

CIRCULAR DATED 8 NOVEMBER 2017

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If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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**SWIBER HOLDINGS LIMITED
(JUDICIAL MANAGERS APPOINTED)**

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) PROPOSED SUBSCRIPTION FOR VHL RIGHTS SHARES (AS DEFINED HEREIN) WITH VHL WARRANTS (AS DEFINED HEREIN) PURSUANT TO THE RIGHTS CUM WARRANTS ISSUE OF VALLIANZ HOLDINGS LIMITED ("VHL"), A LISTED ASSOCIATED COMPANY, BY WAY OF THE SUBSCRIPTION SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN)**
- (2) PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL PURSUANT TO THE EXERCISE OF VHL WARRANTS, BY WAY OF THE WARRANTS EXERCISE SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN)**
- (3) PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL, BY WAY OF THE PROPOSED ADDITIONAL DEBT TO EQUITY CONVERSION (AS DEFINED HEREIN)**
- (4) PROPOSED SHAREHOLDERS' MANDATE FOR THE RENUNCIATION OF ALL OR PART OF THE COMPANY'S PROVISIONAL ALLOTMENTS OF VHL RIGHTS SHARES WITH VHL WARRANTS TO THIRD PARTY(IES) AND THE ASSIGNMENT OF RECEIVABLES (AS DEFINED HEREIN) IN CONNECTION THEREWITH**
- (5) PROPOSED SHAREHOLDERS' MANDATE FOR THE DISPOSAL OF ALL OR PART OF (I) THE SHL RIGHTS SHARES (AS DEFINED HEREIN), (II) THE SHL WARRANTS (AS DEFINED HEREIN), (III) THE NEW VHL SHARES (AS DEFINED HEREIN) AND (IV) THE ADDITIONAL NEW SHARES (AS DEFINED HEREIN)**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 November 2017 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	23 November 2017 at 10.00 a.m.
Place of Extraordinary General Meeting	:	12 International Business Park #03-02, Swiber@IBP Singapore 609920

TABLE OF CONTENTS

	Page
OVERVIEW	1
DEFINITIONS	10
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	20
2. THE PROPOSED SUBSCRIPTION AND THE PROPOSED WARRANTS EXERCISE ARRANGEMENT	24
3. THE PROPOSED ADDITIONAL DEBT TO EQUITY CONVERSION	29
4. RENUNCIATION AND ASSIGNMENT MANDATE	37
5. DISPOSAL MANDATE FOR THE PROPOSED DISPOSAL OF SECURITIES	41
6. INFORMATION ON VHL AND THE VHL RIGHTS CUM WARRANTS ISSUE	45
7. RATIONALE FOR THE PROPOSED TRANSACTIONS, THE PROPOSED RENUNCIATION AND ASSIGNMENT AND THE PROPOSED DISPOSAL OF SECURITIES	47
8. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL	49
9. FINANCIAL EFFECTS	57
10. INTERESTS OF THE JUDICIAL MANAGERS, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	61
11. DIRECTORS' SERVICE CONTRACTS	63
12. EXTRAORDINARY GENERAL MEETING	63
13. ACTION TO BE TAKEN BY SHAREHOLDERS	63
14. JUDICIAL MANAGERS' RECOMMENDATIONS	63
15. RESPONSIBILITY STATEMENT	64
16. DOCUMENTS AVAILABLE FOR INSPECTION	64
NOTICE OF EXTRAORDINARY GENERAL MEETING	65
PROXY FORM	

OVERVIEW

This overview section is qualified by, and should be read in conjunction with, the full text of this Circular. All capitalised terms in this overview section, which are not defined herein, shall bear the meanings set out in the "Definitions" section of this Circular. In the event of any inconsistency or conflict between the information in this overview section and the body of this Circular, the information set out in the body of this Circular shall prevail.

A. Background

Based on the announcements made by Vallianz Holdings Limited ("**VHL**") on 6 September 2016, 6 July 2017 and 6 November 2017, VHL is proposing to undertake a renounceable non-underwritten rights cum warrants issue of up to 4,483,061,385 VHL Rights Shares at the Issue Price of S\$0.016 for each VHL Rights Share, with free detachable VHL Warrants, each VHL Warrant carrying the right to subscribe for one (1) New VHL Share at the Exercise Price of S\$0.016 for each New VHL Share, on the basis of one (1) VHL Rights Share for every one (1) existing VHL Share held by each Entitled VHL Shareholder as at the VHL Books Closure Date, with two (2) free detachable VHL Warrants for every one (1) VHL Rights Share, fractional entitlements to be disregarded.

The VHL Rights cum Warrants Issue is subject to, amongst others, the approval of the VHL Shareholders of the VHL Rights cum Warrants Issue at the extraordinary general meeting of VHL being convened by VHL to seek the VHL Shareholders' approval for, amongst others, the VHL Rights cum Warrants Issue, notice of which is set out in the circular issued by VHL to the VHL Shareholders dated 8 November 2017 in relation to the VHL Rights cum Warrants Issue.

As at the Latest Practicable Date, Swiber Holdings Limited (Judicial Managers Appointed) (the "**Company**" or "**SHL**") is a controlling shareholder of VHL and holds 903,534,986 VHL Shares, representing approximately 20.17% of the total issued VHL Shares (being 4,479,061,385 VHL Shares as at the Latest Practicable Date). Based on the foregoing and the Company's *pro-rata* entitlement of VHL Rights Shares (the "**SHL Rights Shares**") with VHL Warrants (the "**SHL Warrants**") under the VHL Rights cum Warrants Issue, the Company is entitled to subscribe for up to 903,534,986 VHL Rights Shares with up to 1,807,069,972 VHL Warrants at a total subscription amount of approximately S\$14.46 million for the VHL Rights Shares (assuming that none of the VHL Warrants is exercised).

B. Set-Off and Settlement Agreement

The Company intends to participate in the VHL Rights cum Warrants Issue, so as to maintain its shareholding percentage in VHL. At the same time, as there are outstanding amounts owing by various entities within the SHL Group to various entities within the VHL Group, and vice versa, the Company and VHL have agreed to settle the total net owings by the VHL Group to the SHL Group as at 31 December 2016 by way of certain set-off and settlement arrangements in connection with the VHL Rights cum Warrants Issue.

Accordingly, the Company, VHL and Swiber Offshore Construction Pte. Ltd. (Judicial Managers Appointed) ("**SOC**") (collectively, the "**Parties**") have on 24 May 2017 entered into a set-off and settlement agreement (which was amended and supplemented by a supplemental agreement dated 6 November 2017 between the Company, VHL and SOC) (such set-off and settlement agreement, as amended and supplemented by such supplemental agreement and as further amended and supplemented from time to time, being the "**Set-Off and Settlement Agreement**"), pursuant to which the Company and VHL have agreed that the total amount of net owings by the VHL Group to the SHL Group as at 31 December 2016 is an aggregate sum of US\$36,566,316.45 (the "**Agreed Total VHL Group Owing**"), comprising:-

- (a) an outstanding amount of US\$29,393,692.12 owing by VHL to the Company as at 31 December 2016 (the "**VHL Holdco Owing**"); and
- (b) an aggregate net outstanding amount owing by various entities within the VHL Group to various entities within the SHL Group as at 31 December 2016 (other than the VHL Holdco Owing) (the "**Balance VHL Group Owing**") of US\$7,172,624.33,

which will be set-off and settled on the terms, and subject to the conditions, of the Set-Off and Settlement Agreement.

OVERVIEW

Proposed Subscription and Proposed Warrants Exercise Arrangement

Under the Set-Off and Settlement Agreement, it is agreed, amongst others, that:-

- (i) the Company shall subscribe for the SHL Rights Shares with the SHL Warrants under the VHL Rights cum Warrants Issue, and the aggregate Issue Price (amounting to approximately S\$14.46 million as at the Latest Practicable Date) payable by the Company to VHL for such subscription (the “**Actual Subscription Amount**”) will be fully set-off and settled against the VHL Holdco Owing to the extent of such aggregate Issue Price (the “**Subscription Set-Off and Settlement Arrangement**”) (the “**Proposed Subscription**”); and
- (ii) the Company shall exercise all the SHL Warrants (the “**Proposed Warrants Exercise Arrangement**”) (insofar as such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise), and the aggregate Exercise Price payable by the Company to VHL for such exercise (the “**Actual Exercise Amount**”) will be fully set-off and settled against (aa) the balance amount of the VHL Holdco Owing after deducting the Actual Subscription Amount (the “**Balance VHL Holdco Owing**”) and (bb) the Novated VHL Net Owings (as defined below) (the “**Warrants Exercise Set-Off and Settlement Arrangement**”).

Please refer to Section 2 of this Circular for more details on the Proposed Subscription and the Proposed Warrants Exercise Arrangement (including the conditions precedent applicable thereto).

Novations and Group Set-Offs

As the amount of the VHL Holdco Owing is not sufficient to cover the aggregate of the Actual Subscription Amount and the Actual Exercise Amount (assuming full subscription of the SHL Rights Shares with the SHL Warrants, and full exercise of all the SHL Warrants) (the “**Maximum Aggregate Price**”), which amounts to approximately S\$43.37 million (approximately US\$31.25 million based on the Agreed Exchange Rate) as at the Latest Practicable Date, the Set-Off and Settlement Agreement contemplates that:-

- (1) there will be novations and/or assignments of outstanding amounts (other than the VHL Holdco Owing) owing by various entities within the VHL Group to various entities within the SHL Group as at 31 December 2016 (the “**VHL Group Owings**”), and outstanding amounts owing by various entities within the SHL Group to various entities within the VHL Group as at 31 December 2016 (the “**SHL Group Owings**”), such that following such novations and/or assignments, the VHL Group Owings will be owing from VHL to the Company and the SHL Group Owings will be owing from the Company to VHL (collectively, the “**Novations**”); and
- (2) immediately upon the relevant Novation taking effect, VHL and the Company will effect a mutual set-off of the VHL Group Owings (as novated) against the SHL Group Owings (as novated), such that only the net amount remains owing between VHL and the Company (the “**Group Set-Off**”), following which only the balance amounts remaining therefrom shall be the net amounts owing by VHL to the Company (the “**Novated VHL Net Owings**”),

subject to the aggregate amount of outstanding Novated VHL Net Owings not exceeding US\$1,000,000 (or such other amount as may be agreed between the Company and VHL) (the “**Relevant Limit**”) at any point in time.

As VHL would, pursuant to the Novations and Group Set-Offs in relation thereto, be assuming the liability for the VHL Group Owings which are owing by VHL's subsidiaries and associated companies, the Company and VHL agreed to impose the Relevant Limit, so that at any point in time there would be a limit on the aggregate amount of Novated VHL Net Owings being assumed by VHL pursuant to the Novations and Group Set-Offs in relation thereto which cannot thereafter be set-off and/or settled pursuant to the Warrants Exercise Set-Off and Settlement Arrangement and/or the Proposed Additional Debt to Equity Conversion (as defined below) (for example, due to any of the conditions precedent relating thereto not being satisfied, or waived by the Company). The amount of US\$1,000,000 referred to above was commercially agreed between the Company and VHL.

OVERVIEW

With the Relevant Limit in place, the Novations and Group Set-Offs in relation thereto may have to be effected in multiple rounds, so as to ensure that the aggregate amount of outstanding Novated VHL Net Owings following each Novation and Group Set-Off would not exceed the Relevant Limit at any point in time. As and when the aggregate amount of outstanding Novated VHL Net Owings falls below the Relevant Limit (for example, due to the set-off and settlement of such Novated VHL Net Owings pursuant to the Warrants Exercise Set-Off and Settlement Arrangement and/or the Proposed Additional Debt to Equity Conversion), a further round of Novation and Group Set-Off in relation thereto will be similarly undertaken to the extent that such Novation and Group Set-Off will not result in the aggregate amount of outstanding Novated VHL Net Owings exceeding the Relevant Limit at any point in time. This process will repeat until all the VHL Group Owings and SHL Group Owings are fully settled in accordance with the provisions of the Set-Off and Settlement Agreement.

Assuming that the entire VHL Group Owings and the entire SHL Group Owings are fully novated pursuant to the Novations and such VHL Group Owings (as novated) are fully set-off against such SHL Group Owings (as novated), this would result in an aggregate amount of Novated VHL Net Owings of US\$7,172,624.33 (which is equivalent to the amount of the Balance VHL Group Owing mentioned in Section B(b) above) (the “**Maximum Group Set-Off Scenario**”).

Please refer to Section 2.2.3 of this Circular for more details on the Novations and Group Set-Offs (including the conditions precedent applicable thereto (“**Novation and Group Set-Off Conditions**”)).

Subscription of Additional New Shares

Under the Set-Off and Settlement Agreement, it is further contemplated that:

- (I) following any Novation and Group Set-Off, in the event that the aggregate of the VHL Holdco Owing and the Novated VHL Net Owings (both of which would be owing by VHL to the Company) exceeds the Maximum Aggregate Price payable by the Company to VHL for the Proposed Subscription and the Proposed Warrants Exercise Arrangement (such excess amounts being referred to as the “**Excess VHL Amounts**”); and/or
- (II) following the date of expiry of the period during which the VHL Warrants may be exercised under the terms of the VHL Rights cum Warrants Issue (the “**Warrants Expiry Date**”), in the event that there is any part of the VHL Holdco Owing, or Novated VHL Net Owings up to an amount equivalent to the difference between the Maximum Aggregate Price and the VHL Holdco Owing, which remains owing by VHL to the Company (the “**Unutilised VHL Owings**”),

the Company will subscribe for new VHL Shares (the “**Additional New Shares**”) at the applicable issue price mentioned below (the “**Additional Subscription**”), and the aggregate issue price for such Additional New Shares payable by the Company to VHL shall be fully set-off and settled against the Excess VHL Amounts and/or the Unutilised VHL Owings owing by VHL to the Company (the “**Proposed Additional Debt to Equity Conversion**”).

The issue price for each Additional New Share shall be:-

- (aa) (in respect of any Unutilised VHL Owings and that portion of the Excess VHL Amounts that does not exceed US\$8,000,000) S\$0.016; or
- (bb) (in respect of that portion of the Excess VHL Amounts that exceeds US\$8,000,000) an issue price being equivalent to the volume weighted average price of the VHL Shares over the ten (10) Market Days immediately preceding the date on which the relevant Novation and Group Set-Off in relation thereto is effected (being the date on which the Novation and Assignment Agreement between the relevant parties thereto in connection with such Novation is entered into).

