

# Vendor Virtual Briefing

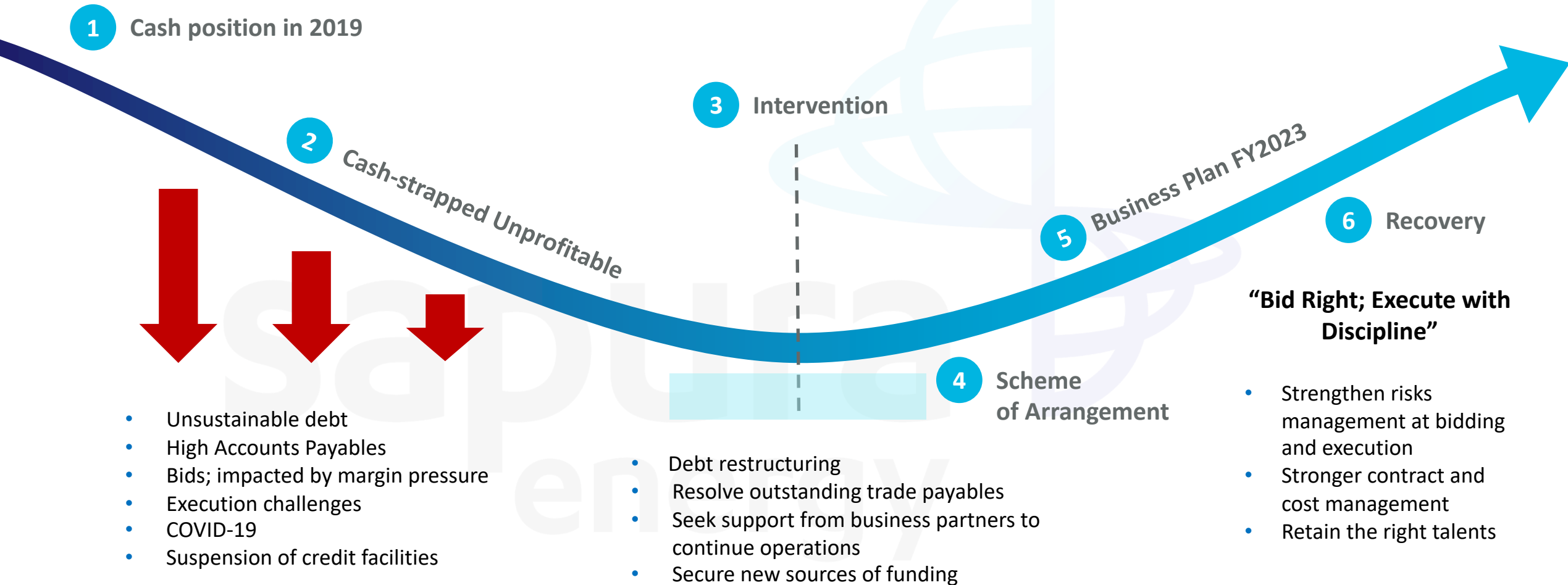
5 April 2022



# Thank you for your partnership and support



# Necessary steps taken to turnaround Sapura Energy



# We took action to resolve outstanding debts

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**The High Court of Malaya granted Sapura Energy & 22 subsidiaries two Orders:**

## **Restraining Order (RO)**

- an order to stay all legal proceedings against SEB + 22 subsidiaries for three months while we negotiate a proposed Scheme of Arrangement (SOA) with creditors
- this allows a stable platform to formulate a commercially viable restructuring scheme with minimal disruption to operations to ensure business continuity.

## **Scheme of Arrangement (SOA):**

- permission for us to negotiate with creditors a proposed scheme of arrangement (SOA) to resolve outstanding debts, which will be voted at a Court-convened meeting.
- Once approved by 75% majority by value in each class of creditors and sanctioned by the Court, the SOA is binding on Sapura Energy and creditors.



