p> <p>(d) in the event where the parties had mutually agreed in writing to terminate the Deposit Agreement, on the Mutual Termination Date whereby the repayment and assignment as provided for under <i>Repayment under Mutual Termination</i> shall be completed.</p> <p>Upon the termination of the Deposit Agreement, the obligations of the parties shall cease and be of no further effect, and no party shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise, save for any antecedent breach of the Deposit Agreement.</p>
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## 5. USE OF PROCEEDS

In consideration of the Proposed Subscription, (a) the Company shall capitalise US\$482,330,928.64 amounting to all the Relevant Debt owed to the Subscriber, pursuant to the Debt Assignment Agreements to be entered into; and (b) the Subscriber shall inject capital in the sum of up to US\$46,985,964.44 in cash to the Company (or such amount being US\$150,000,000.00 less the aggregate cash consideration payable and/or paid by the Subscriber to the Major Secured Lender under the Debt Assignment Agreements).

The cash proceeds from the Proposed Subscription shall be used by the Company towards the satisfaction of the compromise with the Company's creditors via the proposed Scheme of Arrangement.

The Option Proceeds (assuming full exercise of the Options) will be approximately S\$207,000,000. As and when the Options are exercised, such Option Proceeds may, at the discretion of the Directors, be applied towards business expansion or the pursuit of new business opportunities, including but not limited to, capital contributions or investments into joint ventures or partnerships with various strategic partners, working capital and/or such other purposes as the Directors may deem fit.

Pending the deployment for the uses identified above, the Option Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Option Proceeds as and when such funds are materially disbursed, and provide a status report on the use of the Option Proceeds from the Proposed Grant of Options in the Company's half and full year financial statements issued under Rule 705 of the Listing Manual of the SGX-ST and its annual reports. Where the Option Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the Option Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of Option Proceeds, the Company will announce the reasons for such deviation.

The Convertible Notes are issued to the Subscriber and the Convertible Notes Proceeds of US\$20,000,000.00 shall be used by the Company upon the completion of the Proposed Transactions to repay the Major Secured Lenders for of the Deposit which is on lent by the

Major Secured Lenders to the Company in accordance with the Interim Funding Arrangement and the terms and conditions of the Deposit Agreement.

The Directors are of the opinion that, as of the date of this Announcement, after taking into consideration the Proposed Transactions, the Option Proceeds and its present banking facilities, the working capital available to the Group is sufficient to meet its present requirements.

## **6. FINANCIAL EFFECTS**

The financial effects of the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription.

As at the date of this Announcement, the share capital of the Company is US\$934,656,000.00 and its issued share capital less treasury shares is 3,727,202,077 ordinary shares (3,730,386,077 issued ordinary shares less 3,184,000 treasury shares).

Upon completion of the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription, and the allotment and issue of the Subscription Shares, Option Shares and Convertible Notes Shares, the Company will have an enlarged issued share capital of approximately US\$1,633,973,000 comprising approximately 33,571,914,054 Shares (and if the Issue Price is adjusted to the Minimum Issue Price, approximately 36,578,604,990 Shares) (both figures assuming the Options have been fully exercised and the Convertible Notes have been fully converted). The Subscription Shares, Option Shares and Convertible Notes Shares when issued represent approximately 8.0 times (and if the Issue Price is adjusted to the Minimum Issue Price, approximately 8.8 times) of the issued share capital of the Company as at the date of this Announcement prior to the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription, and would represent approximately 88.9% (and if the Issue Price is adjusted to the Minimum Issue Price, approximately 89.8%) of the enlarged issued share capital of the Company after the completion of the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription. For the avoidance of doubt, these figures exclude any Scheme and Professional Fees Additional Shares. Please see paragraph 1.12 for further information on the Scheme and Professional Fees Additional Shares.

