

# EVERSENDAI

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

**- Shareholders’ Agreement entered between ECB and Technics Oil & Gas Limited and Eversendai Construction (S) Pte. Ltd.**

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## **1. INTRODUCTION**

We refer to our announcement on 10 April 2013 in relation to the incorporation of Eversendai Technics Sdn Bhd.

Further thereto, the Board of Directors of ECB (the “Board”) is pleased to announce that the Company has on 12 April 2013 entered into a Shareholders’ Agreement with Technics Oil & Gas Limited (“Technics”) and Eversendai Construction (S) Pte. Ltd. (“ECSPL”) for the purpose of carrying out engineering, procurement, construction and fabrication services (the “Project”) for the oil and gas industry via the Joint Venture Company, Eversendai Technics Sdn Bhd (the “JVC”).

## **2. INFORMATION ON ECB, TECHNICS AND ECSPL**

### **2.1 ECB**

ECB was incorporated in Malaysia under the Companies Act 1965 on 5 May 2003 as a private limited company. ECB was listed on the Main Market of Bursa Malaysia Securities Berhad on 1 July 2011.

ECB is an internationally recognised and established structural steel turnkey contractor and power plant contractor, mainly operating in Malaysia, India and the Middle East.

The authorised share capital of ECB is RM500,000,000 divided into 1,000,000,000 ordinary shares of RM0.50 each. The issued and paid up share capital of ECB is RM387,000,000 divided into 774,000,000 ordinary shares of RM0.50 each.

### **2.2 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.

Technics has an issued and paid up ordinary share capital of SGD54,524,000 based on its latest unaudited first quarter financial statement announcement for the period ended 31 December 2012.

## 2.3 ECSP

ECSP is ECB's wholly owned subsidiary. ECSP was incorporated in Singapore on 14 January 2010.

ECSP is principally engaged in general contracting and general building engineering services.

ECSP has an issued and paid up ordinary share capital of SGD1,045,000.

## 3. SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT

3.1 The JVC shall have an initial issued and paid up capital of RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each.

3.2 The equity participation by ECB, Technics and ECSP in the JVC is as follows:

Party	No. of Issued Shares	Percentage
ECB	699,999	69.9999%
Technics	300,000	30.0000%
ECSP	1	0.0001%

3.3 The JVC shall be managed by a Board of Directors consisting four (4) Directors of which three (3) shall be nominees of ECB and one (1) nominee of Technics.

3.4 The JVC shall carry on the Project for the oil and gas industry which includes without limitation detailed engineering design, construction fabrication, building and upgrading of rigs, vessels, jackets, topsides, processing modules and other oil and gas facilities (the "Business").

3.5 The JVC shall carry on the Business in India, Sri Lanka, the Middle East, Africa, Europe, the Commonwealth Independent States (CIS) region, Russia, Brazil and such other geographical locations that the Company, Technics and ECSP may mutually agree upon from time to time.

3.6 The Shareholders' Agreement shall take effect from 12 April 2013 (being the date of the Shareholders' Agreement) and shall continue in force unless earlier terminated due to an event of default as set out in the Shareholders' Agreement.

## 4. RATIONALE

The Shareholders' Agreement would facilitate the cooperation between the Company and Technics to undertake the Business, which is in line with the Company's business plan to venture into inter-related sectors.

The Company would benefit from Technics' established track record in the oil and gas sector and Technics' expertise in compression systems and process modules, which are expected to complement the Company's structural steel design, engineering and construction capabilities.

The incorporation of the JVC is in line with the intention of the Company and Technics to strengthen their synergistic collaboration for the purposes of improving cost effectiveness and operational efficiency for future business development and resources allocation.

**5. SOURCE OF FINANCING**

The cost of equity participation by ECB and ECSPL in the JVC of RM700,000 will be satisfied in cash from internally generated funds.

**6. LIABILITES TO BE ASSUMED**

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

**7. FINANCIAL EFFECTS**

**7.1 Share capital, substantial shareholders' shareholding**

The Shareholders' Agreement does not have any effect on the issued and paid-up capital of ECB as well as ECB's substantial shareholders' shareholding.

**7.2 Net assets ("NA") and NA per share**

The Shareholders' Agreement does not have any material effect on the NA and NA per share of ECB for the year ending 31 December 2013.

**7.3 Earnings and earnings per share**

The Shareholders' Agreement does not have any material effect on the earnings and earnings per share of ECB Group for the financial year ending 31 December 2013. Nevertheless, the Shareholders' Agreement is expected to contribute positively to the Company's future earnings.

**7.4 Gearing**

The Shareholders' Agreement does not have any material impact onto the gearing of ECB.

**8. RISKS**

Save for the normal business risks inherent in carrying out the Business, the Company is of the view that there is no other risk which may arise as a result of the Shareholders' Agreement.

**9. APPROVALS REQUIRED**

The Shareholders' Agreement does not require any approval from the authorities and the shareholders of the Company.

**10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

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

Shareholders' Agreement save and except for Dato' Nathan A/L Elumalay who is deemed to have an interest via ECB as well as Dato' Nathan's son, Mr. Narishnath A/L Nathan, who is also a shareholder and Director of ECB.

**11. DIRECTORS' STATEMENT**

The Board is of the opinion that the Shareholders' Agreement is in the best interest of the Company.

**12. DEPARTURE FROM THE SECURITIES COMMISSION'S GUIDELINES ON THE OFFERING OF EQUITY AND EQUITY-LINKED SECURITIES ("SC GUIDELINES")**

The Board is not aware of any departure from the SC Guidelines in respect of the Shareholders' Agreement.

This announcement is dated 12 April 2013.