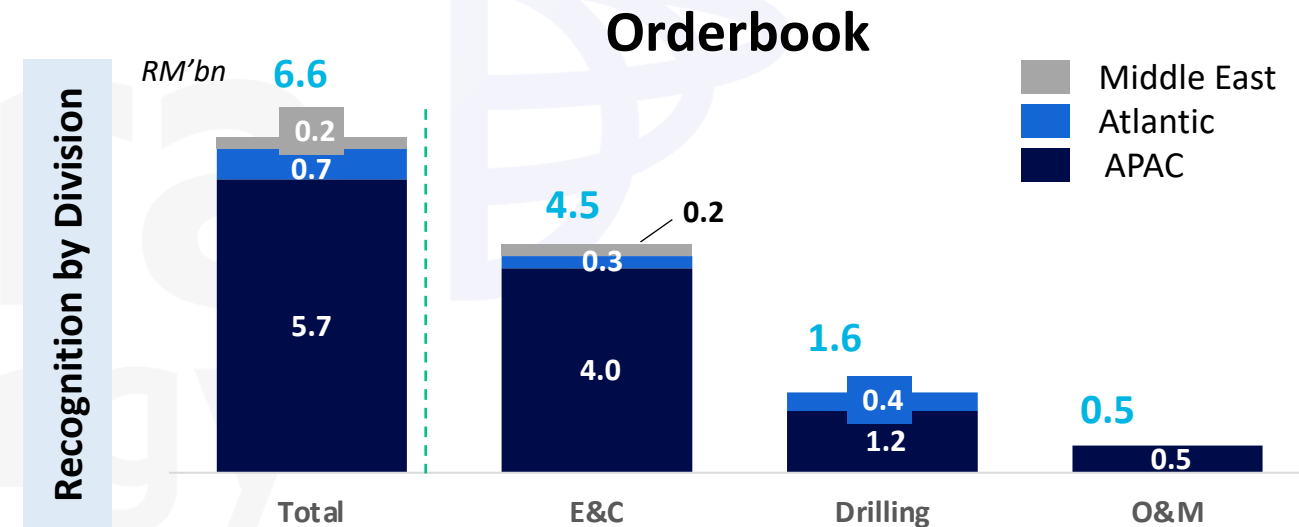
# Why this is the best long-term solution, under the circumstances

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- A court-sanctioned process that reduces uncertainty of payment, helps us resolve our debts in an orderly manner
- Averts risk of liquidation, providing better terms for vendors, and the right to negotiate and vote on the outcome
- We remain in control of the company, while working out debt restructuring
- Allows ongoing operations with minimal disruptions; current work with vendors can continue.

# A Reset for Sapura Energy

- Strategic divestment plan, aligned to future business direction
- Review business direction - bids focused on areas where we are most competitive
  - Asia Pacific and Atlantic
  - Project portfolio shift: short- medium term towards transportation and installation, construction anchored to Lumut fab yard
- Negotiate legacy contracts to recover or limit losses.
- Improve project delivery thru enhanced project management discipline, stronger contract and cost management to protect margins.
- Enterprise Risk Management Framework, with appropriate risk appetites across our value chain