Based on the latest audited financial results announcement of the Group for the financial year ended 31 December 2018 and assuming that the Group raises gross proceeds of approximately S\$207,000,000 from the exercise of all Options, the effect on the Group's net tangible liabilities ("**NTL**") or net tangible assets ("**NTA**") per share and earnings or loss per share will be as follows:

### **6.1. Net Tangible Liabilities / Net Tangible Assets per Share**

Assuming that the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription were completed on 31 December 2018, and further assuming full exercise of all Options and conversion of the Convertible Notes, the effects on the Group's NTL/NTA per Share would be as follows:



	<b>Before Issue of Subscription Shares, Option Shares and Convertible Notes Shares</b>	<b>After Issue of Subscription Shares, Option Shares and Convertible Notes Shares</b>	<b>After Issue of Subscription Shares, Option Shares and Convertible Notes Shares (in a Minimum Issue Price scenario)</b>
(NTL)/NTA (US\$'000)	(254,752)	355,353	355,353
Number of Shares	3,707,782,790	33,552,494,767	36,559,185,703
<b>(NTL)/NTA per Share (US cents)</b>	(6.87)	1.06	1.97

Note: The above figures exclude any financial effects from the proposed Scheme of Arrangement and the issuance of Scheme and Professional Fees Additional Shares. Please see paragraphs 1.12, 1.13 (*Filing of the proposed Scheme of Arrangement*) and 10 (*Proposed Scheme of Arrangement*) for further information.

## 6.2. Earnings / Loss per Share

Assuming that the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Notes Subscription were completed on 1 January 2018, and further assuming full exercise of all Options and conversion of the Convertible Notes, the effects on the Group's earnings / loss per Share would be as follows:

	<b>Before Issue of Subscription Shares, Option Shares and Convertible Notes Shares</b>	<b>After Issue of Subscription Shares, Option Shares and Convertible Notes Shares</b>	<b>After Issue of Subscription Shares, Option Shares and Convertible Notes Shares (in a Minimum Issue Price scenario)</b>
Profit/(Loss) After Tax and Minority Interest (US\$'000)	(344,339)	(372,591)	(372,591)
Weighted Average Number of Shares	3,149,357,417	32,994,069,394	36,000,760,330
<b>Earnings/(Loss) per Share (US Cents)</b>	(10.91)	(1.13)	(1.03)

Note: The above figures exclude any financial effects from the proposed Scheme of Arrangement and the issuance of Scheme and Professional Fees Additional Shares. Please see paragraphs 1.12, 1.13 (*Filing of the proposed Scheme of Arrangement*) and 10 (*Proposed Scheme of Arrangement*) for further information.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, the substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Transactions, other than through their respective directorships and/or shareholdings in the Company.

## 8. PROPOSED WHITEWASH RESOLUTION

8.1. Under Rule 14.1 of the Takeover Code, except with the consent of the SIC, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; and
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares (including, where applicable, to make a general offer for the downstream companies held by such company) (a “**Mandatory Offer**”). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

8.2. Upon completion of the Proposed Subscription, the Subscriber will hold 23,042,817,426 Shares (and if the Issue Price is adjusted to the Minimum Issue Price, 25,363,101,126 Shares) representing approximately 86.1% (and if the Issue Price is adjusted to the Minimum Issue Price, 87.2%) of the enlarged share capital of the Company as at the date of this Announcement. Assuming full exercise of the Options and conversion of the Convertible Notes, the Subscriber will hold approximately 29,844,711,977 Shares (and if based on the Issue Price being adjusted to the Minimum Issue Price, 32,851,402,913 Shares) representing approximately 88.9% (and if based on the Issue Price being adjusted to the Minimum Issue Price, 89.9%) of the enlarged share capital of the Company as at the date of this Announcement. For the avoidance of doubt, these figures include the Subscription Shares which may be allotted and issued as MSL Consideration Shares to the MSL Entities but exclude any Scheme and Professional Fees Additional Shares. Please see paragraphs 1.11 and 1.12 for further information on the MSL Consideration Shares and the Scheme and Professional Fees Additional Shares, respectively. This triggers the requirement for the Subscriber and its concert parties to make a Mandatory Offer, unless independent Shareholders approve at an EGM to be convened for, *inter alia*, the Proposed Whitewash Resolution.

8.3. The Company will in due course submit an application to the SIC to seek the Whitewash Waiver for the Subscriber and its concert parties to make a Mandatory Offer as a result of the Proposed Transactions, and will make the necessary announcements upon receipt of the Whitewash Waiver from the SIC.