In respect of the Unutilised VHL Owings, it was agreed between SHL and VHL that the issue price shall be S\$0.016, on the basis that the Unutilised VHL Owings are part of the outstanding amounts which were originally intended to be set-off and settled pursuant to the Proposed Subscription and the Proposed Warrants Exercise Arrangement (where each of the Issue Price and the Exercise Price is S\$0.016). In respect of the Excess VHL Amounts, it was commercially agreed between SHL and VHL that the issue

OVERVIEW

price of S\$0.016 will not apply for the entire amount and that for amounts in excess of US\$8,000,000 (which amount was commercially agreed between SHL and VHL), the issue price shall be the volume weighted average price of the VHL Shares as described in paragraph (bb) above, which would be more reflective of the prevailing market price of the VHL Shares at the relevant time when the Excess VHL Amounts arise.

Please refer to Section 3 of this Circular for more details on the Proposed Additional Debt to Equity Conversion (including the conditions precedent applicable thereto).

Proposed Renunciation and Assignment

Under the Set-Off and Settlement Agreement, the Company is entitled to renounce all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue (being the SHL Rights Shares with the SHL Warrants) to third party(ies) (the “**Third Party Subscriber(s)**”) on the terms and subject to the conditions set out in the Set-Off and Settlement Agreement (the “**Proposed Renunciation**”).

The Company shall procure the undertaking by such Third Party Subscriber(s) to (a) subscribe in full for the provisional allotment(s) of VHL Rights Shares with VHL Warrants so renounced by the Company and (b) exercise the maximum number of VHL Warrants issued to such Third Party Subscriber(s), in accordance with the provisions of the Set-Off and Settlement Agreement relating to the Proposed Subscription and the Proposed Warrants Exercise Arrangement as if such provisions apply to the Third Party Subscriber(s), to the extent of the Proposed Renunciation.

The Company shall also contemporaneously assign (the “**Assignment of Receivables**”) to the Third Party Subscriber(s) the VHL Holdco Owing and/or (if any) Novated VHL Net Owings (or any part thereof) (the amount of which shall be greater than or equivalent to the aggregate Issue Price and aggregate Exercise Price payable by such Third Party Subscriber(s) to VHL) (the “**Assigned Receivables**”), which shall be fully set-off and settled against such aggregate Issue Price and aggregate Exercise Price. If applicable, the Third Party Subscriber(s) shall also subscribe for new VHL Shares in accordance with the provisions of the Set-Off and Settlement Agreement which relate to the Proposed Additional Debt to Equity Conversion as if such provisions apply to the Third Party Subscriber(s), to the extent of the Assigned Receivables.

Upon the Proposed Renunciation and Assignment of Receivables (collectively, the “**Proposed Renunciation and Assignment**”) taking place, the Company’s undertakings under the Set-Off and Settlement Agreement relating to the Proposed Subscription and the Proposed Warrants Exercise Arrangement, as well as the Additional Subscription and the Proposed Additional Debt to Equity Conversion, shall cease to apply to the extent of the renunciation and Assigned Receivables.

Please refer to Section 4 of this Circular for more details on the Proposed Renunciation and Assignment.

C. Rationale for the Proposed Subscription, the Proposed Warrants Exercise Arrangement, the Proposed Additional Debt to Equity Conversion and the Proposed Renunciation and Assignment

A key reason for the Company undertaking the Proposed Subscription and the Proposed Warrants Exercise Arrangement is to maintain its shareholding percentage in VHL (assuming all VHL Rights Shares are subscribed for and all VHL Warrants are exercised).

Further, as the Company is currently placed under judicial management, the Company is of the view that the Proposed Subscription and the Proposed Warrants Exercise Arrangement are in the interests of the Company. As the Issue Price and the Exercise Price payable by the Company to VHL will be fully set-off and settled against outstanding amounts owing by VHL to the Company, the Company would thus be provided with the opportunity to convert outstanding amounts owing by VHL to the Company (where there is no certainty that such outstanding amounts will be fully repaid, if at all) into more liquid and marketable assets in the form of the SHL Rights Shares with the SHL Warrants and the New VHL Shares (as the case may be), that will be listed and quoted on the Catalist, which the Company may readily realise for the purpose of generating cash flow, if necessary.

OVERVIEW

Similarly, the Proposed Additional Debt to Equity Conversion would provide the Company with the opportunity to convert further outstanding amounts owing by VHL to the Company (if any) (where there is no certainty that such outstanding amounts will be fully repaid, if at all), beyond the aggregate Issue Price and Exercise Price payable by the Company under the VHL Rights cum Warrants Issue, into more liquid and marketable assets in the form of the Additional New Shares.

The Company believes that the Proposed Renunciation and Assignment would enable the Company to receive payment upfront, in respect of the renounced VHL Rights Shares with VHL Warrants and the Assigned Receivables, and would discharge the Company of its relevant obligations under the Set-Off and Settlement Agreement to the extent of such Proposed Renunciation(s) and Assignment(s) of Receivables. Please refer to Section 7.2 of this Circular for further details on the rationale of the Proposed Renunciation and Assignment.

D. Scenarios for the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion

(a) Maximum Group Set-Off Scenario

Under the Maximum Group Set-Off Scenario, as the Agreed Total VHL Group Owing of approximately US\$36.57 million by VHL to the Company exceeds the Maximum Aggregate Price, which amounts to approximately US\$31.25 million as at the Latest Practicable Date (thereby giving rise to Excess VHL Amounts of approximately US\$5.32 million):-

- (i) the Company would, subject to the applicable conditions precedent being satisfied, or waived by the Company, be able to undertake the Proposed Subscription and the Proposed Warrants Exercise Arrangement in full, at the Maximum Aggregate Price; and
- (ii) the Company would, subject to the applicable conditions precedent being satisfied, or waived by the Company, be obliged to undertake Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion, to the extent that the aggregate issue price payable by the Company to VHL for such Additional New Shares is equivalent to or does not exceed the S\$ equivalent of the Excess VHL Amounts of approximately US\$5.32 million.

Accordingly, under the Maximum Group Set-Off Scenario, it is expected that the Agreed Total VHL Group Owing of approximately US\$36.57 million (approximately S\$50.75 million, based on the Agreed Exchange Rate) by VHL to the Company will be fully set-off and settled against:-

- (1) the aggregate Actual Subscription Amount and Actual Exercise Amounts payable by the Company to VHL pursuant to the Proposed Subscription and the Proposed Warrants Exercise Arrangement (being the Maximum Aggregate Price); and
- (2) the aggregate issue price payable by the Company to VHL for such Additional New Shares that the Company is obliged to subscribe for pursuant to the Proposed Additional Debt to Equity Conversion,

on the terms, and subject to the conditions, of the Set-Off and Settlement Agreement.

Please refer to Section 3.3.1 of this Circular for more details on the Maximum Group Set-Off Scenario.

(b) Maximum Restricted Novations Scenario

In the event that any of the SHL Group Owings cannot be novated (for example, due to any of the Novation and Group Set-Off Conditions not being satisfied, or waived by the Company) and the VHL Group Owings are fully novated pursuant to the Novations, the amount of Novated VHL Net Owings available for set-off and settlement would be increased beyond the amount of US\$7,172,624.33 as contemplated under the Maximum Group Set-Off Scenario.

OVERVIEW

The Company will then, subject to the applicable conditions precedent being satisfied, or waived by the Company, be obliged under the Set-Off and Settlement Agreement to undertake further Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion, to the extent of such increase in the amount of the Novated VHL Net Owings (the “**Additional Novated VHL Net Owings**”), by subscribing for such additional number of Additional New Shares at the applicable issue price to the extent that the aggregate issue price is equivalent to or does not exceed the Additional Novated VHL Net Owings, and such aggregate issue price payable by the Company to VHL shall be fully set-off and settled against the Additional Novated VHL Net Owings.

Under the worst case scenario where none of the SHL Group Owings can be novated (for example, due to any of the Novation and Group Set-Off Conditions not being satisfied, or waived by the Company) but all the VHL Group Owings are fully novated pursuant to the Novations (the “**Maximum Restricted Novations Scenario**”), there could be maximum Excess VHL Amounts of approximately US\$89.18 million (the “**Maximum Excess VHL Amounts**”), which would comprise:

- (i) Novated VHL Net Owings of approximately US\$5.32 million as contemplated under the Maximum Group Set-Off Scenario, in respect of which the Company would be obliged to undertake Additional Subscription(s) of Additional New Shares (as mentioned in Section D(a)(ii) above); and
- (ii) Additional Novated VHL Net Owings of approximately US\$83.86 million, in respect of which the Company would have to undertake further Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion, in addition to the Additional Subscription(s) of Additional New Shares referred to in Section D(b)(i) above,

provided that, unless the appropriate whitewash waiver is granted by the SIC and the appropriate whitewash resolution by the VHL Shareholders is obtained, the Company shall not be obliged to subscribe for any Additional New Shares if such subscription will result in the Company and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such subscription.

It is currently not known whether the Maximum Restricted Novations Scenario will actually occur. Whether the Maximum Restricted Novations Scenario occurs depends on the actual circumstances in existence when the Novations and/or Group Set-Offs are effected (including whether there could be any part of the SHL Group Owings which cannot be novated at that time).

Please refer to Section 3.3.2 of this Circular for more details on the Maximum Restricted Novations Scenario.

E. Summary of Approvals Sought

The Company is seeking approval from the Shareholders for the following resolutions:

- (a) **Resolution 1 (Ordinary Resolution):** The proposed subscription for VHL Rights Shares with VHL Warrants pursuant to the VHL Rights cum Warrants Issue, by way of the Subscription Set-Off and Settlement Arrangement;
- (b) **Resolution 2 (Ordinary Resolution):** The proposed acquisition of new ordinary shares in VHL pursuant to the exercise of VHL Warrants, by way of the Warrants Exercise Set-Off and Settlement Arrangement;
- (c) **Resolution 3 (Ordinary Resolution):** The proposed acquisition of new ordinary shares in VHL, by way of the Proposed Additional Debt to Equity Conversion;
- (d) **Resolution 4 (Ordinary Resolution):** The proposed shareholders' mandate for the renunciation of all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants to third party(ies) and the Assignment of Receivables in connection therewith; and

OVERVIEW

- (e) **Resolution 5 (Ordinary Resolution):** The proposed shareholders' mandate for the disposal of all or part of (i) the SHL Rights Shares, (ii) the SHL Warrants, (iii) the New VHL Shares and (iv) the Additional New Shares.

Shareholders should note that Resolution 2, Resolution 3, Resolution 4 and Resolution 5 are each conditional upon Resolution 1 being passed. In the event that Resolution 1 is not passed, the Company will not proceed with Resolution 2, Resolution 3, Resolution 4 and Resolution 5.

RESOLUTION 1 (ORDINARY RESOLUTION): THE PROPOSED SUBSCRIPTION FOR VHL RIGHTS SHARES WITH VHL WARRANTS PURSUANT TO THE VHL RIGHTS CUM WARRANTS ISSUE, BY WAY OF THE SUBSCRIPTION SET-OFF AND SETTLEMENT ARRANGEMENT

Under the Set-Off and Settlement Agreement, the Company shall undertake the Proposed Subscription (including the Subscription Set-Off and Settlement Arrangement) in accordance with the terms of the Set-Off and Settlement Agreement, subject to the satisfaction, or waiver by the Company, of certain conditions precedent, including amongst others:-

- (a) the approval of the Shareholders for the Proposed Subscription and the Subscription Set-Off and Settlement Arrangement at an extraordinary general meeting to be convened by the Company; and
- (b) the set-off and settlement agreement dated 24 May 2017 between VHL and Rawabi Holding Company Limited ("**Rawabi**"), as amended and supplemented by the supplemental agreement dated 6 November 2017 between VHL and Rawabi and as further amended and supplemented from time to time, (the "**Rawabi SOSA**") remaining in full force and effect, and Rawabi and VHL complying with the terms therein which relate to Rawabi's subscription for its *pro-rata* entitlement of VHL Rights Shares with VHL Warrants and excess VHL Rights Shares with VHL Warrants.

In the event that any of the conditions precedent is not fulfilled, or waived by the Company, on or before the closing date of the VHL Rights cum Warrants Issue (or such other date as the Parties may agree in writing), the Set-Off and Settlement Agreement shall lapse and terminate automatically and cease to have further effect.

Please refer to Section 2 of this Circular for more details on the Proposed Subscription and the Subscription Set-Off and Settlement Arrangement (including the conditions precedent applicable thereto).

RESOLUTION 2 (ORDINARY RESOLUTION): THE PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL PURSUANT TO THE EXERCISE OF VHL WARRANTS, BY WAY OF THE WARRANTS EXERCISE SET-OFF AND SETTLEMENT ARRANGEMENT

Under the Set-Off and Settlement Agreement, the Company shall undertake the Proposed Warrants Exercise Arrangement (including the Warrants Exercise Set-Off and Settlement Arrangement) in accordance with the terms of the Set-Off and Settlement Agreement, subject to the satisfaction, or waiver by the Company, of certain conditions precedent, including amongst others:-

- (a) the approval of the Shareholders for the Proposed Warrants Exercise Arrangement and the Warrants Exercise Set-Off and Settlement Arrangement at an extraordinary general meeting to be convened by the Company; and
- (b) the Rawabi SOSA remaining in full force and effect, and Rawabi and VHL complying with all the terms of the Rawabi SOSA which relate to Rawabi's exercise of the VHL Warrants issued to Rawabi.

In the event that any of the conditions precedent is not fulfilled, or waived by the Company, on or before the Warrants Expiry Date (or such other date as the Parties may agree in writing), the provisions in the Set-Off and Settlement Agreement applicable to, amongst others, the Proposed Warrants Exercise Arrangement and/or the Warrants Exercise Set-Off and Settlement Arrangement shall cease to have further effect.

OVERVIEW

Please refer to Section 2 of this Circular for more details on the Proposed Warrants Exercise Arrangement and the Warrants Exercise Set-Off and Settlement Arrangement (including the conditions precedent applicable thereto).

