

LETTER TO SHAREHOLDERS

SWIBER HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200414721N)

Board of Directors:

Raymond Kim Goh, *Executive Chairman*
Francis Wong Chin Sing, *Executive Director and
Group Chief Executive Officer*
Yeo Chee Neng, *Executive Director and
Deputy Group Chief Executive Officer*
Jean Pers, *Executive Director*
Nitish Gupta, *Executive Director*
Tay Gim Sin Leonard, *Executive Director and
Group Chief Financial Officer*
Yeo Jeu Nam, *Lead Independent Non-Executive Director*
Oon Thian Seng, *Independent Non-Executive Director*
Chia Fook Eng, *Independent Non-Executive Director*

Registered office:

12 International Business Park
#01-05 Swiber@IBP
Singapore 609920

2 April 2015

To: The Shareholders of Swiber Holdings Limited

Dear Sir/Madam,

PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1 **AGM.** We refer to the notice of AGM dated 2 April 2015 (the **Notice of AGM**) convening the AGM to be held on 20 April 2015 and the Ordinary Resolution No. 8 under the heading "Special Business" set out in the Notice of AGM.
- 1.2 **Letter.** The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the Share Buyback Mandate, details of which are set out in paragraph 2 of this Letter, and to seek their approval in relation thereto at the AGM.
- 1.3 **SGX-ST.** The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

- 2.1 **The Share Buyback Mandate.** Sections 76B, 76C, 76DA and 76E of the Companies Act allow a listed company to purchase its own shares. At the EGM held on 30 April 2008, the Shareholders had approved a mandate to enable the Company to purchase or acquire its issued Shares at anytime during the duration, and on the terms, of the Share Buyback Mandate. The mandate was last renewed at the previous AGM held on 21 April 2014 and will, unless renewed again, expire on the date of the forthcoming AGM to be held on 20 April 2015.

Accordingly, Shareholders' approval is being sought for the renewal of the Share Buyback Mandate at the forthcoming AGM in accordance with the terms set out below.

- 2.2 **Rationale.** The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 below during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of Shares is as follows:

- 2.2.1 In managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the return on equity of the Company may be enhanced.
- 2.2.2 The Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- 2.2.3 Share buyback programmes help to buffer short-term share price volatility.
- 2.2.4 Shares which are purchased by the Company pursuant to the Share Buyback Mandate and held in treasury may be transferred for the purposes of employee share schemes implemented by the Company. The use of treasury shares in lieu of issuing new Shares would mitigate the dilution impact on existing Shareholders.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised or at all and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

- 2.3 **Authority and limits on the Share Buyback Mandate.** The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buyback Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (ascertained as at the date of the last AGM or (if different) at the date of the general meeting at which the renewal of the Share Buyback Mandate is approved, whichever is higher, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered). Any shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 918,939,000 Shares in issue as at the Latest Practicable Date (excluding treasury shares) and assuming no further Shares are issued on or prior to the AGM, not more than 91,893,900 Shares (representing 10% of the total number of Shares as at that date, excluding treasury shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the duration referred to in paragraph 2.3.2 below.

2.3.2 Duration of authority

Subject to other sections in this Letter, purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming AGM at which the Share Buyback Mandate is to be approved, up to:

- (a) the date on which the following AGM is held or is required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the proposed Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied (in accordance with the Companies Act) by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed at the following AGM or at an EGM to be convened immediately after the conclusion or adjournment of the following AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details of any purchases or acquisitions of Shares made by the Company in the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share, or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) (**Market Purchase**) transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (**Off-Market Purchase**) effected pursuant to an equal access scheme in accordance with section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any purchase or acquisition of Shares by the Company.

An Off-Market Purchase must additionally satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares against the total number of issued Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

- (iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements or different amounts remaining unpaid; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it shall issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4 Purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with section 76C of the Companies Act, 120% of the Average Closing Price,

(the **Maximum Price**) in either case, excluding the related expenses of the purchase or acquisition.

For the purposes of this Letter:

Average Closing Price means the average of the closing market prices of the Shares for the last five Market Days on which transactions in the Shares are recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five-Market Days period; and

date of the making of the offer means the date on which the Company announces its intention to make an offer for the Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of purchased Shares.** A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

2.5 **Treasury shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum holdings

The number of shares of the Company held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully-paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and cancellation

Where shares of the Company are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

The Directors will consider and decide whether to purchase or acquire Shares to satisfy exercised Options or issue them as Award Shares.