## 9. REGULATORY AND SHAREHOLDER APPROVALS REQUIRED

9.1. The Proposed Transactions are subject to the conditions precedent as set out in the Conditional Subscription Agreement and the Conditional Options and Convertible Notes Subscription Agreement and specifically the following:

- (a) the receipt of the approval in-principle of the SGX-ST for the listing and quotation for the Subscription Shares, the Option Shares (when exercised) and the Convertible Notes Shares (when converted) on the Mainboard of the SGX-ST;

- (b) approval of Shareholders for, *inter alia*, the Proposed Transactions (including the transfer of controlling interest in the Company to the Subscriber) at the EGM to be convened; and
  - (c) the Whitewash Waiver granted by the SIC; and
  - (d) approval of the independent Shareholders for the Proposed Whitewash Resolution at the EGM to be convened.
- 9.2. A circular to Shareholders containing, *inter alia*, further information on the Proposed Transactions, together with the notice of the EGM, will be despatched to Shareholders in due course.
- 9.3. The Company will in due course apply to the SGX-ST for the listing and quotation of the Subscription Shares, the Option Shares and the Convertible Notes Shares on the Main Board of the SGX-ST, and will make the necessary announcements upon receipt of the approval in-principle of the SGX-ST for the listing and quotation of the Subscription Shares, the Option Shares and the Convertible Notes Shares.

## **10. PROPOSED SCHEME OF ARRANGEMENT**

- 10.1. With reference to the Proposed Transactions with the Subscriber, it is a condition for the Company to propose the Scheme of Arrangement, which will compromise at least US\$740 million of the Company's debts (actual or contingent).
- 10.2. Subsequent to the proposed Scheme of Arrangement and Proposed Transactions contemplated with the Subscriber, it is anticipated that the total debts of the Company (actual or contingent) shall be reduced from approximately US\$1.6 billion to only secured bank debt of less than approximately US\$403 million; and the Subscriber will have a shareholding in the Company of no less than 63.46%.
- 10.3. In relation to the Proposed Transactions and proposed Scheme of Arrangement, the Group is in cross default of its borrowings and intends to address it under the proposed Scheme of Arrangement.
- 10.4. In view of the net liability position of the Group of US\$705.3 million as at 30 September 2019, the Board believes that it is in the best interest of the Company to apply to the High Court of the Republic of Singapore to file for the proposed Scheme of Arrangement in order to complete the Proposed Transactions and restructure its liabilities.
- 10.5. The Company will update its stakeholders on the proposed Scheme of Arrangement in due course.

## **11. ANNOUNCEMENTS**

Further announcements on the Proposed Transactions and/or the proposed Scheme of Arrangement will be made in due course as and when appropriate.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

The Conditional Subscription Agreement, the Conditional Options and Convertible Notes Subscription Agreement, the Deposit Agreement, the Deed of Obligations and the Absolute Assignment of Insurance are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered officer of the Company at 438B Alexandra Road, #05-08/10 Alexandra Technopark, Singapore 119968 for a period of three (3) months from the date of this Announcement.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Notes Subscription and the proposed Scheme of Arrangement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

### 14. CAUTIONARY STATEMENTS

- 14.1. The Company's continued operations as a going concern status is dependent on the Proposed Transactions and the proposed Scheme of Arrangement.
- 14.2. In view of the above and given the dynamic situation that the Company is in, the Company believes that the continued trading suspension will avoid any irregular movement in share price and prevent any irregular trading activities that may result from the leakage of any information which the Company has no control over. The continued trading suspension will allow for market certainty and avoid market confusion as the Company continues to focus on engaging its stakeholders with an intent on completing the Proposed Transactions and/or the proposed Scheme of Arrangement to strengthen the Group's financial position, improve cash flow position of the Group and preserve value for its stakeholders.
- 14.3. Shareholders, noteholders and potential investors of the Company are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and noteholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. The completion of the Proposed Transactions is subject to numerous conditions. **THERE IS NO CERTAINTY OR ASSURANCE AS AT THE DATE OF THIS ANNOUNCEMENT THAT CONDITIONS TO THE PROPOSED TRANSACTIONS WILL BE MET OR THAT THE PROPOSED TRANSACTIONS WILL BE APPROVED AND/OR COMPLETED.** The Company will make the necessary announcements when there are further developments. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors they have any doubt about the actions they should take.

By Order of the Board  
**EZION HOLDINGS LIMITED**

Goon Fook Wye Paul  
Company Secretary  
28 February 2020