RESOLUTION 3 (ORDINARY RESOLUTION): THE PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL, BY WAY OF THE PROPOSED ADDITIONAL DEBT TO EQUITY CONVERSION

Under the Set-Off and Settlement Agreement, in the event that there are Excess VHL Amounts or Unutilised VHL Owings, the Company shall undertake the Additional Subscriptions pursuant to the Proposed Additional Debt to Equity Conversion in accordance with the terms of the Set-Off and Settlement Agreement, subject to the satisfaction, or waiver by the Company, of certain conditions precedent, including amongst others:-

- (a) the approval of the Shareholders for the Additional Subscriptions and the Proposed Additional Debt to Equity Conversion at an extraordinary general meeting to be convened by the Company;
- (b) the approval of the VHL Shareholders for the issuance of the Additional New Shares to the Company (if required) and the appropriate whitewash resolution by the VHL Shareholders for the Company in relation to such issuance (if applicable); and
- (c) the set-off and settlement of the aggregate amount owing by VHL to Rawabi as at the date of the Rawabi SOSA, being US\$102,087,467.21 (the "**Rawabi Advances**"), having been fully effected pursuant to the Rawabi SOSA, such that none of the Rawabi Advances remain outstanding.

In the event that any of the conditions precedent is not fulfilled, or waived by the Company, on or before the date falling six (6) months after the Warrants Expiry Date (or such other date as the Parties may agree in writing), the provisions in the Set-Off and Settlement Agreement applicable to any Additional Subscription and the Proposed Additional Debt to Equity Conversion shall cease to have further effect.

Please refer to Section 3 of this Circular for more details on the Additional Subscriptions and the Proposed Additional Debt to Equity Conversion (including the conditions precedent applicable thereto).

RESOLUTION 4 (ORDINARY RESOLUTION): THE PROPOSED SHAREHOLDERS' MANDATE FOR THE RENUNCIATION OF ALL OR PART OF THE COMPANY'S PROVISIONAL ALLOTMENTS OF VHL RIGHTS SHARES WITH VHL WARRANTS TO THIRD PARTY(IES) AND THE ASSIGNMENT OF RECEIVABLES IN CONNECTION THEREWITH;

In the event that the Company is able to identify suitable Third Party Subscriber(s) or that an attractive opportunity arises, the Company intends to undertake the Proposed Renunciation and Assignment. As the applicable relative figure in respect of any Proposed Renunciation and Assignment computed under Rule 1006(c) may exceed 20%, the Proposed Renunciation and Assignment would in such event constitute a major transaction under Rule 1014 of the Listing Manual and be subject to and conditional upon the approval of the Shareholders.

As the time required for, and uncertainty posed by any specific requirement for, Shareholders' approval may deter potential Third Party Subscriber(s) and put the Company at risk of missing a window of opportunity for any Proposed Renunciation and Assignment, the Company is seeking the approval from the Shareholders for a mandate to authorise the Company to undertake the Proposed Renunciation and Assignment (if applicable) on the terms set out in Section 4.2 of this Circular (the "**Renunciation and Assignment Mandate**").

Please refer to Section 4 of this Circular for more details on the Proposed Renunciation and Assignment and the Renunciation and Assignment Mandate.

OVERVIEW

RESOLUTION 5 (ORDINARY RESOLUTION): THE PROPOSED SHAREHOLDERS' MANDATE FOR THE DISPOSAL OF ALL OR PART OF (I) THE SHL RIGHTS SHARES, (II) THE SHL WARRANTS, (III) THE NEW VHL SHARES AND (IV) THE ADDITIONAL NEW SHARES

As and when an attractive opportunity arises following the completion of the VHL Rights cum Warrants Issue, the Company proposes to dispose of all or part of (i) the SHL Rights Shares, (ii) the SHL Warrants, (iii) the New VHL Shares to be issued to the Company pursuant to the exercise of the SHL Warrants and (iv) the Additional New Shares to be issued to the Company pursuant to the Proposed Additional Debt to Equity Conversion (collectively, the “**Disposal Securities**”) (the “**Proposed Disposal of Securities**”).

The Company believes that the Proposed Disposal of Securities would allow the Company to unlock value from the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion, where the proceeds therefrom may be used for purposes in connection with the judicial management of the Company at the discretion of the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, for the Group's working capital purposes.

As the applicable relative figure in respect of any Proposed Disposal of Securities computed under Rule 1006(c) may exceed 20%, the Proposed Disposal of Securities would in such event constitute a major transaction under Rule 1014 of the Listing Manual and be subject to and conditional upon the approval of the Shareholders.

As the time required for, and uncertainty posed by any specific requirement for, Shareholders' approval may deter potential purchasers of the Disposal Securities and put the Company at risk of missing a window of opportunity for any Proposed Disposal of Securities, the Company is seeking the approval from the Shareholders for a mandate to authorise the Company to undertake the Disposal of Securities on the terms set out in Section 5.3 of this Circular (the “**Disposal Mandate**”).

Please refer to Section 5 of this Circular for more details on the Proposed Disposal of Securities and the Disposal Mandate.

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- “1Q2016”** : The three (3) months ended 31 March 2016
- “29.9% Threshold Condition”** : The condition that the Company and persons acting in concert with it will not hold VHL Shares representing more than 29.9% of the voting rights of VHL immediately following any exercise by the Company of VHL Warrants or any subscription by the Company of Additional New Shares (as described in Section 3.2.4 of this Circular) (as the case may be)
- “Actual Exercise Amount”** : The aggregate Exercise Price payable by the Company to VHL in respect of the exercise by the Company of any SHL Warrants pursuant to the Proposed Warrants Exercise Arrangement
- “Actual Subscription Amount”** : The aggregate Issue Price payable by the Company to VHL in respect of the Proposed Subscription
- “Additional New Shares”** : The new VHL Shares to be issued to the Company pursuant to the Additional Subscription
- “Additional Novated VHL Net Owings”** : The increase in the amount of the Novated VHL Net Owings beyond the amount of US\$7,172,624.33 (as contemplated under the Maximum Group Set-Off Scenario), as described in Section 3.3.2(b) of this Circular
- “Additional Subscription”** : The subscription by the Company of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion
- “Agreed Exchange Rate”** : The agreed exchange rate of US\$1.00 : S\$1.3878 as set out in the Set-Off and Settlement Agreement (or such other exchange rate as the Company and VHL may agree in writing)
- “Agreed Total VHL Group Owing”** : The total amount of net owings by the VHL Group to the SHL Group as at 31 December 2016 as agreed between the Company and VHL for the purposes of the Set-Off and Settlement Agreement only, being an aggregate sum of US\$36,566,316.45
- “Assigned Receivables”** : The VHL Holdco Owing and/or such Novated VHL Net Owings (or any part thereof) assigned by the Company to the Third Party Subscriber(s) pursuant to the Assignment of Receivables (if applicable)
- “Assignment of Receivables”** : The proposed assignment(s) by the Company of the VHL Holdco Owing and/or (if any) Novated VHL Net Owings (or any part thereof) to the Third Party Subscriber(s) in connection with the Proposed Renunciation (if applicable), as described in Section 4.1.2 of this Circular
- “Balance VHL Group Owing”** : The net VHL Group Owings (other than the VHL Holdco Owing) of US\$7,172,624.33
- “Balance VHL Holdco Owing”** : The balance amount of the VHL Holdco Owing after deducting the Actual Subscription Amount

DEFINITIONS

“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Business Day”	:	A day (other than a Saturday or Sunday) when commercial banks are open for business in Singapore
“Catalist”	:	The Catalist board of the SGX-ST
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 8 November 2017
“Code”	:	The Singapore Code on Take-overs and Mergers
“Company” or “SHL”	:	Swiber Holdings Limited (Judicial Managers Appointed)
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Deed Poll”	:	The deed poll to be executed by VHL constituting the VHL Warrants and containing, amongst others, provisions for the protection of the rights and interests of the VHL Warranholders
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Disposal Mandate”	:	The Shareholders’ mandate to authorise the Company to undertake the Proposed Disposal of Securities on the terms set out in Section 5.3 of this Circular
“Disposal Securities”	:	Collectively (i) the SHL Rights Shares, (ii) the SHL Warrants (iii) the New VHL Shares to be issued to the Company pursuant to the exercise of the SHL Warrants and (iv) the Additional New Shares to be issued to the Company pursuant to the Proposed Additional Debt to Equity Conversion
“EGM”	:	The extraordinary general meeting of the Company to be held on 23 November 2017 at 10.00 a.m., notice of which is set out in the Notice of EGM
“Entitled VHL Depositors”	:	VHL Shareholders whose VHL Shares are registered in the name of CDP and whose securities accounts with CDP are credited with VHL Shares as at the VHL Books Closure Date and whose registered addresses with CDP are in Singapore as at the VHL Books Closure Date or who have, at least three (3) Market Days prior to the VHL Books Closure Date, provided CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138588, with addresses in Singapore for the service of notices and documents
“Entitled VHL Scripholders”	:	VHL Shareholders whose share certificates have not been deposited with CDP and who have tendered to the share registrar of VHL valid transfers of their VHL Shares and the certificates relating thereto for registration up to the VHL Books Closure Date and whose registered addresses with VHL are in Singapore as at the VHL Books Closure Date or who had at least three (3) Market Days prior to the VHL Books Closure Date, provided the share registrar of VHL with addresses in Singapore for the service of notices and documents

DEFINITIONS

“Entitled VHL Shareholders”	:	Collectively the Entitled VHL Depositors and the Entitled VHL Scripholders
“EPS”	:	Earnings per share
“Excess VHL Amounts”	:	The excess amounts by which the S\$ equivalent of the aggregate of the VHL Holdco Owing and the Novated VHL Net Owings (based on the Agreed Exchange Rate) exceeds the Maximum Aggregate Price payable by the Company to VHL pursuant to the Proposed Subscription and the Proposed Warrants Exercise Arrangement
“Exercise Price”	:	The price payable in respect of each New VHL Share upon the exercise of a VHL Warrant, subject to certain adjustments in accordance with the terms and conditions of the VHL Warrants to be set out in the Deed Poll. As at the Latest Practicable Date, the Exercise Price is S\$0.016
“First Warrants Exercise”	:	The exercise by the Company of the maximum number of SHL Warrants to the extent possible, insofar as (i) the Actual Exercise Amount payable on such exercise is equivalent to or does not exceed the S\$ equivalent of the Balance VHL Holdco Owing (based on the Agreed Exchange Rate) and (ii) such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise
“FY”	:	Financial year ended 31 December
“Group”	:	The Company and its subsidiaries
“Group Set-Off”	:	In relation to each Novation, the mutual set-off as between VHL and the Company of the VHL Group Owings (as novated) against the SHL Group Owings (as novated), such that only the net amount (being the difference between the amount of the VHL Group Owings (as novated) and the amount of the SHL Group Owings (as novated)) remains owing between VHL and the Company
“Issue Price”	:	The issue price for each VHL Rights Share under the VHL Rights cum Warrants Issue. As at the Latest Practicable Date, the Issue Price is S\$0.016
“Judicial Managers”	:	Messrs Bob Yap Cheng Ghee, Tay Puay Cheng and Ong Pang Thye
“Judicial Management Order”	:	The order made by the Singapore High Court on 6 October 2016 to, <i>inter alia</i> , place the Company under judicial management pursuant to Section 227B of the Companies Act, read with such other orders which may be made by the Singapore High Court to extend the period for which the Judicial Management Order is in force
“Latest Practicable Date”	:	6 November 2017, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time

DEFINITIONS

- “Market Day”** : A day on which the SGX-ST is open for trading in securities
- “Maximum Aggregate Price”** : The maximum aggregate Issue Price payable by the Company to VHL for the Proposed Subscription and the maximum aggregate Exercise Price payable by the Company to VHL pursuant to the Proposed Warrants Exercise Arrangement, assuming that the Company subscribes for all the SHL Rights Shares with SHL Warrants and exercises all the SHL Warrants. As at the Latest Practicable Date, the Maximum Aggregate Price amounts to approximately S\$43.37 million
- “Maximum Excess VHL Amounts”** : The amount of approximately US\$89.18 million which would constitute “Excess VHL Amounts” under the Maximum Restricted Novations Scenario, as described in Section 3.3.2 of this Circular
- “Maximum Group Set-Off Scenario”** : The scenario where the entire VHL Group Owings and the entire SHL Group Owings are fully novated pursuant to the Novations and such VHL Group Owings (as novated) are fully set-off against such SHL Group Owings (as novated), resulting in an aggregate amount of Novated VHL Net Owings of US\$7,172,624.33 (which is equivalent to the amount of the Balance VHL Group Owing), as described in Section 3.3.1(a) of this Circular
- “Maximum Restricted Novations Scenario”** : The worst case scenario where none of the SHL Group Owings can be novated but all the VHL Group Owings are fully novated pursuant to the Novations, as described in Section 3.3.2(c) of this Circular
- “Minimum Consideration”** : In relation to each renunciation of all or part of the Company’s provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, together with the Assignment of Receivables in relation thereto, an aggregate consideration which is equivalent to the aggregate amount of the Assigned Receivables assigned by the Company pursuant to such Assignment of Receivables
- “Minimum Disposal Share Price”** : In respect of Disposal Securities which are VHL Shares, a price equivalent to 90% of the last closing price of the VHL Shares prior to the date of each transaction under the Disposal Mandate
- “Minimum Disposal Warrants Price”** : In respect of Disposal Securities which are VHL Warrants, a price equivalent to 90% of the last closing price of the VHL Warrants prior to the date of each transaction under the Disposal Mandate
- “New VHL Shares”** : The new VHL Shares to be issued by VHL, credited as fully paid, upon the exercise of the VHL Warrants, subject to and in accordance with the terms and conditions of the VHL Warrants to be set out in the Deed Poll. As at the Latest Practicable Date, up to 8,966,122,770 new VHL Shares may be issued by VHL upon the exercise of the VHL Warrants
- “Notice of EGM”** : The notice of EGM which is set out on pages 65 to 67 of this Circular
- “Novated VHL Net Owings”** : The net amounts owing by VHL to the Company following each Novation and Group Set-Off in relation thereto

