



# Vendor Virtual Briefing Session #3

25 April 2022

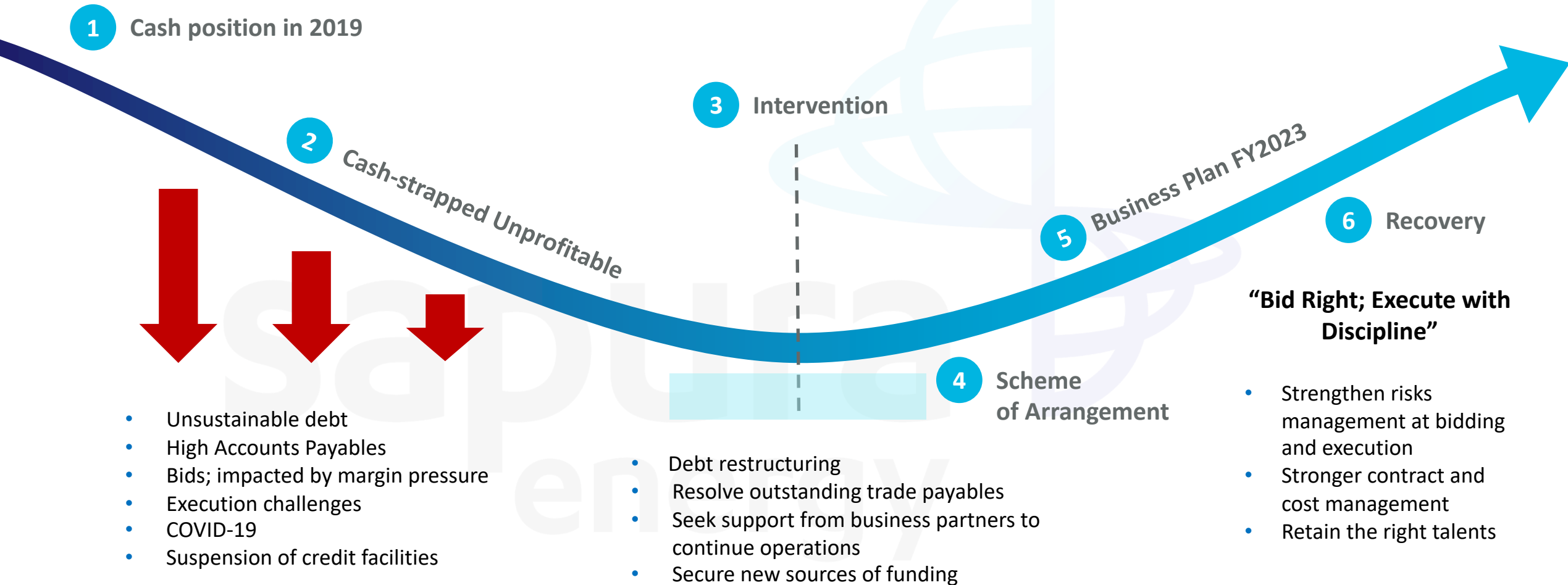




# Thank you for your partnership and support



# Necessary steps taken to turnaround Sapura Energy



# Our Intent

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1

Pay your outstanding invoices in an orderly manner through a court sanctioned process

2

Make sure we can afford to pay you:

- Restructure our debt
- Continue our efforts to recover and generate cash

3

Work with you on current projects to keep both our businesses going

# Court sanctioned process to resolve outstanding claims

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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
- 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 to negotiate with creditors a proposed scheme of arrangement (SOA) to resolve outstanding claims, 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 solution, under the circumstances

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1

A court-sanctioned process reduces uncertainty of payment, helps us resolve our outstanding payables to you in an orderly manner

2

Better terms for you compared to winding up – you have the right to negotiate and vote on the outcome