Under the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the **usage**). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares.

- 2.6 **Reporting requirements.** Within 30 days of the passing of a Shareholders' resolution to approve the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares by the Company on the SGX-ST or otherwise. Such notification shall include the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's total number of issued Shares before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion with the necessary information which will enable the Company to make the notifications to the SGX-ST.

- 2.7 **Source of funds.** The Company may only apply funds for the purchase or acquisition of the Shares as provided in the Articles and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in section 76F(4) of the Companies Act). Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.

- 2.8 **Financial effects.** It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS of the Company as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of the Shares purchased or acquired by the Company and which are cancelled. The NTA value of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares purchased or acquired.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view towards enhancing the EPS and/or the NTA value per Share.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company as shown in the following tables are based on the audited financial statements of the Group and the Company for FY2014 and on the assumptions set out below:

- (a) Based on 918,939,000 Shares in issue as at the Latest Practicable Date (excluding treasury shares) and assuming that (i) the Share Buyback Mandate had been effective from 1 January 2014 and (ii) no further Shares are issued on or prior to the upcoming AGM, the Company had purchased 91,893,900 Shares (representing 10% of the total number of issued Shares as at the Latest Practicable Date) on 31 December 2014.
- (b) In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 91,893,900 Shares at the Maximum Price of US\$0.12 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 91,893,900 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately US\$11.03 million.
- (c) In the case of Off-Market Purchases by the Company and assuming that the Company purchases 91,893,900 Shares at the Maximum Price of US\$0.13 for one Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 91,893,900 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately US\$11.95 million.
- (d) The purchase or acquisition of Shares by the Company is financed by internal sources of funds available as at 31 December 2014 and external borrowings.

(1) Purchases made entirely out of capital and held as treasury shares

(A) Market Purchases

	Group Before Share Buyback US\$'000	Group After Share Buyback US\$'000	Company Before Share Buyback US\$'000	Company After Share Buyback US\$'000
As at 31 December 2014				
Share capital	208,246	208,246	208,246	208,246
Treasury shares	–	(11,027)	–	(11,027)
Perpetual capital securities	63,512	63,512	63,512	63,512
Other reserves	(2,861)	(2,861)	(1,380)	(1,380)
Retained earnings	284,740	284,740	208,735	208,735
Shareholders' funds	<u>553,637</u>	<u>542,610</u>	<u>479,113</u>	<u>468,086</u>
Net tangible assets	653,016	641,989	479,113	468,086
Non-controlling interest	99,688	99,688	–	–
Current assets	1,020,519	1,009,492	929,495	918,468
Current liabilities	641,266	641,266	335,979	335,979
Total borrowings	1,165,961	1,165,961	489,934	489,934
Net profit attributable to owner of parent	16,422	16,422	121,047	121,047
Number of issued Shares ('000)	611,386	519,492	611,386	519,492
Weighted average number of Shares ('000)	662,777	570,883	662,777	570,883
Number of treasury shares ('000)	–	91,894	–	91,894
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	106.81	123.58	78.37	90.10
Gearing ratio ⁽²⁾ (times)	2.11	2.15	1.02	1.05
Current ratio ⁽³⁾ (times)	1.59	1.57	2.77	2.73
EPS ⁽⁴⁾ (cents)	2.48	2.88	18.26	21.20

Notes:

- (1) NTA per Share is based on 611,386,000 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 662,777,000 Shares.

