



BAKER TECHNOLOGY LIMITED
(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

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- (1) **TERMINATION OF BINDING TERM SHEET DATED 29 AUGUST 2017 WITH RESPECT TO PROPOSED INVESTMENT INTO EMAS OFFSHORE LIMITED**
- (2) **ENTRY INTO A REVISED BINDING TERM SHEET WITH RESPECT TO PROPOSED INVESTMENT INTO EMAS OFFSHORE LIMITED**
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1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of Baker Technology Limited (the "**Company**") refers to the Company's announcement dated 4 September 2017 on the entry by the Company's wholly owned subsidiary, BT Investment Pte. Ltd. ("**BTI**") into a binding term sheet (the "**Term Sheet**") with Point Hope Pte. Ltd. and EMAS Offshore Limited ("**EOL**", and together with its subsidiaries and associated companies, the "**EOL Group**"), in relation to a potential cash investment into EOL as part of a financial restructuring of the EOL Group.
- 1.2 The Board wishes to announce that EOL had on 9 December 2017 terminated the Term Sheet. On the same day, EOL and BTI have entered into a revised term sheet (the "**Revised Term Sheet**") in relation to a potential cash investment (the "**Investment**") by BTI and co-investors, if any, into EOL as part of a financial restructuring of the EOL Group.
- 1.3 The Revised Term Sheet records the key terms, based on preliminary discussions between BTI and EOL's substantial creditors, of the proposed restructuring (the "**Restructuring Exercise**") of the EOL Group's existing secured and unsecured liabilities (excluding, if deemed necessary by EOL, trade debts incurred or to be incurred in the ordinary course of business) as well as any outstanding obligations including without limitation debentures, and any contingent liabilities to substantially deleverage the EOL Group's balance sheet and strengthen its working capital position to enable its business to continue as a going concern. It is the intention of BTI that the key management of the EOL Group is retained to ensure that the operations of the EOL Group will not be impacted during and after the Restructuring Exercise.
- 1.4 The Restructuring Exercise is proposed to be carried out mainly by way of: (a) schemes of arrangement under Section 210 or Section 211I of the Companies Act (Chapter 50 of Singapore) to deal with settlement and discharge of outstanding debts (the "**Schemes**"); and (b) the issuance of new shares in EOL for subscription by BTI and co-investors, if any. It is envisaged that such new shares will constitute at least a majority of the issued share capital of EOL. Further details about the Schemes will be provided as soon as BTI and EOL finalise the details of the Investment and the Restructuring Exercise.
- 1.5 The Revised Term Sheet is intended to be binding for the purpose of taking negotiations and discussions further between BTI and EOL, and the creditors of EOL. The terms within the Revised Term Sheet record the key terms based on preliminary discussions between BTI and

EOL's substantial creditors in respect of a comprehensive financial restructuring of the EOL Group. The Revised Term Sheet does not set forth all the material business terms and conditions of the Investment or the Restructuring Exercise, and is subject to, among other matters, the execution of definitive agreements. Further salient terms of the Revised Term Sheet are set out in paragraph 2 below.

2. SALIENT TERMS OF THE REVISED TERM SHEET

2.1 Investment amount and structure

The aggregate investment amount is US\$50.0 million for the whole and complete Restructuring Exercise (the "**Investment Amount**").

The Investment may be structured, at BTI's option, as (a) a stand-alone placement of new shares to BTI and any co-investors (collectively, the "**Investors**") in consideration for the Investment Amount, (b) as a cornerstone investment for a traditional capital market equity raise and/or an investment alongside a co-investor, or (c) in lieu of the foregoing options, any other viable structure, subject to a minimum investment by BTI of US\$25.0 million. For the avoidance of doubt, if there is no other investor and/or subscriber, BTI will subscribe for new shares in EOL for the full Investment Amount.

2.2 Share issuance

Based on an Investment Amount of US\$50.0 million, the Investors will receive at least a majority of the issued share capital of EOL.