# Overview of SOA Process

## Orders granted

**High Court of Malaya grants two Orders –**

- restraining order
- nod for proposed SOA negotiations

**SOA covers outstanding claims**

- with 23 named entities
- for work delivered on or before 31 Jan 2022

**Inform stakeholders**

- notice on two national dailies
- emails, microsite

## Negotiate SOA

**Kick-off briefing session with creditors**

**Proof of debt process**

**Propose and negotiate SOA with creditors**

**Finalise proposed SOA**

## Vote & sanction

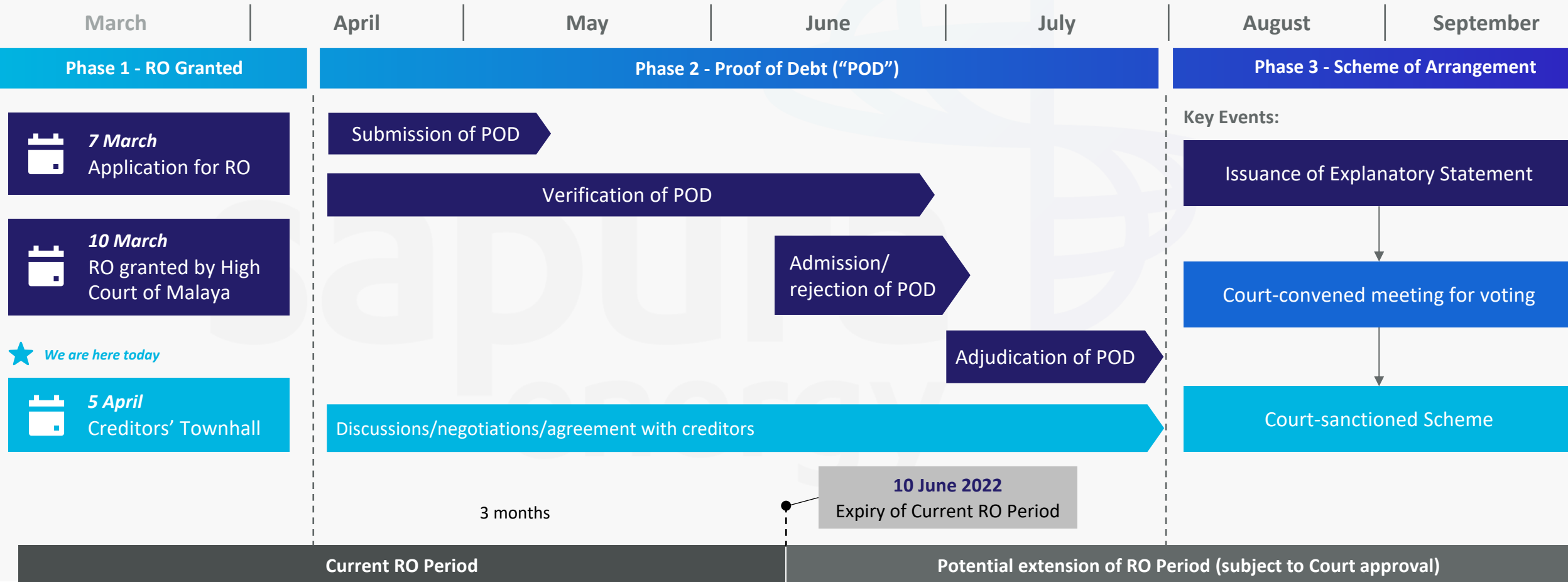
**Court-convened meeting for creditors to approve SOA**

**Court sanctions SOA, SOA binding on Sapura Energy and all creditors**

**Execute SOA payment plan**

# Indicative Timeline (subject to change)

Objective ► Win-Win Situation





# Proof of Debt (“POD”) (1/3)

## Objective and importance of POD exercise

- Each creditor included in the SOA will be required to submit POD for its claim up to the Cut-off date to the respective Scheme Company.
- Upon the claim being verified and admitted, the creditor will be entitled to vote on the Scheme at the Court-convened meeting.
- Once the Scheme is voted in favour by at least 75% majority in value of each class of creditors in each Scheme Company and sanctioned by the Court, creditors will receive past dues in accordance with terms of the Scheme.

### It is important for the creditors to:

- Participate in the POD exercise;
- Provide accurate/complete information/documents supporting its claim; and
- Strictly adhere to the timeline as advised by the respective Scheme Companies.
- failing which the creditors’ claim will be taken as per the records of the Scheme Company for the purpose of the SOA

## Cut-off date for POD - 31 January 2022

- Any goods provided and/or services rendered on or before 31 January 2022 will be subject to POD including
- Goods and services rendered with invoices issued by 31 January 2022
- Goods and services rendered with invoices issued after 31 January 2022
- Goods and services rendered without invoices

# Proof of Debt (“POD”) (2/3)

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## Commencement of POD exercise

- Tentatively in April 2022
- Look out for an email communication from us in April 2022 containing the POD Form and guidelines on the POD submission