DEFINITIONS

- “Novations”** : The novations and/or assignments of the VHL Group Owings and the SHL Group Owings, such that following such novations and/or assignments, the VHL Group Owings will be owing from VHL to the Company and the SHL Group Owings will be owing from the Company to VHL
- “Novation and Assignment Agreement(s)”** : The novation and assignment agreement(s) to be entered into between the relevant parties thereto in connection with each Novation
- “Novation and Group Set-Off Conditions”** : The conditions precedent for the Novations and Group Set-Offs, as set out in Section 2.2.3 of this Circular
- “NTA”** : Net tangible assets
- “Parties”** : The parties to the Set-Off and Settlement Agreement, being the Company, SOC and VHL
- “Proposed Additional Debt to Equity Conversion”** : The proposed subscription by the Company for the Additional New Shares on the terms and subject to the conditions set out in the Set-Off and Settlement Agreement, where the applicable issue price for such Additional New Shares will be fully set-off and settled against the Excess VHL Amounts and/or the Unutilised VHL Owings, further details of which are set out in Section 3 of this Circular
- “Proposed Disposal of Securities”** : The proposed disposal by the Company of all or part of the Disposal Securities
- “Proposed Renunciation”** : The proposed renunciation by the Company of all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue (being the SHL Rights Shares with the SHL Warrants) to Third Party Subscriber(s) (if applicable), further details of which are set out in Section 4 of this Circular
- “Proposed Renunciation and Assignment”** : The Proposed Renunciation and the Assignment of Receivables in relation thereto, further details of which are set out in Section 4 of this Circular
- “Proposed Subscription”** : The proposed subscription by the Company for its entire *pro-rata* entitlement of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, being the SHL Rights Shares with SHL Warrants, where the Actual Subscription Amount will be fully set-off and settled against the VHL Holdco Owing to the extent of the US\$ equivalent of the Actual Subscription Amount (based on the Agreed Exchange Rate), further details of which are set out in Section 2 of this Circular
- “Proposed Transactions”** : Collectively the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion
- “Proposed Warrants Exercise Arrangement”** : The proposed exercise by the Company of all the SHL Warrants, where the Actual Exercise Amount will be fully set-off and settled against (i) the Balance VHL Holdco Owing in respect of the First Warrants Exercise, and (ii) any Novated VHL Net Owings in respect of each Subsequent Warrants Exercise, further details of which are set out in Section 2 of this Circular

DEFINITIONS

“Rawabi”	:	Rawabi Holding Company Limited
“Rawabi Advances”	:	The aggregate amount owing by VHL to Rawabi as at the date of the Rawabi SOSA, being US\$102,087,467.21
“Rawabi Debts Settlement”	:	Has the meaning ascribed to the term in Section 3.2.3(g)
“Rawabi Settlement Shares”	:	Has the meaning ascribed to the term in Section 3.2.3(g)
“Rawabi SOSA”	:	The set-off and settlement agreement dated 24 May 2017 between VHL and Rawabi, as amended and supplemented by a supplemental agreement dated 6 November 2017 between VHL and Rawabi and as further amended and supplemented from time to time
“Rawabi Subscription and Exercise”	:	The (i) subscription by Rawabi for its <i>pro-rata</i> entitlement of VHL Rights Shares with VHL Warrants and excess VHL Rights Shares with VHL Warrants and (ii) exercise by Rawabi of the VHL Warrants issued to Rawabi, pursuant to the Rawabi Undertakings
“Rawabi Undertakings”	:	The undertakings given by Rawabi to VHL pursuant to the Rawabi SOSA, further details of which are set out in Section 6.4.3 of this Circular
“Relevant Limit”	:	US\$1,000,000 (or such other amount as may be agreed between the Company and VHL)
“Renounced Rights Shares with Warrants”	:	The provisional allotments of VHL Rights Shares with VHL Warrants which are renounced by the Company to Third Party Subscriber(s) pursuant to the Proposed Renunciation (if applicable)
“Renunciation and Assignment Mandate”	:	The Shareholders’ mandate to authorise the Company to undertake the Proposed Renunciation and Assignment (if applicable) on the terms set out in Section 4.2 of this Circular
“Set-Off and Settlement Agreement”	:	The set-off and settlement agreement dated 24 May 2017 between the Company, SOC and VHL, as amended and supplemented by a supplemental agreement dated 6 November 2017 between the Company, SOC and VHL and as further amended and supplemented from time to time
“Set-Off and Settlement Arrangements”	:	Collectively the Subscription Set-Off and Settlement Arrangement and the Warrants Exercise Set-Off and Settlement Arrangement
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons (other than CDP) who are registered as the holders of Shares in the Register of Members of the Company and Depositors who have Shares entered against their names in the Depository Register, and “Shareholder” shall be construed accordingly
“Shares”	:	The ordinary shares in the capital of the Company

DEFINITIONS

- “SHL Group”** : The Company, its subsidiaries and associated companies (excluding VHL and any other entities within the VHL Group)
- “SHL Group Owings”** : The outstanding amounts owing by various entities within the SHL Group to various entities within the VHL Group as at 31 December 2016
- “SHL Rights Shares”** : The Company’s *pro-rata* entitlement of VHL Rights Shares under the VHL Rights cum Warrants Issue. As at the Latest Practicable Date, the SHL Rights Shares comprise 903,534,986 VHL Rights Shares
- “SHL Warrants”** : The VHL Warrants to be issued by VHL to the Company together with the SHL Rights Shares pursuant to the VHL Rights cum Warrants Issue. As at the Latest Practicable Date, the SHL Warrants comprise 1,807,069,972 VHL Warrants
- “SIC”** : Securities Industry Council
- “SOC”** : Swiber Offshore Construction Pte. Ltd. (Judicial Managers Appointed), a wholly-owned subsidiary of the Company
- “Subscription Set-Off and Settlement Arrangement”** : The set-off and settlement of the Actual Subscription Amount payable by the Company to VHL for the Proposed Subscription against the VHL Holdco Owing to the extent of the US\$ equivalent of the Actual Subscription Amount, further details of which are set out in Section 2.2.1 of this Circular
- “Subsequent Warrants Exercise”** : The exercise by the Company of the maximum number of SHL Warrants to the extent possible, insofar as (i) the Actual Exercise Amount payable on such exercise is equivalent to or does not exceed the S\$ equivalent of the Novated VHL Net Owings (based on the Agreed Exchange Rate) and (ii) such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise
- “Substantial Shareholder”** : A person who:
- (a) has an interest or interests in one (1) or more Shares (excluding treasury shares) in the Company; and
 - (b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares (excluding treasury shares) in the Company
- “S\$” or “SGD” and “cents”** : Singapore dollars and cents respectively
- “Third Party Subscriber(s)”** : The third party(ies) to whom the Company may renounce all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue (being the SHL Rights Shares with the SHL Warrants), further details of which are set out in Section 4.1.1 of this Circular
- “Unutilised VHL Owings”** : Any part of the VHL Holdco Owing, or Novated VHL Net Owings up to an amount equivalent to the difference between the Maximum Aggregate Price and the VHL Holdco Owing, which remains owing by VHL to the Company following the Warrants Expiry Date

DEFINITIONS

“US\$” or “USD” and “US cents”	:	United States dollars and cents respectively
“Vallianz Performance Share Plan”	:	The Vallianz Performance Share Plan which, according to the VHL Circular, was implemented by VHL in 2010 in accordance with the plan approved by the VHL Shareholders on 23 August 2010
“VHL”	:	Vallianz Holdings Limited, an associated company of the Company
“VHL Books Closure Date”	:	Subject to, amongst others, VHL Shareholders’ approval of the VHL Rights cum Warrants Issue, the time and date to be determined by the directors of VHL, at and on which the register of members of VHL will be closed to determine the provisional allotments of the Entitled VHL Shareholders under the VHL Rights cum Warrants Issue
“VHL Circular”	:	The circular issued by VHL to the VHL Shareholders dated 8 November 2017 in relation to the VHL Rights cum Warrants Issue.
“VHL EGM”	:	The extraordinary general meeting of VHL being convened by VHL to seek the VHL Shareholders’ approval for, amongst others, the VHL Rights cum Warrants Issue, notice of which is set out in the VHL Circular
“VHL ESOS Options”	:	According to the VHL Circular, the 4,000,000 outstanding options which may be exercised under the Vallianz Employee Share Option Scheme which was implemented by VHL in the financial year ended 31 March 2009 in accordance with the scheme approved by VHL Shareholders on 11 April 2001, each carrying the right to subscribe for one (1) new VHL Share
“VHL Group”	:	VHL, its subsidiaries and associated companies (excluding the Company and any other entities within the SHL Group)
“VHL Group Owings”	:	The outstanding amounts (other than the VHL Holdco Owing) owing by various entities within the VHL Group to various entities within the SHL Group as at 31 December 2016
“VHL Holdco Owing”	:	The outstanding amount of US\$29,393,692.12 (approximately S\$40.79 million, based on the Agreed Exchange Rate) owing by VHL to the Company as at 31 December 2016
“VHL Rights cum Warrants Issue”	:	The proposed renounceable non-underwritten rights cum warrants issue by VHL of VHL Rights Shares at the Issue Price for each VHL Rights Share, with free detachable VHL Warrants, each VHL Warrant carrying the right to subscribe for one (1) New VHL Share at the Exercise Price for each New VHL Share, on the basis of one (1) VHL Rights Share for every one (1) existing VHL Share held by each Entitled VHL Shareholder as at the VHL Books Closure Date, with two (2) free detachable VHL Warrants for every one (1) VHL Rights Share, fractional entitlements to be disregarded. As at the Latest Practicable Date, up to 4,483,061,385 VHL Rights Shares with up to 8,966,122,770 VHL Warrants may be issued under the VHL Rights cum Warrants Issue

DEFINITIONS

- “VHL Rights Shares”** : The new VHL Shares to be allotted and issued by VHL pursuant to the VHL Rights cum Warrants Issue. As at the Latest Practicable Date, up to 4,483,061,385 VHL Rights Shares may be issued under the VHL Rights cum Warrants Issue
- “VHL Shareholders”** : Registered holders of VHL Shares except that where the registered holder is CDP, the term **“VHL Shareholders”** shall, in relation to such VHL Shares and where the context admits, mean the Depositors whose direct securities accounts maintained with CDP are credited with VHL Shares
- “VHL Shares”** : The ordinary shares in the capital of VHL
- “VHL Warrants”** : The free detachable warrants in registered form, to be allotted and issued by VHL together with the VHL Rights Shares pursuant to the VHL Rights cum Warrants Issue, and where the context so admits, such additional warrants as may be required or permitted to be allotted and issued by VHL pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank *pari passu* with the warrants to be issued together with the VHL Rights Shares and for all purposes to form part of the same series of warrants constituted by the Deed Poll), subject to the terms and conditions to be set out in the Deed Poll, each VHL Warrant entitling the holder thereof to subscribe for one (1) New VHL Share at the Exercise Price. As at the Latest Practicable Date, up to 8,966,122,770 VHL Warrants may be issued together with the VHL Rights Shares pursuant to the VHL Rights cum Warrants Issue
- “VHL Warrantholders”** : Registered holders of the VHL Warrants in the register of warrantholders of VHL, except where the registered holder is CDP, the term **“VHL Warrantholders”** shall, in relation to such VHL Warrants and where the context admits, mean the Entitled VHL Depositors whose securities accounts with CDP are credited with such VHL Warrants
- “Warrants Exercise Period”** : The period during which the VHL Warrants may be exercised under the terms of the VHL Rights cum Warrants Issue
- “Warrants Exercise Set-Off and Settlement Arrangement”** : The set-off and settlement of (i) the Actual Exercise Amount payable by the Company to VHL for the First Warrants Exercise against the Balance VHL Holdco Owing and (ii) the Actual Exercise Amount payable by the Company to VHL for each Subsequent Warrants Exercise against the Novated VHL Net Owings, further details of which are set out in Section 2.2.2 of this Circular
- “Warrants Expiry Date”** : The date on which the Warrants Exercise Period shall expire
- “%” or “per cent”** : percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“subsidiary”** shall have the same meaning ascribed to it in Section 5 of the Companies Act.

DEFINITIONS

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 and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Listing Manual, the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual, the Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day or date in this Circular shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any discrepancies in figures in this Circular between the amounts stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded to the nearest two (2) decimal places.

LETTER TO SHAREHOLDERS

SWIBER HOLDINGS LIMITED (JUDICIAL MANAGERS APPOINTED)

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

Board of Directors:

Raymond Kim Goh (*Executive Chairman*)
John F. Swinden (*Executive Director*)
Jean Pers (*Executive Director*)
Oon Thian Seng (*Independent Non-Executive Director*)

Registered Office:

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

Judicial Managers:

Bob Yap Cheng Ghee
Tay Puay Cheng
Ong Pang Thye
c/o KPMG Services Pte. Ltd.

16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

8 November 2017

To: The Shareholders of Swiber Holdings Limited (Judicial Managers Appointed)

Dear Sir/Madam

- (1) **PROPOSED SUBSCRIPTION FOR VHL RIGHTS SHARES (AS DEFINED HEREIN) WITH VHL WARRANTS (AS DEFINED HEREIN) PURSUANT TO THE RIGHTS CUM WARRANTS ISSUE OF VALLIANZ HOLDINGS LIMITED (“VHL”), A LISTED ASSOCIATED COMPANY, BY WAY OF THE SUBSCRIPTION SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN)**
- (2) **PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL PURSUANT TO THE EXERCISE OF VHL WARRANTS, BY WAY OF THE WARRANTS EXERCISE SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN)**
- (3) **PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL, BY WAY OF THE PROPOSED ADDITIONAL DEBT TO EQUITY CONVERSION (AS DEFINED HEREIN)**
- (4) **PROPOSED SHAREHOLDERS’ MANDATE FOR THE RENUNCIATION OF ALL OR PART OF THE COMPANY’S PROVISIONAL ALLOTMENTS OF VHL RIGHTS SHARES WITH VHL WARRANTS TO THIRD PARTY(IES) AND THE ASSIGNMENT OF RECEIVABLES (AS DEFINED HEREIN) IN CONNECTION THEREWITH**
- (5) **PROPOSED SHAREHOLDERS’ MANDATE FOR THE DISPOSAL OF ALL OR PART OF (I) THE SHL RIGHTS SHARES (AS DEFINED HEREIN), (II) THE SHL WARRANTS (AS DEFINED HEREIN), (III) THE NEW VHL SHARES (AS DEFINED HEREIN) AND (IV) THE ADDITIONAL NEW SHARES (AS DEFINED HEREIN)**

1. INTRODUCTION**1.1 Background**

- 1.1.1 The Company was incorporated in Singapore on 12 November 2004 and was admitted to the Official List of the Main Board of the SGX-ST on 8 November 2006. The Group is engaged in the core business of the provision of global engineering, procurement, installation and construction services.

