

EVERSENDAI

Eversendai Corporation Berhad (“Eversendai” or the “Company”)

- Subscription Agreement entered between Eversendai and Technics Oil & Gas Limited

1. INTRODUCTION

The Board of Directors of Eversendai (the “Board”) is pleased to announce that the Company has on 26 December 2012 entered into a Subscription Agreement with Technics Oil & Gas Limited (“Technics”), a company incorporated in Singapore and listed on the Mainboard of the Singapore Exchange, to subscribe for an aggregate of 10,700,000 new ordinary shares of Technics (“Subscription Shares”) at the subscription price of S\$1.05 per Subscription Share (“Proposed Subscription”).

The total purchase consideration that would be paid by Eversendai upon completion of the Proposed Subscription is S\$11,235,000.00 (equivalent to approximately RM28,178,503.50) (the “Purchase Consideration”).

2. DETAILS OF THE PROPOSED SUBSCRIPTION

2.1 Details of the Subscription

2.1.1 Eversendai is desirous of subscribing for 10,700,000 new ordinary shares at the subscription price of S\$1.05 per ordinary share representing approximately 4.77% of the enlarged issued and paid up capital of Technics upon completion of the Proposed Subscription.

2.1.2 The Subscription Shares shall, upon completion of the Proposed Subscription, be issued unencumbered and free from any security interest, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank *pari passu* with and shall carry all rights similar to the existing ordinary shares of Technics except that they will not rank for any dividend, right, allotment or other distributions, the record date of which is before the date of completion of the Proposed Subscription. The Subscription Shares will be admitted to listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

2.1.3 The subscription price of S\$1.05 per ordinary share represents a premium of approximately 2.00% to the weighted average price per ordinary share for trades done for the full market day on 26 December 2012 on the SGX-ST. The aforementioned subscription price was arrived at by mutual agreement between Eversendai and Technics after taking into account the prospects and future earnings potential of Technics.

2.2 Source of funding

2.2.1 The total purchase consideration of S\$11,235,000.00 for the Proposed Subscription will be satisfied in cash from internally generated funds.

2.3 Salient terms of the Subscription Agreement

2.3.1 The subscription for and issue of the Subscription Shares is conditional upon the following:

- (a) the approval by the SGX-ST being obtained for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST; and
 - (b) the approval of the shareholders of Technics being obtained in a general meeting for the issue of the Subscription Shares at S\$1.05 per Subscription Share pursuant to the relevant provisions of the SGX-ST Listing Manual.
- 2.3.2 Eversendai shall pay the Purchase Consideration to Technics within three (3) business days after Technics' written notification to Eversendai of the satisfaction of the aforesaid conditions precedent.
- 2.3.3 Completion shall take place within five (5) business days after Technics' receipt of the Purchase Consideration from Eversendai where Technics shall, amongst others, allot and issue the Subscription Shares.
- 2.3.4 In the event that the aforesaid conditions precedent are not fulfilled upon the expiry of six (6) months from the date of the Subscription Agreement, the Subscription Agreement shall become null and void.

3. INFORMATION ON TECHNICS

Technics was established in 1990 and it became a public-listed entity on Singapore Exchange SESDAQ in April 2003 and was subsequently upgraded to the Mainboard of the Singapore Exchange in January 2008.

Growing from strength to strength, now Technics is a leading full service integrator of compression systems and process modules for blue-chip oil and gas customers.

Technics specialises in the design and fabrication of complex and highly customised process modules and equipment, including gas compression packages, which are integrated to form the operating system for production operations and storage applications in both onshore and offshore oil and gas exploration and production activities.

Meanwhile, Technics operates three waterfront yards, which are located in Singapore, Indonesia's Batam and Vietnam, and has offices in Singapore, Batam, Jakarta and Vietnam.

Based on Technics' latest audited financial statements for the financial year ended 30 September 2011, the net asset, attributable profit to shareholders and basic earnings per share of Technics stood at S\$49.2 million, S\$18.7 million and 9.71 cents respectively. The issued and fully paid-up ordinary share capital of Technics was S\$47.0 million.

According to Technics' unaudited financial results announced on 22 November 2012 for the financial year ended 30 September 2012, its net asset, attributable profit to shareholders and basic earnings per share increased to S\$55.1 million, S\$20.2 million and 9.78 cents respectively. Technics' issued and fully paid-up ordinary share capital also increased to S\$54.5 million.

4. RATIONALE & PROSPECT

Thus far, Eversendai has acquired 29,616,000 ordinary shares representing 13.85% of the entire issued and paid-up share capital of Technics. The strategic investment in Technics will enable Eversendai to secure a stronger footing in the oil and gas fabrication

sector, which is in line with the Company's business plan to venture into inter-related sectors. Eversendai would not only benefit from Technics' established track record in the aforesaid sector, but also Technics' expertise in compression systems and process modules, which are expected to complement the Company's structural steel design, engineering and construction capabilities.

Capitalising on both parties' combined track record and expertise, it is expected that this strategic investment would enhance the shareholder value derived from venturing into the inter-related sector.

5. LIABILITES TO BE ASSUMED

No liabilities, including contingent liabilities and guarantees, are to be assumed by the Company.

6. FINANCIAL EFFECTS

6.1 Share capital, substantial shareholders' shareholding

The Proposed Subscription does not have any effect on the issued and paid-up capital of Eversendai as well as Eversendai's substantial shareholders' shareholding as the Purchase Consideration will be satisfied entirely in cash and does not involve any issuance of new Eversendai shares.

6.2 Net assets ("NA") and NA per share

The Proposed Subscription does not have any effect on the NA and NA per share of Eversendai as the Purchase Consideration will be satisfied entirely in cash.

6.3 Earnings and earnings per share

The Proposed Subscription does not have any material effect on the earnings and earnings per share of Eversendai Group for the financial year ended 31 December 2012. Nevertheless, the results from the Proposed Subscription are expected to contribute positively to the Company's future earnings.

6.4 Gearing

The Proposed Subscription does not have any material impact onto the gearing of Eversendai as the Purchase Consideration will be satisfied entirely in cash.

7. RISKS

The Proposed Subscription will expose the Company to risks inherent in Technics' businesses such as change in technology, general economic, political, regulatory, competition and operational risks and also fluctuation in the share price of Technics' shares.

8. APPROVALS REQUIRED

The Proposed Subscription does not require any approval from the Malaysian authorities and the shareholders of the Company.

9. PERCENTAGE RATIOS

Pursuant to paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Proposed Subscription is 14.8%. This is subject to the completion of the Proposed Subscription.

10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

In so far as the Board is able to ascertain, none of the directors and major shareholders of Eversendai or persons connected to them have any interest, direct or indirect, in the Proposed Subscription.

11. DIRECTORS' STATEMENT

The Board is of the opinion that the Proposed Subscription is in the best interest of Eversendai.

Further announcement on the development of the above matter will be made in due course.

This announcement is dated 27 December 2012.