## Key ingredients for POD

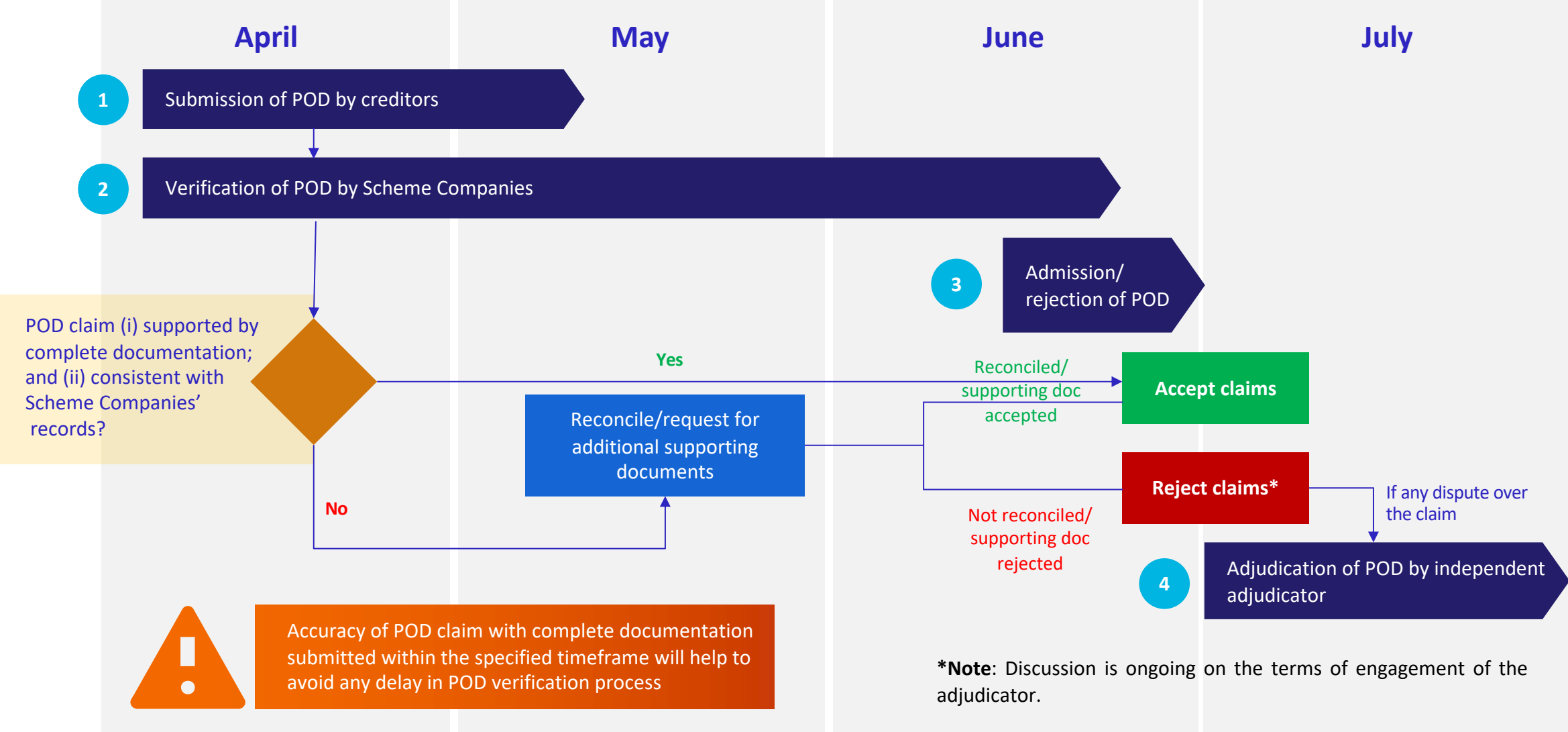
- POD Form setting out your claim, to be attested by a Commissioner for Oaths (or a Notary Public if a Commissioner for Oaths is not available)
- Supporting documents such as invoices, delivery orders, payment certificates and other relevant documents

**(Note: Statement of Account without any supporting documents will not be accepted)**

## Acceptance or rejection of POD

- The Scheme Companies will notify creditors on POD admission/rejection upon completion of POD verification

# Proof of Debt (“POD”) (3/3)





# After POD, what's next?

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## The last milestone

- A final list of claims and the Scheme will be drawn up upon completion of the POD exercise.
- An explanatory statement setting out details of the SOA will be issued to all scheme creditors.
- Tentative virtual briefing with creditors to explain the details of the Scheme.
- The Scheme to be voted upon by the creditors (tentatively in August/September 2022) followed by Court sanction if 75% majority per class voted in favour of the Scheme.

# Our Resolve

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## What we need to do

FY23 – regain stable platform  
Reset Sapura Energy for future growth

## Our Commitment to You

Keep you updated of progress  
Help you make informed decisions  
Work with you towards agreeable solution

**“A successful Reset requires time and the collaborative effort between our teams and our lenders, vendors, clients and shareholders**

# What to expect after this Townhall?

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- The next milestone will be the commencement of POD Exercise
- Please expect to receive an email communication from us soon which will contain guidelines to submit POD, and the relevant POD forms
- In the meantime, should you have any queries, please let us know



# Getting in touch with us...

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## Support Hotline

- +603 8659 8338
- Available from Mon - Fri,  
1000 - 1600 GMT+8

## Helpdesk email

- [helpdesk@sapuraenergy.com](mailto:helpdesk@sapuraenergy.com)

Have a **question?**  
Submit here



Scan QR Code



Did you find this **helpful?**  
Let us know



Scan QR Code



Or go to  
**menti.com**  
and use code  
**53 24 38 54**

We thank you for your support during these challenging times