LETTER TO SHAREHOLDERS

- 1.1.2 On 27 July 2016, the Company requested for a trading halt on the trading of its Shares on the Main Board of the SGX-ST. On the same day, the Company announced that it had on 27 July 2016 made an application pursuant to Section 254(1)(e) of the Companies Act, to wind up the Company, and that the Company had filed an application to place the Company in provisional liquidation. The High Court of Singapore had on the same day appointed Mr Cameron Lindsay Duncan and Ms Muk Siew Peng, care of KordaMentha Pte Ltd, as the joint and several provisional liquidators of the Company (the “**Provisional Liquidators**”). The Shares were subsequently suspended from trading on 28 July 2016.
- 1.1.3 On 29 July 2016, the Company announced that the board of directors of the Company (the “**Board**”) and the Provisional Liquidators had discussions with the Company’s major financial creditor, who indicated that it was supportive of an application for the Company to place itself into judicial management instead of liquidation. Accordingly, the Company and SOC had on 29 July 2016 taken out applications to place both the Company and SOC under judicial management and interim judicial management. As a consequence, the Company applied to discharge the provisional liquidation order and to withdraw the winding up application made on 27 July 2016.
- 1.1.4 On 3 August 2016, the Company announced that by an order of the High Court of Singapore on 2 August 2016, the Company and SOC were placed under interim judicial management and Messrs Bob Yap Cheng Ghee, Tay Puay Cheng and Ong Pang Thye, all care of KPMG Services Pte. Ltd., were appointed as the joint and several interim judicial managers of the Company and SOC (the “**Interim Judicial Managers**”). As such, the application to discharge the Provisional Liquidators was granted and leave was granted for the Company to withdraw its winding up application.
- 1.1.5 Subsequently on 6 October 2016, the Company announced that by orders of the High Court of Singapore on 6 October 2016, the Company and SOC had been placed under judicial management and the Interim Judicial Managers had been appointed as the joint and several judicial managers of the Company and SOC. The Company further announced on 1 December 2016 that by an order of the High Court of Singapore on 1 December 2016, the validity of the orders placing the Company and SOC in judicial management was extended to remain in force for a further 180 days from 4 April 2017 until 1 October 2017. Subsequently on 10 July 2017, the Company announced that the High Court of Singapore had on 10 July 2017 further extended the validity of the orders placing the Company and SOC in judicial management to 21 March 2018. As announced by the Company on 13 October 2017, the High Court of Singapore had further extended the judicial management period for the Company and SOC to 31 October 2018.
- 1.1.6 Since their appointment, the Judicial Managers have been engaging with creditors, potential investors and other stakeholders, identifying and safeguarding property and assets, working to realise and dispose such assets, negotiating on ongoing projects, managing litigation matters and mapping out proposals for a restructured Group.
- 1.2 **The VHL Rights cum Warrants Issue**
- 1.2.1 On 6 September 2016, VHL announced a rights cum warrants issue of up to 3,596,211,385 VHL Rights Shares at the Issue Price of S\$0.02 for each VHL Rights Share, with two (2) free VHL Warrants for every one (1) VHL Rights Share, each VHL Warrant carrying the right to subscribe for one (1) New VHL Share at the Exercise Price of S\$0.02 for each New VHL Share. On 6 July 2017, VHL announced that it wishes to convene an extraordinary general meeting in order to seek the approval of its shareholders for, amongst others, the VHL Rights cum Warrants Issue and provided an update on the increase in the size of the VHL Rights cum Warrants Issue (being up to 4,483,061,385 VHL Rights Shares with up to 8,966,122,770 VHL Warrants).
- 1.2.2 Subsequently on 6 November 2017, VHL announced, amongst others, that it has revised each of the Issue Price and the Exercise Price from S\$0.02 to S\$0.016 and that all other key terms of the VHL Rights cum Warrants Issue remain the same.

LETTER TO SHAREHOLDERS

1.2.3 Please refer to Section 6.3 of this Circular for further details on the VHL Rights cum Warrants Issue. The VHL Rights cum Warrants Issue is subject to, amongst others, the approval of the VHL Shareholders of the VHL Rights cum Warrants Issue.

1.2.4 As at the Latest Practicable Date, the Company is a controlling shareholder of VHL and holds 903,534,986 VHL Shares, representing approximately 20.17% of the total issued VHL Shares (being 4,479,061,385 VHL Shares as at the Latest Practicable Date). Based on the foregoing and the Company's *pro-rata* entitlement of VHL Rights Shares (the "**SHL Rights Shares**") with VHL Warrants (the "**SHL Warrants**") under the VHL Rights cum Warrants Issue as at the Latest Practicable Date, the Company is entitled to subscribe for up to 903,534,986 VHL Rights Shares with up to 1,807,069,972 VHL Warrants at a total subscription amount of approximately S\$14.46 million for the VHL Rights Shares (assuming that none of the VHL Warrants are exercised).

1.3 Execution of Set-off and Settlement Agreement with VHL and the Proposed Transactions

1.3.1 As announced by the Company on 24 May 2017 and 6 November 2017, the Company and SOC had entered into a set-off and settlement agreement dated 24 May 2017 with VHL, which was amended and supplemented by a supplemental agreement dated 6 November 2017 between the Company, SOC and VHL (such set-off and settlement agreement, as amended and supplemented by such supplemental agreement and as further amended and supplemented from time to time, being the "**Set-Off and Settlement Agreement**"), pursuant to which the Company will, amongst others, undertake:

- (a) the Proposed Subscription; and
- (b) the Proposed Warrants Exercise Arrangement,

on the terms and subject to the conditions set out in the Set-Off and Settlement Agreement.

1.3.2 Under the Set-Off and Settlement Agreement, it is further contemplated that in the event that there are Excess VHL Amounts or Unutilised VHL Owings, the Company will undertake the Proposed Additional Debt to Equity Conversion on the terms and subject to the conditions set out in the Set-Off and Settlement Agreement.

1.3.3 Each of the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion (collectively, the "**Proposed Transactions**") is subject to, and conditional upon, amongst others, the approval of the Shareholders of the Company. The Company proposes to seek the Shareholders' approval for the Proposed Transactions at the EGM.

1.4 Renunciation and Assignment Mandate

1.4.1 Under the Set-Off and Settlement Agreement, the Company shall be entitled, at its sole and absolute discretion, to renounce all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue to Third Party Subscriber(s), on the terms and subject to the conditions set out in the Set-Off and Settlement Agreement. Such entitlement of the Company to renounce all or part of its provisional allotments of VHL Rights Shares with VHL Warrants is subject to the Company contemporaneously assigning the VHL Holdco Owing and/or (if any) Novated VHL Net Owings (or any part thereof) to the Third Party Subscriber(s), and the aggregate Issue Price and Exercise Price payable by such Third Party Subscriber(s) to VHL for their subscription of the VHL Rights Shares with VHL Warrants renounced to them and their exercise of the VHL Warrants renounced to them shall be fully set-off and settled against such amounts being assigned by the Company to such Third Party Subscriber(s).

LETTER TO SHAREHOLDERS

- 1.4.2 Under Rule 1014 of the Listing Manual, shareholders' approval is required if any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% and such a transaction is classified as a "major transaction". In determining whether a disposal transaction or a series of disposal transactions is considered a major transaction, the SGX-ST may aggregate separate transactions completed within a twelve (12)-month period and treat these transactions as one under Rule 1005 of the Listing Manual. While it may be that a single transaction in respect of the Proposed Renunciation and Assignment may, in itself, trigger the requirement of Shareholders' approval in accordance with Rule 1014, the Company believes that it is also possible that Shareholders' approval will be required in the event the Proposed Renunciation and Assignment is undertaken by way of separate, smaller transactions within a twelve (12)-month period and which the SGX-ST may aggregate and consider as a single transaction. As such, the Company proposes to seek approval from the Shareholders for a mandate to authorise the Company to undertake the Proposed Renunciation and Assignment on the terms set out in Section 4.2 of this Circular (the "**Renunciation and Assignment Mandate**") at the EGM.
- 1.4.3 Please refer to Section 4 of this Circular for further details on the Proposed Renunciation and Assignment and the Renunciation and Assignment Mandate.
- 1.5 **Disposal Mandate**
- 1.5.1 As and when an attractive opportunity arises following the completion of the VHL Rights cum Warrants Issue, the Company proposes to dispose of all or part of (i) the SHL Rights Shares; (ii) the SHL Warrants; (iii) the New VHL Shares to be issued to the Company pursuant to the exercise of the SHL Warrants; and (iv) the Additional New Shares to be issued to the Company pursuant to the Proposed Additional Debt to Equity Conversion (the "**Proposed Disposal of Securities**").
- 1.5.2 While it may be that a single transaction in respect of the Proposed Disposal of Securities may, in itself, trigger the requirement of Shareholders' approval in accordance with Rule 1014 (if any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20%), the Company believes that it is also possible that Shareholders' approval will be required in the event the Proposed Disposal of Securities is undertaken by way of separate, smaller transactions within a twelve (12)-month period and which the SGX-ST may aggregate and consider as a single transaction. As such, the Company proposes to seek approval from the Shareholders for a mandate to authorise the Company to undertake the Proposed Disposal of Securities on the terms set out in Section 5.3 of this Circular (the "**Disposal Mandate**") at the EGM.
- 1.5.3 Please refer to Section 5 of this Circular for further details on the Proposed Disposal of Securities and the Disposal Mandate.

1.6 **Purpose of this Circular**

The purpose of this Circular is to provide the Shareholders with relevant information pertaining to the Proposed Transactions, the Renunciation and Assignment Mandate and the Disposal Mandate, including the rationale therefor and the financial effects thereof on the Group, and to seek Shareholders' approval for the Proposed Transactions, the Renunciation and Assignment Mandate and the Disposal Mandate at the EGM, notice of which is set out in the Notice of EGM.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched by the Company) or for any other purpose.

LETTER TO SHAREHOLDERS

2. THE PROPOSED SUBSCRIPTION AND THE PROPOSED WARRANTS EXERCISE ARRANGEMENT

2.1 Subject to the terms and conditions of the Set-Off and Settlement Agreement (including the fulfilment, or waiver by the Company, of the conditions precedent referred to in Section 2.2.4 below), the Company shall:

- (a) subscribe for its entire *pro-rata* entitlement of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, being the SHL Rights Shares with the SHL Warrants, where the aggregate Issue Price payable by the Company to VHL in respect of such subscription (the “**Actual Subscription Amount**”) will be fully set-off and settled against the outstanding amount of US\$29,393,692.12 (approximately S\$40.79 million, based on the Agreed Exchange Rate) owing by VHL to the Company as at 31 December 2016 (the “**VHL Holdco Owing**”) to the extent of the US\$ equivalent of the Actual Subscription Amount (based on the Agreed Exchange Rate) (the “**Proposed Subscription**”); and
- (b) exercise all the SHL Warrants (the “**Proposed Warrants Exercise Arrangement**”) (insofar as such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise (the “**29.9% Threshold Condition**”)), where the aggregate Exercise Price payable by the Company to VHL in respect of the exercise by the Company of any SHL Warrants (the “**Actual Exercise Amount**”) will be fully set-off and settled against:
 - (i) the Balance VHL Holdco Owing in respect of the First Warrants Exercise; and
 - (ii) any Novated VHL Net Owings, in respect of each Subsequent Warrants Exercise.

2.2 A summary of the other salient terms of the Proposed Subscription and the Proposed Warrants Exercise Arrangement is set out below.

2.2.1 Proposed Subscription

Subject to the applicable conditions precedent as set out in Section 2.2.4 being satisfied, or waived by the Company, the Company shall subscribe for its entire *pro-rata* entitlement of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, being the SHL Rights Shares with the SHL Warrants, and the Actual Subscription Amount payable by the Company to VHL shall be fully set-off and settled against the VHL Holdco Owing to the extent of the US\$ equivalent of the Actual Subscription Amount (based on the Agreed Exchange Rate) (the “**Subscription Set-Off and Settlement Arrangement**”) on the date of listing and quotation of the VHL Rights Shares and VHL Warrants to be issued to the Company pursuant to the Proposed Subscription on the Catalist.

2.2.2 Proposed Warrants Exercise Arrangement

The Proposed Warrants Exercise Arrangement shall be undertaken in the following manner:

- (a) subject to the applicable conditions precedent as set out in Section 2.2.4 being satisfied, or waived by the Company, the Company shall exercise the maximum number of SHL Warrants to the extent possible within ten (10) business days after the commencement of the Warrants Exercise Period, insofar as (i) the Actual Exercise Amount payable on such exercise is equivalent to or does not exceed the S\$ equivalent of the balance amount of the VHL Holdco Owing after deducting the Actual Subscription Amount (the “**Balance VHL Holdco Owing**”) and (ii) such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise (the “**First Warrants Exercise**”), and the Actual Exercise Amount payable by the Company to VHL in respect of the First Warrants Exercise shall be fully set-off and settled against the Balance VHL Holdco Owing to the extent of the US\$ equivalent of such Actual Exercise Amount (based on the Agreed Exchange Rate) on the date of listing and quotation of the New VHL Shares to be issued to the Company pursuant to the First Warrants Exercise on the Catalist; and

LETTER TO SHAREHOLDERS

- (b) following the First Warrants Exercise, subject to the Company's monthly review of its shareholding level in VHL and subject to the applicable conditions precedent being satisfied, or waived by the Company, the Company shall exercise the maximum number of SHL Warrants to the extent possible within ten (10) business days from the end of the relevant month, insofar as (i) the Actual Exercise Amount payable on such exercise is equivalent to or does not exceed the S\$ equivalent of the Novated VHL Net Owings, and (ii) such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise (each a "**Subsequent Warrants Exercise**"), and the Actual Exercise Amount payable by the Company to VHL in respect of such Subsequent Warrants Exercise shall be fully set-off and settled against the Novated VHL Net Owings to the extent of the US\$ equivalent of such Actual Exercise Amount (based on the Agreed Exchange Rate) on the date of listing and quotation of the New VHL Shares to be issued to the Company pursuant to such Subsequent Warrants Exercise on the Catalist,

(the "**Warrants Exercise Set-Off and Settlement Arrangement**" and together with the Subscription Set-Off and Settlement Arrangement, the "**Set-Off and Settlement Arrangements**").