(B) Off-Market Purchases

	Group Before Share Buyback US\$'000	Group After Share Buyback US\$'000	Company Before Share Buyback US\$'000	Company After Share Buyback US\$'000
As at 31 December 2014				
Share capital	208,246	208,246	208,246	208,246
Treasury shares	–	(11,946)	–	(11,946)
Perpetual capital securities	63,512	63,512	63,512	63,512
Other reserves	(2,861)	(2,861)	(1,380)	(1,380)
Retained earnings	284,740	284,740	208,735	208,735
Shareholders' funds	553,637	541,691	479,113	467,167
Net tangible assets	653,016	641,070	479,113	467,167
Non-controlling interest	99,688	99,688	–	–
Current assets	1,020,519	1,008,573	929,495	917,549
Current liabilities	641,266	641,266	335,979	335,979
Total borrowings	1,165,961	1,165,961	489,934	489,934
Net profit attributable to owner of parent	16,422	16,422	121,047	121,047
Number of issued Shares ('000)	611,386	519,492	611,386	519,492
Weighted average number of Shares ('000)	662,777	570,883	662,777	570,883
Number of treasury shares ('000)	–	91,894	–	91,894
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	106.81	123.40	78.37	89.93
Gearing ratio ⁽²⁾ (times)	2.11	2.15	1.02	1.05
Current ratio ⁽³⁾ (times)	1.59	1.57	2.77	2.73
EPS ⁽⁴⁾ (cents)	2.48	2.88	18.26	21.20

Notes:

- (1) NTA per Share is based on 611,386,000 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 662,777,000 Shares.

(2) Purchases made entirely out of capital and cancelled

(A) Market Purchases

	Group Before Share Buyback US\$'000	Group After Share Buyback US\$'000	Company Before Share Buyback US\$'000	Company After Share Buyback US\$'000
As at 31 December 2014				
Share capital	208,246	197,219	208,246	197,219
Treasury shares	–	–	–	–
Perpetual capital securities	63,512	63,512	63,512	63,512
Other reserves	(2,861)	(2,861)	(1,380)	(1,380)
Retained earnings	284,740	284,740	208,735	208,735
Shareholders' funds	<u>553,637</u>	<u>542,610</u>	<u>479,113</u>	<u>468,086</u>
Net tangible assets	653,016	641,989	479,113	468,086
Non-controlling interest	99,688	99,688	–	–
Current assets	1,020,519	1,009,492	929,495	918,468
Current liabilities	641,266	641,266	335,979	335,979
Total borrowings	1,165,961	1,165,961	489,934	489,934
Net profit attributable to owner of parent	16,422	16,422	121,047	121,047
Number of issued Shares ('000)	611,386	519,492	611,386	519,492
Weighted average number of Shares ('000)	662,777	570,883	662,777	570,883
Number of treasury shares ('000)	–	–	–	–
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	106.81	123.58	78.37	90.10
Gearing ratio ⁽²⁾ (times)	2.11	2.15	1.02	1.05
Current ratio ⁽³⁾ (times)	1.59	1.57	2.77	2.73
EPS ⁽⁴⁾ (cents)	2.48	2.88	18.26	21.20

Notes:

- (1) NTA per Share is based on 611,386,000 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 662,777,000 Shares.

(B) Off-Market Purchases

	Group Before Share Buyback US\$'000	Group After Share Buyback US\$'000	Company Before Share Buyback US\$'000	Company After Share Buyback US\$'000
As at 31 December 2014				
Share capital	208,246	196,300	208,246	196,300
Treasury shares	–	–	–	–
Perpetual capital securities	63,512	63,512	63,512	63,512
Other reserves	(2,861)	(2,861)	(1,380)	(1,380)
Retained earnings	284,740	284,740	208,735	208,735
Shareholders' funds	553,637	541,691	479,113	467,167
Net tangible assets	653,016	641,070	479,113	467,167
Non-controlling interest	99,688	99,688	–	–
Current assets	1,020,519	1,008,573	929,495	917,549
Current liabilities	641,266	641,266	335,979	335,979
Total borrowings	1,165,961	1,165,961	489,934	489,934
Net profit attributable to owner of parent	16,422	16,422	121,047	121,047
Number of issued Shares ('000)	611,386	519,492	611,386	519,492
Weighted average number of Shares ('000)	662,777	570,883	662,777	570,883
Number of treasury shares ('000)	–	–	–	–
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	106.81	123.40	78.37	89.93
Gearing ratio ⁽²⁾ (times)	2.11	2.15	1.02	1.05
Current ratio ⁽³⁾ (times)	1.59	1.57	2.77	2.73
EPS ⁽⁴⁾ (cents)	2.48	2.88	18.26	21.20

Notes:

- (1) NTA per Share is based on 611,386,000 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 662,777,000 Shares.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as treasury shares.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buyback Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual with his close relatives, related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test for associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and their concert parties would increase to 30% or more; or
- (b) in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the voting rights of such Shareholder would increase to 30% or more; or
- (b) in the event such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months.

Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the interests of the Directors and Substantial Shareholders as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively as at the Latest Practicable Date, the Share Buyback Mandate, even if fully utilised, would not trigger the provisions of the Take-over Code requiring any of the Directors or Substantial Shareholders or parties acting in concert with them to incur an obligation to make a take-over offer under Rule 14 of the Take-over Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

- 2.10 **Listing Rules.** Under the Listing Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than five per cent above the Average Closing Price, being the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded on the SGX-ST, before the day on which the purchases were made (which is deemed to be adjusted for any corporate action that occurs after such five-Market Day period). The Maximum Price for a Share in relation to a Market Purchase by the Company, referred to in paragraph 2.3.4 above, conforms to this restriction.

While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, the listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, in line with the best practices guides on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one month immediately preceding the announcement of the Company’s annual results; and
- (b) two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of its financial year.

The Company is required under Rule 723 of the Listing Rules to ensure that at least 10% of its Shares (excluding treasury shares) are in the hands of the public. The “public”, as defined under the Listing Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its Subsidiaries, as well as the associates of such persons.

Based on the Company’s Register of Directors’ Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, approximately 631.47 million Shares, representing 68.72% of the issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases from the public up to the full 10% limit pursuant to the Share Buyback Mandate, the number of Shares in the hands of the public would be reduced to approximately 539.58 million Shares, representing approximately 65.24% of the total number of issued Shares. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

- 2.11 **Previous Share purchases.** In the 12 months immediately preceding the Latest Practicable Date, the Company had not purchased or acquired any Shares.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' interests

The interests of the Directors in the Shares as recorded in the Company's Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct interest		Deemed interest	
	No. of Shares	% of issued Shares ⁽¹⁾	No. of Shares	% of issued Shares ⁽¹⁾
Raymond Kim Goh	7,800,000	0.85	140,068,167 ⁽²⁾	15.24
Francis Wong Chin Sing	333,333	0.04	–	–
Yeo Chee Neng	20,403,000	2.22	140,068,167 ⁽²⁾	15.24
Jean Pers	20,200,000	2.20	–	–
Nitish Gupta	560,000	0.06	–	–
Tay Gim Sin Leonard	600,000	0.07	–	–
Yeo Jeu Nam	45,000	0.005	–	–
Chia Fook Eng	22,500	0.002	–	–
Oon Thian Seng	45,000	0.005	–	–

Notes:

(1) Computed based on 918,939,000 Shares, being the total number of Shares as at the Latest Practicable Date.

(2) Mr. Raymond Kim Goh and Mr. Yeo Chee Neng are deemed to be interested in the Shares held by Newshire Capital Limited by virtue of Section 4 of the SFA.

The interests of Directors in outstanding Options and unvested Award Shares as at the Latest Practicable Date are as follows:

Directors	No. of Options	No. of unvested Award Shares
Raymond Kim Goh	10,000,000	–
Francis Wong Chin Sing	6,000,000	–
Yeo Chee Neng	4,000,000	–
Jean Pers	4,000,000	–
Nitish Gupta	4,000,000	–
Tay Gim Sin Leonard	–	200,000
Yeo Jeu Nam	800,000	–
Chia Fook Eng	600,000	–
Oon Thian Seng	600,000	–

Save as disclosed in this Letter, as at the Latest Practicable Date, none of the Directors had any interests in the Shares, or held any outstanding Options or unvested Award Shares.

3.2 Substantial Shareholders' interests

The interests of the Substantial Shareholders in the Shares as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct interest		Deemed interest	
	No. of Shares	% of issued Shares ⁽¹⁾	No. of Shares	% of issued Shares ⁽¹⁾
Newshire Capital Limited	140,068,167	15.24	–	–
Pang Yoke Min	–	–	94,542,021	10.29 ⁽²⁾
Raymond Kim Goh	7,800,000	0.85	140,068,167	15.24 ⁽³⁾
Yeo Chee Neng	20,403,000	2.22	140,068,167	15.24 ⁽³⁾

Notes:

- (1) Computed based on 918,939,000 Shares, being the total number of Shares as at the Latest Practicable Date.
- (2) The Shares are held through nominee accounts.
- (3) Mr. Raymond Kim Goh and Mr. Yeo Chee Neng are deemed to be interested in the Shares held by Newshire Capital Limited by virtue of Section 4 of the SFA.

4. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 133 to 137 of the 2014 Annual Report, will be held on 20 April 2015 at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920 at 10.00 a.m. for the purpose of, *inter alia*, considering and if thought fit, passing with or without modifications, the resolution on the renewal of the Share Buyback Mandate as set out in the Notice of AGM.

5. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of the Ordinary Resolution No. 8 as set out in the Notice of AGM.

6. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours up to and including the date of the upcoming AGM:

- (a) the Memorandum and Articles; and
- (b) the annual report for FY2014.

Yours faithfully,
For and on behalf of the Board of Directors of
SWIBER HOLDINGS LIMITED

Raymond Kim Goh
Executive Chairman

SCHEDULE - DEFINITIONS

In this Letter, the following definitions apply throughout unless the context otherwise requires:

<i>"2014 Annual Report"</i>	:	The annual report of the Company for FY2014
<i>"ACRA"</i>	:	Accounting and Corporate Regulatory Authority
<i>"AGM"</i>	:	The annual general meeting of the Company
<i>"Articles"</i>	:	The articles of association of the Company
<i>"Award Shares"</i>	:	The new fully-paid Shares which may be issued free of charge under the Swiber PSP
<i>"CDP"</i>	:	The Central Depository (Pte) Limited
<i>"Companies Act"</i>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<i>"Company"</i>	:	Swiber Holdings Limited
<i>"Directors"</i>	:	The directors of the Company
<i>"EGM"</i>	:	The extraordinary general meeting of the Company
<i>"FY"</i>	:	Financial year ended or ending 31 December (as the case may be)
<i>"EPS"</i>	:	Earnings per share
<i>"Group"</i>	:	The Company and its Subsidiaries
<i>"Latest Practicable Date"</i>	:	19 March 2015, being the latest practicable date prior to the printing of this Letter
<i>"Listing Rules"</i>	:	The listing rules of the SGX-ST as set out in the Listing Manual of the SGX-ST, as amended and modified from time to time
<i>"Market Day"</i>	:	A day on which the SGX-ST is open for trading in securities
<i>"Memorandum"</i>	:	The memorandum of association of the Company
<i>"NTA"</i>	:	Net tangible assets
<i>"Option"</i>	:	A share option to subscribe for new Shares granted pursuant to the Swiber ESOS
<i>"Relevant Period"</i>	:	The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed
<i>"SFA"</i>	:	The Securities and Future Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>"SGX-ST"</i>	:	Singapore Exchange Securities Trading Limited
<i>"Shareholders"</i>	:	Registered holders for the time being of the Shares (other than the CDP), or in the case of depositors, depositors who have Shares entered against their name in the Depository Register

“Shares”	:	Ordinary shares in the share capital of the Company
“Share Buyback”	:	Buyback of Shares by the Company pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Letter as well as the rules and regulations set forth in the Companies Act and the Listing Rules
“Subsidiary”	:	A company which is for the time being a subsidiary of the Company as defined by section 5 of the Companies Act
“Substantial Shareholder”	:	A person including a corporation who has an interest in not less than five per cent of the total issued voting Shares
“Swiber ESOS”	:	An employee share option scheme implemented by the Company on 29 September 2006 under which confirmed employees of the Group (including executive Directors) and non-executive Directors (including independent Directors) who are not controlling shareholders of the Company or their associates may be granted Options
“Swiber PSP”	:	A performance share plan implemented by the Company on 29 September 2006 under which full-time employees of the Group (including executive Directors) and non-executive Directors (including independent Directors) who are not controlling shareholders of the Company or their associates may be granted awards pursuant to which they may be allotted and issued the Award Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“US\$” and “cents”	:	United States dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

The terms **depositor** and **Depository Register** shall have the meanings ascribed to them respectively in section 130A of the Companies Act.

The term **controlling shareholder** shall have the meaning ascribed to it in the Listing Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless otherwise defined in this letter or the context otherwise requires, any word defined under the Companies Act or any statutory modification thereof and used in this Letter shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Letter shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.