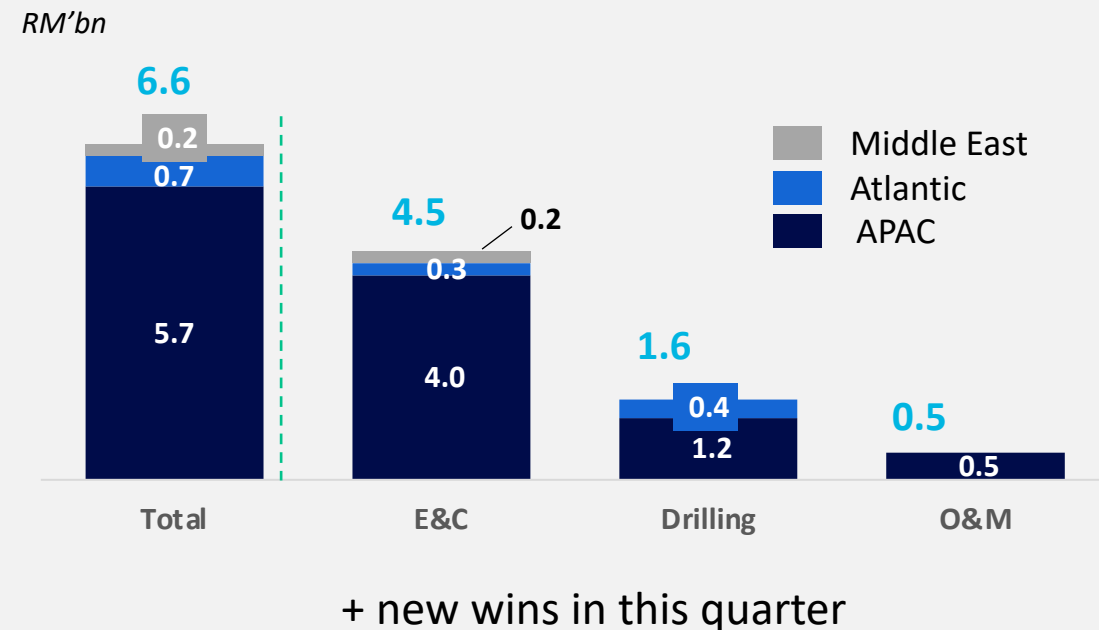
3

Minimal disruption to operations - we remain in control of the company and can continue working with you on current projects

# A Reset for Sapura Energy

- Implement a 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.
- Embed Enterprise Risk Management Framework, with appropriate risk appetites across our value chain

## Current Orderbook



# 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**

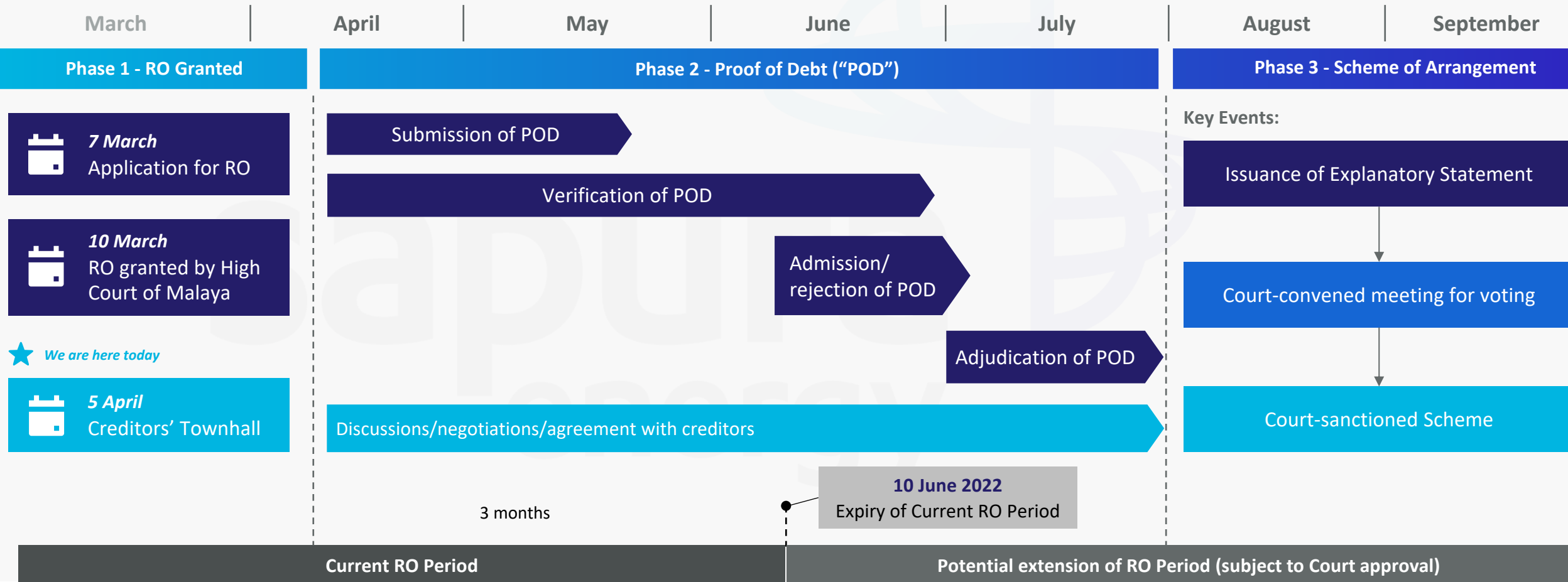
**Court sanctions SOA, SOA binding on Sapura Energy and all creditors**

**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

- Thursday, 21 April 2022
- An email communication was sent over the last few days, containing the POD Form and guidelines on the POD submission