2.2.3 Undertaking to effect Novations and/or Assignments of the VHL Group Owings and the SHL Group Owings, and Group Set-Off thereafter

As the amount of the VHL Holdco Owing is not sufficient to cover the aggregate of the Actual Subscription Amount and the Actual Exercise Amount payable by the Company to VHL (assuming full subscription by the Company for its entire *pro-rata* entitlement of VHL Rights Shares with VHL Warrants, being the SHL Rights Shares with the SHL Warrants, and the full exercise of all the SHL Warrants), the amount of which is described as the Maximum Aggregate Price as set out in Section 2.2.6(a) below, in addition to the VHL Holdco Owing, it is contemplated under the Set-Off and Settlement Agreement that subject to the satisfaction, or waiver by the Company, of certain conditions precedent (the "**Novation and Group Set-Off Conditions**"):

- (a) there will also be novations and/or assignments of outstanding amounts (other than the VHL Holdco Owing) owing by various entities within the VHL group (comprising VHL, its subsidiaries and associated companies (excluding the Company and its subsidiaries and associated companies) (the "**VHL Group**")) to various entities within the SHL group (comprising the Company, its subsidiaries and associated companies (excluding VHL and any other entities within the VHL Group) (the "**SHL Group**")) as at 31 December 2016 (the "**VHL Group Owings**"), and outstanding amounts owing by various entities within the SHL Group to various entities within the VHL Group as at 31 December 2016 (the "**SHL Group Owings**"), such that following such novations and/or assignments, the VHL Group Owings will be owing from VHL to the Company and the SHL Group Owings will be owing from the Company to VHL (collectively, the "**Novations**"); and
- (b) immediately upon the relevant Novation taking effect, VHL and the Company will effect a mutual set-off of the VHL Group Owings (as novated) against the SHL Group Owings (as novated), such that only the net amount (being the difference between the amount of the VHL Group Owings (as novated) and the amount of the SHL Group Owings (as novated)) remains owing between VHL and the Company (the "**Group Set-Off**"), following which only the balance amounts remaining therefrom shall be the net amounts owing by VHL to the Company (the "**Novated VHL Net Owings**"),

subject to the aggregate amount of outstanding Novated VHL Net Owings not exceeding US\$1,000,000 (or such other amount as may be agreed between the Company and VHL) (the "**Relevant Limit**") at any point in time.

As VHL would, pursuant to the Novations and Group Set-Offs in relation thereto, be assuming the liability for the VHL Group Owings which are owing by VHL's subsidiaries and associated companies, the Company and VHL agreed to impose the Relevant Limit, so that at any point in time there would be a limit on the aggregate amount of Novated VHL Net Owings being assumed by VHL pursuant to the Novations and Group Set-Offs in relation thereto which cannot thereafter

LETTER TO SHAREHOLDERS

be set-off and/or settled pursuant to the Warrants Exercise Set-Off and Settlement Arrangement and/or the Proposed Additional Debt to Equity Conversion (for example, due to any of the conditions precedent relating thereto not being satisfied, or waived by the Company). The amount of US\$1,000,000 referred to above was commercially agreed between the Company and VHL.

With the Relevant Limit in place, the Novations and Group Set-Offs in relation thereto may have to be effected in multiple rounds, so as to ensure that the aggregate amount of outstanding Novated VHL Net Owings following each Novation and Group Set-Off would not exceed the Relevant Limit at any point in time. As and when the aggregate amount of outstanding Novated VHL Net Owings falls below the Relevant Limit (for example, due to the set-off and settlement of such Novated VHL Net Owings pursuant to the Warrants Exercise Set-Off and Settlement Arrangement and/or the Proposed Additional Debt to Equity Conversion), a further round of Novation and Group Set-Off in relation thereto will, subject to the applicable conditions precedent being satisfied, or waived by the Company, be similarly undertaken to the extent that such Novation and Group Set-Off will not result in the aggregate amount of outstanding Novated VHL Net Owings exceeding the Relevant Limit at any point in time. This process will repeat until all the VHL Group Owings and SHL Group Owings are fully settled in accordance with the provisions of the Set-Off and Settlement Agreement.

Assuming that the entire VHL Group Owings and the entire SHL Group Owings are fully novated pursuant to the Novations and such VHL Group Owings (as novated) are fully set-off against such SHL Group Owings (as novated), this would result in an aggregate amount of Novated VHL Net Owings of US\$7,172,624.33 (which is equivalent to the amount of the Balance VHL Group Owing).

The Novation and Group Set-Off Conditions include, amongst others:

- (i) the Company being issued all the VHL Rights Shares with VHL Warrants less any VHL Rights Shares with VHL Warrants the provisional allotments of which are renounced by the Company to Third Party Subscriber(s), which it subscribes for pursuant to the Proposed Subscription, and all of such VHL Rights Shares and such VHL Warrants being listed and quoted on the Catalist;
- (ii) all approvals, consents and/or waivers of any third parties for the Novations and the Group Set-Offs, which the Company, SOC and the relevant entities within the SHL Group in their sole and absolute discretion consider to be necessary or desirable, being obtained, and such approvals, consents and/or waivers remaining valid and in full force and effect and not being withdrawn or amended;
- (iii) each Novation and Group Set-Off in relation thereto not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any statute, law, order, rule, regulation, ruling, directive, decision or request promulgated or made, whether or not having the force of law, by any court or legislative, executive or regulatory body or authority (including without limitation the SGX-ST);
- (iv) the Novation and Assignment Agreement(s) having been entered into between all the relevant parties thereto and remaining in full force and effect; and
- (v) (in respect of any relevant entity within the SHL Group) there being no order of court and no legal proceedings commenced by or against such relevant entity of the SHL Group, which has the effect or result of prohibiting or restricting in any manner such Novations and/or the Group Set-offs.

Subject to applicable laws and regulations and the listing rules of the SGX-ST, the Company may in its sole and absolute discretion waive (in whole or in part) any of the Novation and Group Set-Off Conditions.

LETTER TO SHAREHOLDERS

2.2.4 Conditions precedent

The Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Set-Off and Settlement Arrangements are subject to, amongst others, the following conditions precedent:

- (a) the approval of the Shareholders for the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Set-Off and Settlement Arrangements being obtained at an extraordinary general meeting to be convened by the Company;
- (b) all approvals, consents and/or waivers of any third parties for the Proposed Subscription and the Subscription Set-Off and Settlement Arrangement or the Proposed Warrants Exercise Arrangement and the Warrants Exercise Set-Off and Settlement Arrangement (as the case may be), which the Company in its sole and absolute discretion considers to be necessary or desirable, being obtained, and such approvals, consents and/or waivers remaining valid and in full force and effect and not being withdrawn or amended;
- (c) the Proposed Subscription and the Subscription Set-Off and Settlement Arrangement or the Proposed Warrants Exercise Arrangement and the Warrants Exercise Set-Off and Settlement Arrangement (as the case may be) not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any statute, law, order, rule, regulation, ruling, directive, decision or request promulgated or made, whether or not having the force of law, by any court or legislative, executive or regulatory body or authority (including without limitation the SGX-ST and the SIC);
- (d) the receipt by the Company of a written confirmation by DBS Bank Ltd. that it has no objections to the Proposed Subscription and the Proposed Warrants Exercise Arrangement, and that it has no security over or any other interest in the SHL Rights Shares, the SHL Warrants and the New VHL Shares to be issued by VHL to the Company pursuant to any exercise by the Company of the SHL Warrants, and such confirmation remaining valid and in full force and effect and not being withdrawn or amended;
- (e) the set-off and settlement agreement dated 24 May 2017 between VHL and Rawabi, as amended and supplemented by a supplemental agreement dated 6 November 2017 between VHL and Rawabi and as further amended and supplemented from time to time (the "**Rawabi SOSA**") remaining in full force and effect and not being amended, and Rawabi and VHL complying with all the terms of the Rawabi SOSA which relate to (i) Rawabi's subscription for its *pro-rata* entitlement of VHL Rights Shares with VHL Warrants and excess VHL Rights Shares with VHL Warrants and (ii) Rawabi's exercise of the VHL Warrants issued to Rawabi (the "**Rawabi Subscription and Exercise**");
- (f) (in respect of the Proposed Warrants Exercise Arrangement, the First Warrants Exercise or any Subsequent Warrants Exercise (as the case may be) and the Warrants Exercise Set-Off and Settlement Arrangement) none of the relative figures in respect of the Proposed Subscription, the Proposed Warrants Exercise Arrangement, the Additional New Shares and any other VHL Shares to be acquired which the SGX-ST may require to be aggregated pursuant to Rule 1005 of the Listing Manual, as computed on the applicable bases set out in Rule 1006 of the Listing Manual, being 100% or more from the Company's perspective;
- (g) in respect only of a Subsequent Warrants Exercise, the Novation and Group Set-Off Conditions being satisfied; and
- (h) in respect only of a Subsequent Warrants Exercise, the Novation and Assignment Agreement(s) remaining in full force and effect.

Subject to applicable laws and regulations and the listing rules of the SGX-ST, the Company may in its sole and absolute discretion waive (in whole or in part) any of the conditions precedent for the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Set-Off and Settlement Arrangements.

LETTER TO SHAREHOLDERS

2.2.5 Long stop dates

In respect of the Proposed Subscription, in the event that any of the conditions precedent applicable thereto is not fulfilled, or waived by the Company, on or before the closing date of the VHL Rights cum Warrants Issue (or such other date as the Parties may agree in writing), the Set-Off and Settlement Agreement (other than certain surviving provisions) shall lapse and terminate automatically and cease to have further effect and all obligations and liabilities of the Parties under such provisions shall cease and determine and no Party shall have any claim against the other Party(ies) for costs, damages, compensation or otherwise. The Parties have agreed that such termination of the Set-Off and Settlement Agreement shall not in any way affect or prejudice any and all rights and remedies of the SHL Group in connection with any outstanding amounts owing by the VHL Group to the SHL Group.

In respect of the Proposed Warrants Exercise Arrangement, in the event that any of the conditions precedent applicable thereto is not fulfilled, or waived by the Company, on or before the Warrants Expiry Date (or such other date as the Parties may agree in writing), the provisions in the Set-Off and Settlement Agreement applicable to the Proposed Warrants Exercise Arrangement, the First Warrants Exercise, any Subsequent Warrants Exercise and/or the Warrants Exercise Set-Off and Settlement Arrangement (as the case may be) shall cease to have further effect and all obligations and liabilities of the Parties under such provisions shall cease and determine and no Party shall have any claim against the other Party(ies) for costs, damages, compensation or otherwise in relation thereto. In such event, the Company shall not be obliged to undertake the First Warrants Exercise or any Subsequent Warrants Exercise (as the case may be), and VHL shall have no claims against the Company and/or SOC for costs, damages, compensation or otherwise in relation to the First Warrants Exercise or such Subsequent Warrants Exercise (as the case may be). The Parties have agreed that the cessation of the relevant provisions thereunder shall not in any way affect or prejudice any and all rights and remedies of the SHL Group in connection with any outstanding amounts owing by the VHL Group and all such amounts remain outstanding and payable to the SHL Group.

2.2.6 Maximum Aggregate Price for the Proposed Subscription and the Proposed Warrants Exercise Arrangement

- (a) Assuming that the Company subscribes for all the SHL Rights Shares with the SHL Warrants and exercises all the SHL Warrants, the maximum aggregate Issue Price payable by the Company to VHL for the Proposed Subscription and the maximum aggregate Exercise Price payable by the Company to VHL pursuant to the Proposed Warrants Exercise Arrangement, would be as follows:

		Number of SHL Rights Shares / SHL Warrants as at the Latest Practicable Date	Issue Price / Exercise Price as at the Latest Practicable Date	Total Issue Price / Exercise Price payable as at the Latest Practicable Date
Proposed Subscription	:	903,534,986	S\$0.016	S\$14,456,559.78
Proposed Warrants Exercise Arrangement	:	1,807,069,972	S\$0.016	S\$28,913,119.55
Total	:			S\$43,369,679.33 (the "Maximum Aggregate Price")

The Maximum Aggregate Price is equivalent to approximately US\$31.25 million, based on the Agreed Exchange Rate.

LETTER TO SHAREHOLDERS

- (b) Please refer to Section 3.3.1(b) of this Circular for an illustration on how the Maximum Aggregate Price payable by the Company to VHL is expected to be fully set-off and settled against the Agreed Total VHL Group Owing.

2.2.7 Termination of the Set-Off and Settlement Agreement

In addition to the termination event described in Section 2.2.5 of this Circular, the Set-Off and Settlement Agreement shall forthwith terminate upon:-

- (a) VHL deciding not to proceed with the VHL Rights cum Warrants Issue for any reason whatsoever or the VHL Rights cum Warrants Issue not being able to proceed for any reason whatsoever and upon the release of an announcement by VHL through SGXNET of such decision or inability to proceed if so required; or
- (b) the VHL Rights cum Warrants Issue not being completed by 31 January 2018 (or such other date as may be agreed between VHL and the Company in writing).

Upon such termination, the Set-Off and Settlement Agreement (other than certain surviving provisions) shall lapse and terminate automatically and cease to have further effect and all obligations and liabilities of the Parties under the Set-Off and Settlement Agreement shall cease and determine, save in respect of any antecedent breach of the Set-Off and Settlement Agreement.