2.3 Conditions precedent

The consummation of the transactions contemplated under the Revised Term Sheet would be subject to, among others, the following conditions precedent:

- (a) completion of due diligence to the satisfaction of the Investors;
- (b) agreement to final documentation and definitive agreements (the "**Definitive Agreements**") by the parties for the purpose of the Investment and the Restructuring Exercise;
- (c) no material deterioration of the business and financial position and/or prospects of the EOL Group as a whole;
- (d) the receipt of necessary corporate approvals from the Investors, including but not limited to approvals from the Investors' shareholders (if required);
- (e) the requisite approvals for the Restructuring Exercise to be implemented, including the approval of EOL's shareholders having been duly obtained (and such approvals not having been revoked at the time of signing of the Definitive Agreements) and the Schemes having been sanctioned by the High Court of Singapore;
- (f) receipt of all necessary governmental and regulatory approvals, consents and permits for the listing and quotation of the new EOL shares proposed to be issued pursuant to, among other things, the Investment;
- (g) the receipt, consent and approval from the existing shareholders of EOL and/or the approval of the Oslo Børs (if required) for the waiver by the existing shareholders of

EOL of their preferential rights for any subsequent repair issue of shares of EOL pursuant to the listing requirements of the Oslo Børs which exceeds 3% of the enlarged issued share capital of the reorganised EOL (after issuance of the new EOL shares to the Investors but prior to certain agreed dilutive events), in connection with the Investors' subscription of new shares; and

- (h) any further conditions as deemed necessary by EOL and/or the Investors.

2.4 Termination

The Revised Term Sheet may be terminated, and the Restructuring Exercise contemplated may be abandoned, at any time prior to the closing of the Investment, in any of the following circumstances:

- (a) by mutual written consent of the Investors and EOL;
- (b) by BTI in writing in the event EOL seeks to vary the terms agreed in the Revised Term Sheet;
- (c) by the Investors in writing, if the applications pursuant to Section 210(1) of the Companies Act in respect of the Schemes (the "**Scheme Applications**") are not filed by 15 December 2017;
- (d) by the Investors in writing, if there has been a failure to fulfill any of the material commercial terms of the Revised Term Sheet, which has prevented or would prevent the satisfaction of any conditions to the closing of the Investment;
- (e) by the Investors in writing, if the Scheme Applications are not heard within three (3) months from the date of filing of the Scheme Applications; and
- (f) by the Investors in writing, if the new shares to be issued to the Investors pursuant to the Investment are not allotted and issued to the Investors within six (6) months from the date of filing of the Scheme Applications.

At any time prior to the termination of the Revised Term Sheet, each party may, to the extent mutually agreed and legally allowed, (i) extend in writing the time for the performance of any of the obligations or other acts of the other parties hereto, and/or (ii) waive in writing in whole or in part the satisfaction of any of the conditions contained the Revised Term Sheet.

3. **SCHEME APPLICATIONS**

The Board refers to EOL's announcement on 11 December 2017 in relation to, *inter alia*, the filing of the Scheme Applications. A copy of this announcement can be found on the website of the SGX-ST at www.sgx.com.

4. **DISCLOSURE OF INTERESTS**

None of the directors or substantial shareholders of the Company have any interest, direct or indirect, in the Revised Term Sheet and the transactions contemplated therein (other than through their direct or indirect shareholdings in the Company).

5. CAUTIONARY STATEMENT

- 5.1 The Company will make further announcement(s) in compliance with the Listing Manual of the SGX-ST to keep shareholders informed, as and when there are further updates pertaining to the above matter or if there are any material developments. Shareholders should note that at this juncture there is no certainty that definitive agreement(s) and documentation will be entered into in connection with the Investment and/or the Restructuring Exercise, or that the same will be completed.
- 5.2 In the meantime, shareholders of the Company are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Nga Ko Nie
Company Secretary
12 December 2017