## Key ingredients for POD

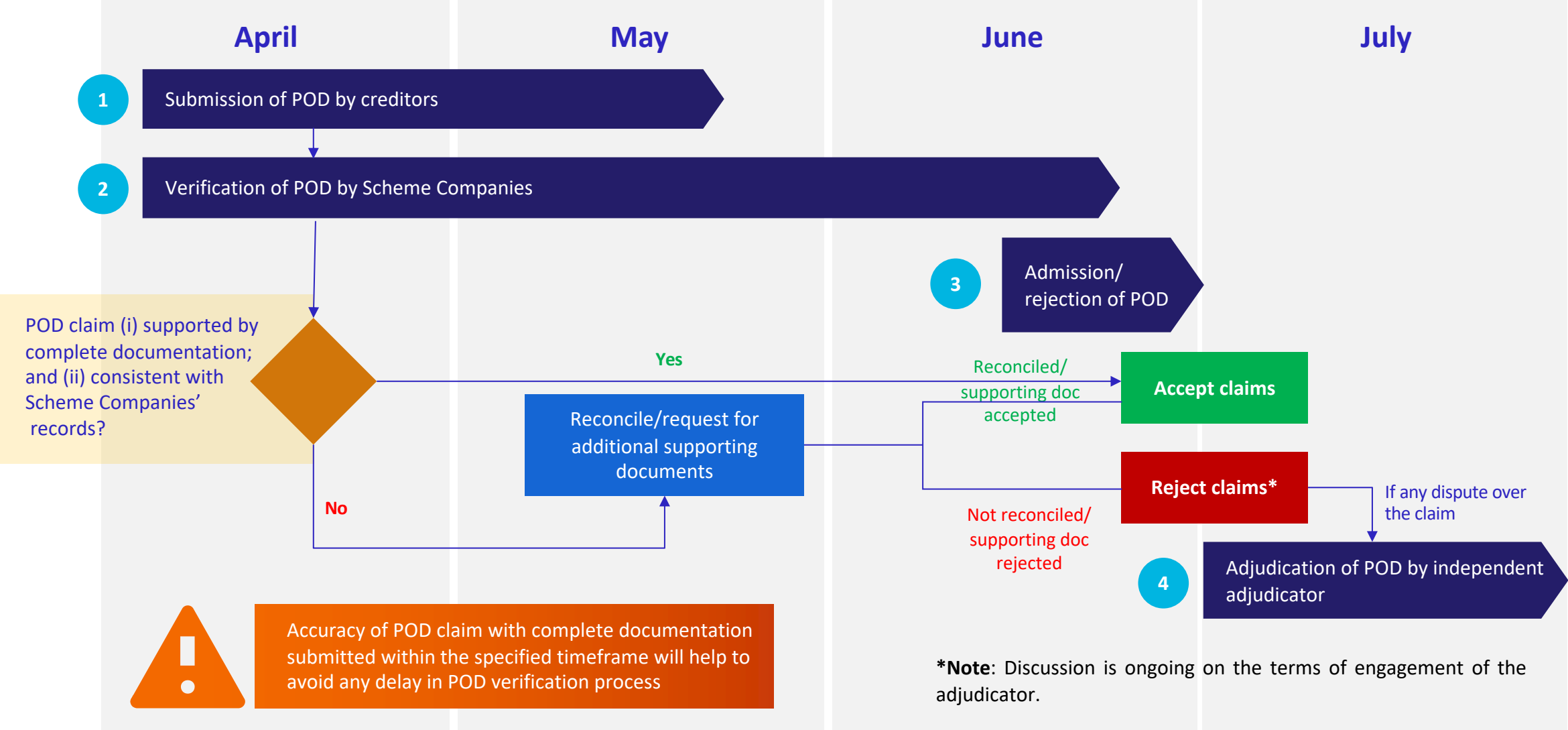
- POD Form setting out your claim, to be attested by a Commissioner for Oaths (or a Notary Public if a Commissioner for Oaths is not available)
  - Supporting documents such as invoices, delivery orders, payment certificates and other relevant documents
- (Note: Statement of Account without any supporting 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.

# What next after this briefing?

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1

The next milestone will be the commencement of POD Exercise

2

An email has been sent to vendors, containing guidelines to submit POD, and the relevant POD forms

3

Our Helpdesk (phone & email) and AP will support you throughout the process



# Our Resolve

## Our Commitment to You

- Keep our promise to resolve outstanding claims
- Help you through the process and enable you to make informed decisions

## What We Need to Do

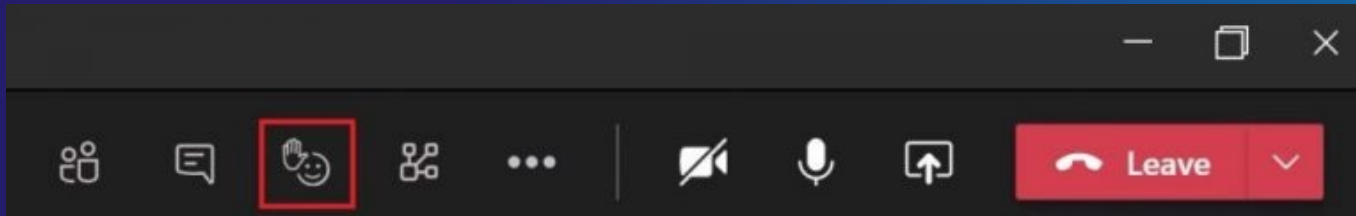
- FY23 – regain stable platform
- Reset Sapura Energy for future growth, benefit the eco-system

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

# Q&A Session

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- Please use the “Raise Hand” function.



- Our Host will call out your name to ask your question live
- Your microphone will then be unmuted