3. THE PROPOSED ADDITIONAL DEBT TO EQUITY CONVERSION

3.1 Under the Set-Off and Settlement Agreement, it is further contemplated that:

- (a) following any Novation and Group Set-Off in relation thereto, in the event that the aggregate of the VHL Holdco Owing and the Novated VHL Net Owings exceeds the Maximum Aggregate Price payable by the Company to VHL pursuant to the Proposed Subscription and the Proposed Warrants Exercise Arrangement (such excess amounts being referred to as the **"Excess VHL Amounts"**); and/or
- (b) following the Warrants Expiry Date (or such other date as the Company and VHL may agree), in the event that there is any part of the VHL Holdco Owing, or Novated VHL Net Owings up to an amount equivalent to the difference between the Maximum Aggregate Price and the VHL Holdco Owing, which remains owing by VHL to the Company (the **"Unutilised VHL Owings"**),

the Company will, subject to the applicable conditions precedent being satisfied, or waived by the Company, subscribe for new VHL Shares (the **"Additional New Shares"**) at the applicable issue price (as described in Section 3.2.1 or 3.2.2 below) (the **"Additional Subscription"**), in which event the aggregate issue price payable by the Company to VHL for such Additional New Shares shall be fully set-off and settled against the Excess VHL Amounts and/or the Unutilised VHL Owings (the **"Proposed Additional Debt to Equity Conversion"**).

3.2 The salient terms of the Proposed Additional Debt to Equity Conversion are as follows:

3.2.1 Undertaking to subscribe for Additional New Shares in respect of Excess VHL Amounts

- (a) In the event that there are any Excess VHL Amounts, the Company shall, subject to the applicable conditions precedent being satisfied, or waived by the Company, subscribe for, and VHL shall issue to the Company, such number of Additional New Shares at the Relevant Issue Price (as defined below) for each Additional New Share, to the extent that the aggregate issue price payable by the Company to VHL for such Additional New Shares is equivalent to or does not exceed the S\$ equivalent of the relevant Excess VHL Amount (based on the Agreed Exchange Rate).

LETTER TO SHAREHOLDERS

- (b) For the purposes of such subscription, “**Relevant Issue Price**” means (i) in respect of that portion of the Excess VHL Amounts that does not exceed US\$8,000,000, an issue price of S\$0.016; or (ii) in respect of that portion of the Excess VHL Amounts that exceeds US\$8,000,000, an issue price being equivalent to the volume weighted average price of the VHL Shares over the ten (10) Market Days immediately preceding the date on which the relevant Novation and Group Set-Off in relation thereto is effected (being the date on which the Novation and Assignment Agreement between the relevant parties thereto in connection with such Novation is entered into), which would be more reflective of the prevailing market price of the VHL Shares at the relevant time when the Excess VHL Amounts arise. The Relevant Issue Price (including the amount of US\$8,000,000 referred to above) was commercially agreed between the Company and VHL.
- (c) In such event, the aggregate issue price payable by the Company to VHL for the subscription of such Additional New Shares shall be deemed to be fully set-off and settled against the Excess VHL Amounts to the extent of the US\$ equivalent of such aggregate issue price (based on the Agreed Exchange Rate), on the date of the listing and quotation of such Additional New Shares on the Catalist.

3.2.2 Undertaking to subscribe for Additional New Shares in respect of Unutilised VHL Owings

- (a) In the event that there are any Unutilised VHL Owings, the Company shall, subject to the applicable conditions precedent being satisfied, or waived by the Company, subscribe for, and VHL shall issue to the Company, such number of Additional New Shares at an issue price of S\$0.016 for each Additional New Share, to the extent that the aggregate issue price payable by the Company to VHL for such Additional New Shares is equivalent to or does not exceed the S\$ equivalent of the Unutilised VHL Owings (based on the Agreed Exchange Rate). It was agreed between SHL and VHL that the issue price in respect of the Unutilised VHL Owings shall be S\$0.016, on the basis that the Unutilised VHL Owings are part of the outstanding amounts which were originally intended to be set-off and settled pursuant to the Proposed Subscription and Proposed Warrants Exercise Arrangement (where each of the Issue Price and the Exercise Price is S\$0.016).
- (b) In such event, the aggregate issue price payable by the Company to VHL for the subscription of such Additional New Shares shall be deemed to be fully set-off and settled against the Unutilised VHL Owings to the extent of the US\$ equivalent of such aggregate issue price (based on the Agreed Exchange Rate), on the date of the listing and quotation of such Additional New Shares on the Catalist.

3.2.3 Conditions precedent

Each subscription by the Company of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion (“**Additional Subscription**”) and the Proposed Additional Debt to Equity Conversion are subject to, amongst others, the following conditions precedent:

- (a) the Company being issued all the VHL Rights Shares with VHL Warrants less any VHL Rights Shares with VHL Warrants the provisional allotments of which are renounced by the Company to Third Party Subscriber(s), which it subscribes for pursuant to the Proposed Subscription, and all of such VHL Rights Shares and such VHL Warrants being listed and quoted on the Catalist;
- (b) the approval of the Shareholders for such Additional Subscription and the Proposed Additional Debt to Equity Conversion (if required) being obtained at an extraordinary general meeting to be convened by the Company and such Shareholders’ approval remaining in full force and effect and not having been revoked or varied;

LETTER TO SHAREHOLDERS

- (c) the approval of the VHL Shareholders for the issuance of the Additional New Shares to the Company pursuant to such Additional Subscription and the Proposed Additional Debt to Equity Conversion (if required) and (in the event that the issuance of such Additional New Shares to the Company results in the Company and persons acting in concert with it being obliged to make a mandatory general offer under Rule 14 of the Code for the VHL Shares) the appropriate whitewash resolution by the VHL Shareholders being obtained at an extraordinary general meeting to be convened by VHL, and such shareholders' approval remaining in full force and effect and not having been revoked or varied;
- (d) all approvals, consents and/or waivers of any third parties for such Additional Subscription and the Proposed Additional Debt to Equity Conversion, which the Company in its sole and absolute discretion considers to be necessary or desirable, being obtained, and such approvals, consents and/or waivers remaining valid and in full force and effect and not being withdrawn or amended;
- (e) (in the event that the issuance of such Additional New Shares to the Company results in the Company and persons acting in concert with it being obliged to make a mandatory general offer under Rule 14 of the Code for the VHL Shares) an appropriate whitewash waiver being granted by SIC and all conditions imposed by SIC for such whitewash waiver being fulfilled, and such whitewash waiver remaining valid and in full force and effect and not having been revoked or varied on or before the issuance of such Additional New Shares;
- (f) the Rawabi SOSA not being amended and remaining in full force and effect, and Rawabi and VHL complying with all the terms of the Rawabi SOSA;
- (g) (i) the set-off and settlement of the aggregate of the subscription amount and exercise price payable by Rawabi to VHL for the Rawabi Subscription and Exercise (the "**Rawabi Initial Set-Off Amount**") against the aggregate amount owing by VHL to Rawabi as at the date of the Rawabi SOSA, being US\$102,087,467.21 (the "**Rawabi Advances**"), having been fully effected, (ii) all new VHL Shares required to be issued to Rawabi pursuant to the Rawabi Debts Settlement (as defined below) (the "**Rawabi Settlement Shares**") having been issued to Rawabi and (iii) the settlement of the balance amount of the Rawabi Advances (after deducting the Rawabi Initial Set-Off Amount) by way of VHL issuing the Rawabi Settlement Shares to Rawabi in accordance with the terms of the Rawabi SOSA ("**Rawabi Debts Settlement**") having been fully effected such that none of the Rawabi Advances remain outstanding;
- (h) none of the relative figures in respect of the Proposed Subscription, the Proposed Warrants Exercise Arrangement, the Additional New Shares to be subscribed by the Company pursuant to the Proposed Additional Debt to Equity Conversion and any other VHL Shares to be acquired which the SGX-ST may require to be aggregated pursuant to Rule 1005 of the Listing Manual, as computed on the bases set out in Rule 1006 of the Listing Manual, being 100% or more from the perspective of the Company; and
- (i) the receipt by the Company of a written confirmation by DBS Bank Ltd. that it has no objections to the Additional Subscription, and such confirmation remaining valid and in full force and effect and not being withdrawn or amended.

Subject to applicable laws and regulations and the listing rules of the SGX-ST, the Company may in its sole and absolute discretion waive (in whole or in part) any of the conditions precedent for the Proposed Additional Debt to Equity Conversion.

LETTER TO SHAREHOLDERS

3.2.4 Long Stop Date

In the event that any of the conditions precedent applicable to any Additional Subscription and the Proposed Additional Debt to Equity Conversion is not fulfilled, or waived by the Company, on or before the date falling six (6) months after the Warrants Expiry Date (or such other date as the Parties may agree in writing), the provisions in the Set-Off and Settlement Agreement applicable to any Additional Subscription and the Proposed Additional Debt to Equity Conversion shall cease to have further effect and all obligations and liabilities of the Parties under such applicable provisions shall cease and determine and no Party shall have any claim against the other Party(ies) for costs, damages, compensation or otherwise in relation thereto. The Parties have agreed that the cessation of the relevant provisions thereunder shall not in any way affect or prejudice any and all rights and remedies of the SHL Group in connection with any outstanding amounts owing by the VHL Group and all such amounts remain outstanding and payable to the SHL Group.

Where the conditions precedent set out in Section 3.2.3(c) in relation to the appropriate whitewash resolution and/or in Section 3.2.3(e) in respect of any subscription of Additional New Shares by the Company are not fulfilled, the Company shall not be obliged to subscribe for any Additional New Shares if such subscription will result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such subscription (the term “**29.9% Threshold Condition**” shall hereinafter be construed to include this condition).

3.3 Scenarios for the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion

For the purposes of the Set-Off and Settlement Agreement only, the Company and VHL have agreed that the total amount of net owings by the VHL Group to the SHL Group as at 31 December 2016 is an aggregate sum of US\$36,566,316.45 (the “**Agreed Total VHL Group Owing**”), comprising:

- (a) the VHL Holdco Owing of US\$29,393,692.12; and
- (b) net VHL Group Owings (other than the VHL Holdco Owing) (the “**Balance VHL Group Owing**”) of US\$7,172,624.33.

As stated in Section 2.2.3 above, as the amount of the VHL Holdco Owing is not sufficient to cover the Maximum Aggregate Price, there will be novations and/or assignments of the VHL Group Owings and of the SHL Group Owings pursuant to the Novations (as discussed in Section 2.2.3(a)). Assuming that the entire VHL Group Owings and the entire SHL Group Owings are fully novated pursuant to the Novations and such VHL Group Owings (as novated) are fully set-off against such SHL Group Owing (as novated) pursuant to the Group Set-Offs (as discussed in Section 2.2.3(b)), this would result in an aggregate amount of Novated VHL Net Owings of US\$7,172,624.33 (which is equivalent to the amount of the Balance VHL Group Owing mentioned above).

However, as the Novations and Group Set-Offs are subject to the satisfaction, or waiver by the Company, of the Novation and Group Set-Off Conditions, the actual amounts that will be subject to a Novation and/or Group Set-off, and correspondingly, the actual amount of Novated VHL Net Owings is not a definitive amount at this time.

The Company has accordingly considered the following scenarios for the purposes of illustrating the impact on the relative figures under Chapter 10 of the Listing Manual:

- (a) the Maximum Group Set-Off Scenario as more particularly described in Section 3.3.1 below; and
- (b) the Maximum Restricted Novations Scenario as more particularly described in Section 3.3.2 below.

LETTER TO SHAREHOLDERS

3.3.1 Maximum Group Set-Off Scenario

- (a) Assuming that the entire VHL Group Owings and the entire SHL Group Owings are fully novated pursuant to the Novations and such VHL Group Owings (as novated) are fully set-off against such SHL Group Owings (as novated), this would result in an aggregate amount of Novated VHL Net Owings of US\$7,172,624.33 (which is equivalent to the amount of the Balance VHL Group Owing mentioned above) (the “**Maximum Group Set-Off Scenario**”).
- (b) Under the Maximum Group Set-Off Scenario, as the Agreed Total VHL Group Owing of approximately US\$36.57 million by VHL to the Company exceeds the Maximum Aggregate Price as at the Latest Practicable Date of approximately US\$31.25 million (thereby giving rise to Excess VHL Amounts of approximately US\$5.32 million):-
 - (i) the Company would, subject to the applicable conditions precedent being satisfied, or waived by the Company, be able to undertake the Proposed Subscription and the Proposed Warrants Exercise Arrangement in full, at the Maximum Aggregate Price; and
 - (ii) the Company would, subject to the applicable conditions precedent being satisfied, or waived by the Company, be obliged to undertake Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion, to the extent that the aggregate issue price payable by the Company to VHL for such Additional New Shares is equivalent to or does not exceed the S\$ equivalent of the Excess VHL Amounts of approximately US\$5.32 million.

Accordingly, as at the Latest Practicable Date, under the Maximum Group Set-Off Scenario, it is expected that the Agreed Total VHL Group Owing of approximately US\$36.57 million (approximately S\$50.75 million, based on the Agreed Exchange Rate) by VHL to the Company will be fully set-off and settled against:-

- (1) the aggregate Actual Subscription Amount and Actual Exercise Amounts payable by the Company to VHL pursuant to the Proposed Subscription and the Proposed Warrants Exercise Arrangement (being the Maximum Aggregate Price); and
- (2) the aggregate issue price payable by the Company to VHL for the Additional New Shares to be subscribed by the Company pursuant to the Proposed Additional Debt to Equity Conversion,

based on each of the Issue Price and the Exercise Price being S\$0.016 and the following assumptions:

- (aa) the Company subscribes for its entire *pro-rata* entitlement of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, being the SHL Rights Shares with the SHL Warrants, at the aggregate Issue Price of approximately S\$14.46 million (equivalent to approximately US\$10.42 million, based on the Agreed Exchange Rate), and such aggregate Issue Price is fully set-off and settled against the VHL Holdco Owing (resulting in a Balance VHL Holdco Owing of approximately US\$18.98 million);
- (bb) the Company undertakes the First Warrants Exercise by exercising the maximum number of SHL Warrants to the extent possible, insofar as such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise, at an aggregate Exercise Price equivalent to or which does not exceed the S\$ equivalent of the Balance VHL Holdco Owing of approximately US\$18.98 million (based on the Agreed Exchange Rate), and such aggregate Exercise Price is fully set-off and settled against the Balance VHL Holdco Owing of approximately US\$18.98 million,

LETTER TO SHAREHOLDERS

such that the entire VHL Holdco Owing of approximately US\$29.39 million is fully set-off and settled pursuant to the Proposed Subscription and the First Warrants Exercise;

- (cc) the entire VHL Group Owings and the entire SHL Group Owings are fully novated pursuant to the Novations and such VHL Group Owings (as novated) are fully set-off against such SHL Group Owings (as novated), resulting in an aggregate amount of Novated VHL Net Owings of approximately US\$7.17 million;
- (dd) pursuant to the Proposed Warrants Exercise Arrangement, the Company then undertakes Subsequent Warrants Exercise(s) by exercising all the remaining SHL Warrants, insofar as such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise, at an aggregate Exercise Price of approximately S\$2.58 million (equivalent to approximately US\$1.86 million, based on the Agreed Exchange Rate), and such aggregate Exercise Price is fully set-off and settled against the aggregate Novated VHL Net Owings of approximately US\$7.17 million (resulting in a balance Novated VHL Net Owings of approximately US\$5.32 million);
- (ee) pursuant to the Proposed Additional Debt to Equity Conversion, the Company then, subject to the applicable conditions precedent being satisfied, or waived by the Company, undertakes Additional Subscription(s) of Additional New Shares at the Relevant Issue Price (as defined in Section 3.2.1(b) of this Circular) for each Additional New Share pursuant to the Proposed Additional Debt to Equity Conversion, at an aggregate issue price equivalent to or which does not exceed the S\$ equivalent of an amount of approximately US\$5.32 million and such aggregate issue price is fully set-off and settled against the balance outstanding Novated VHL Net Owings of approximately US\$5.32 million,

such that the entire Balance VHL Group Owing of approximately US\$7.17 million is fully set-off and settled pursuant to the Subsequent Warrants Exercise(s) and the Additional Subscription(s) referred to above.

3.3.2 Maximum Restricted Novations Scenario

- (a) In the event that any of the SHL Group Owings cannot be novated (for example, due to any of the Novation and Group Set-Off Conditions not being satisfied, or waived by the Company) and the VHL Group Owings are fully novated pursuant to the Novations, the amount of Novated VHL Net Owings available for set-off and settlement would be increased beyond the amount of US\$7,172,624.33 as contemplated under the Maximum Group Set-Off Scenario.
- (b) The Company will then, subject to the applicable conditions precedent being satisfied, or waived by the Company, be obliged under the Set-Off and Settlement Agreement to undertake further Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion, to the extent of such increase in the amount of the Novated VHL Net Owings (the “**Additional Novated VHL Net Owings**”), by subscribing for such additional number of Additional New Shares at the applicable issue price to the extent that the aggregate issue price is equivalent to or does not exceed the Additional Novated VHL Net Owings, and such aggregate issue price payable by the Company to VHL shall be fully set-off and settled against the Additional Novated VHL Net Owings.
- (c) Under the worst case scenario where none of the SHL Group Owings can be novated (for example, due to any of the Novation and Group Set-Off Conditions not being satisfied, or waived by the Company) but all the VHL Group Owings are fully novated pursuant to the Novations (the “**Maximum Restricted Novations Scenario**”), based on the aggregate amount of the VHL Group Owings of approximately US\$91.04 million and the aggregate

LETTER TO SHAREHOLDERS

amount of the SHL Group Owings of approximately US\$83.86 million, the Novated VHL Net Owings available for set-off and settlement would, instead of being the amount of US\$7,172,624.33 as contemplated under the Maximum Group Set-Off Scenario, be increased to a maximum amount of approximately US\$91.04 million.

- (d) Out of this maximum amount of Novated VHL Net Owings of approximately US\$91.04 million:
 - (i) in respect of an amount of approximately US\$1.86 million (being the aggregate Exercise Price as at the Latest Practicable Date payable by the Company to VHL for the exercise of all the remaining SHL Warrants pursuant to the Subsequent Warrants Exercise(s), as referred to in Section 3.3.1(b)(dd)), the Company would have to undertake Subsequent Warrants Exercise(s) (and upon doing so, the Company would be exercising all the SHL Warrants pursuant to the Proposed Warrants Exercise Arrangement); and
 - (ii) in respect of the balance amount of approximately US\$89.18 million (being the difference between the amount of approximately US\$91.04 million referred to above in this Section 3.3.2(d) and the amount of approximately US\$1.86 million referred to in Section 3.3.2(d)(i) above) (which would constitute “Excess VHL Amounts” as referred to in Section 3.1(a)) (the “**Maximum Excess VHL Amounts**”), the Company would have to undertake Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion.
- (e) The Company wishes to highlight that the Maximum Restricted Novations Scenario is the worst case scenario where none of the SHL Group Owings can be novated (for example, due to any of the Novation and Group Set-Off Conditions not being satisfied, or waived by the Company) but all the VHL Group Owings are fully novated pursuant to the Novations. In such a circumstance, the liabilities of the SHL Group to the VHL Group, to the extent that such liabilities are not novated and set-off pursuant to the Novations and Group Set-Off, remain outstanding and payable by the SHL Group to the VHL Group. It is currently not known whether the Maximum Restricted Novations Scenario will actually occur. Whether the Maximum Restricted Novations Scenario occurs depends on the actual circumstances in existence when the Novations and/or Group Set-Offs are effected (including whether there could be any part of the SHL Group Owings which cannot be novated at that time), as the amount of SHL Group Owings which cannot be novated pursuant to the Novations or set-off pursuant to the Group Set-Offs could range between US\$0 and approximately US\$83.86 million (being the maximum amount of the SHL Group Owings as stated in Section 3.3.2(c)). As mentioned above in Section 3.3.1(b), under the Maximum Group Set-Off Scenario, there will only be Excess VHL Amounts of approximately US\$5.32 million.
- (f) For illustrative purposes, as at the Latest Practicable Date, under the Maximum Restricted Novations Scenario, the amounts owing by VHL to the Company (being the VHL Holdco Owing and the Novated VHL Net Owings) are expected to be set-off and settled as follows, based on each of the Issue Price and the Exercise Price being S\$0.016:
 - (i) the Company subscribes for its entire *pro-rata* entitlement of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, being the SHL Rights Shares with the SHL Warrants, at the aggregate Issue Price of approximately S\$14.46 million (equivalent to approximately US\$10.42 million, based on the Agreed Exchange Rate), and such aggregate Issue Price is fully set-off and settled against the VHL Holdco Owing (resulting in a Balance VHL Holdco Owing of approximately US\$18.98 million);

LETTER TO SHAREHOLDERS

- (ii) the Company undertakes the First Warrants Exercise by exercising the maximum number of SHL Warrants to the extent possible, insofar as such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise, at an aggregate Exercise Price equivalent to or which does not exceed the S\$ equivalent of the Balance VHL Holdco Owing of approximately US\$18.98 million (based on the Agreed Exchange Rate), and such aggregate Exercise Price is fully set-off and settled against the Balance VHL Holdco Owing of approximately US\$18.98 million,

such that the entire VHL Holdco Owing of approximately US\$29.39 million is fully set-off and settled pursuant to the Proposed Subscription and the First Warrants Exercise;

- (iii) none of the SHL Group Owings can be novated (for example, due to any of the Novation and Group Set-Off Conditions not being satisfied, or waived by the Company) but all the VHL Group Owings are fully novated pursuant to the Novations, resulting in there being Novated VHL Net Owings of approximately US\$91.04 million owing by VHL to SHL following the Novations;
- (iv) pursuant to the Proposed Warrants Exercise Arrangement, the Company then undertakes Subsequent Warrants Exercise(s) by exercising all the remaining SHL Warrants, insofar as such exercise will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise, at an aggregate Exercise Price of approximately S\$2.58 million (equivalent to approximately US\$1.86 million, based on the Agreed Exchange Rate), and such aggregate Exercise Price is fully set-off and settled against the Novated VHL Net Owings of approximately US\$91.04 million to the extent of the amount of approximately US\$1.86 million;
- (v) following such set-off and settlement, the amount of the Novated VHL Net Owings which remain outstanding and owing by VHL to SHL would be approximately US\$89.18 million (being the Maximum Excess VHL Amounts), in respect of which the Company would, subject to the applicable conditions precedent being satisfied, or waived by the Company, undertake Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion, at an aggregate issue price equivalent to or which does not exceed the S\$ equivalent of an amount of approximately US\$89.18 million and such aggregate issue price is fully set-off and settled against the balance outstanding Novated VHL Net Owings of approximately US\$89.18 million,

such that the entire Novated VHL Net Owings of approximately US\$91.04 million (referred to in Section 3.3.2(f)(iii)) is fully set-off and settled pursuant to the Subsequent Warrants Exercise(s) referred to in Section 3.3.2(f)(iv) and the Additional Subscription(s) referred to in Section 3.3.2(f)(v).

3.4 Undertaking by the Company to vote at an extraordinary general meeting of VHL

- 3.4.1 Under the Set-Off and Settlement Agreement, the Company shall, for so long as it holds VHL Shares and subject to the applicable conditions precedent being satisfied, or waived by the Company, vote, at an extraordinary general meeting of VHL to be convened ("**Subsequent VHL EGM**"), in favour of the resolutions to approve (a) the Rawabi Debts Settlement and the issuance of the Rawabi Settlement Shares to Rawabi and (b) the proposed resolution to be passed by independent shareholders of VHL for the waiver of their rights to receive a mandatory general offer for the VHL Shares from Rawabi and persons acting in concert with it as a result of Rawabi's acquisition of the Rawabi Settlement Shares ("**SHL Voting Undertaking**").

LETTER TO SHAREHOLDERS

3.4.2 The SHL Voting Undertaking is subject to the following conditions:-

- (a) the receipt by the Company of a written confirmation by DBS Bank Ltd. that it has no objections to the Company voting, at the Subsequent VHL EGM, in favour of the resolutions mentioned above (“**DBS Voting Confirmation**”), and such DBS Voting Confirmation remaining valid and in full force and effect and not being withdrawn or amended; and
- (b) the SHL Voting Undertaking (in whole or in part) not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any statute, law, order, rule, regulation, ruling, directive, decision, requirement or request promulgated or made, whether or not having the force of law, by any court or legislative, executive or regulatory body or authority (including without limitation the SGX-ST and SIC), including any objections to such voting by the SGX-ST and/or SIC and any requests by the SGX-ST and/or SIC to abstain from voting.

3.4.3 Subject to applicable laws and regulations and the listing rules of the SGX-ST, SHL may in its sole and absolute discretion waive (in whole or in part) any of the conditions precedent set out above.

3.4.4 In the event that (a) the Subsequent VHL EGM is not held on or before the date falling one (1) year after the closing date of the VHL Rights cum Warrants Issue or such other date as may be agreed between VHL and the Company in writing or (b) any of the conditions precedent set out above is not fulfilled or waived (as the case may be) before the Subsequent VHL EGM, all obligations of the Company in respect of the SHL Voting Undertaking shall cease and determine and no Party shall have any claim against the other Party(ies) for costs, damages, compensation or otherwise.

4. RENUNCIATION AND ASSIGNMENT MANDATE

4.1 Renunciation of Provisional Allotments to Third Party(ies)

4.1.1 Under the Set-Off and Settlement Agreement, the Company shall be entitled, at its sole and absolute discretion, to renounce all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue (being the SHL Rights Shares with the SHL Warrants) to third party(ies) (the “**Third Party Subscriber(s)**”) on the terms and subject to the conditions set out in the Set-Off and Settlement Agreement (the “**Proposed Renunciation**”). In connection therewith, the Company shall procure the undertaking by such Third Party Subscriber(s) to, amongst others:

- (a) subscribe in full for the provisional allotment(s) of VHL Rights Shares with VHL Warrants so renounced by the Company (the “**Renounced Rights Shares with Warrants**”) to such Third Party Subscriber(s); and
- (b) exercise the maximum number of VHL Warrants issued to such Third Party Subscriber(s) within ten (10) business days after the commencement of the Warrants Exercise Period, insofar as such exercise will not result in each of such Third Party Subscriber(s) and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such exercise,

in accordance with the provisions of the Set-Off and Settlement Agreement which relate to the Proposed Subscription and the Proposed Warrants Exercise Arrangement, on the basis that such provisions will apply *mutatis mutandis* to the Third Party Subscriber(s) to the extent of the provisional allotment(s) of VHL Rights Shares with VHL Warrants so renounced by the Company to such Third Party Subscriber(s).

LETTER TO SHAREHOLDERS

- 4.1.2 Such entitlement of the Company to undertake the Proposed Renunciation is subject to the Company contemporaneously assigning the VHL Holdco Owing and/or (if any) Novated VHL Net Owings (or any part thereof) to the Third Party Subscriber(s) (the “**Assignment of Receivables**”), where the Company shall procure that:
- (a) the S\$ equivalent of such VHL Holdco Owing and/or such Novated VHL Net Owings so assigned (based on the Agreed Exchange Rate) (the “**Assigned Receivables**”) be greater than or equivalent to the aggregate (the “**Third Party Aggregate Issue and Exercise Amount**”) of:
 - (i) the aggregate Issue Price payable by such Third Party Subscriber(s) to VHL for subscribing in full for the provisional allotment(s) of VHL Rights Shares with VHL Warrants so renounced by the Company to such Third Party Subscriber(s); and
 - (ii) the aggregate Exercise Price payable by such Third Party Subscriber(s) to VHL in respect of the exercise of the VHL Warrants issued to such Third Party Subscriber(s); and
 - (b) the Third Party Subscriber(s) undertake to VHL that:
 - (i) the Third Party Aggregate Issue and Exercise Amount will be fully set-off and settled against the Assigned Receivables; and
 - (ii) (if applicable) the Third Party Subscriber(s) will subscribe for new VHL Shares in accordance with the provisions of the Set-Off and Settlement Agreement which relate to the Additional Subscription and the Proposed Additional Debt to Equity Conversion, on the basis that such provisions will apply *mutatis mutandis* to the Third Party Subscriber(s) to the extent of the Assigned Receivables assigned to such Third Party Subscriber(s).
- 4.1.3 Upon such renunciation taking place, the Company’s undertakings under the Set-Off and Settlement Agreement to undertake the Proposed Subscription and to exercise the SHL Warrants shall cease to apply to the extent of such renunciation. In addition, upon the Assignment of Receivables to the Third Party Subscriber(s), the Company’s undertakings under the Set-Off and Settlement Agreement which relate to the Additional Subscription and the Proposed Additional Debt to Equity Conversion shall cease to apply to the extent of the Assigned Receivables.
- 4.1.4 In the event that the Company is able to identify suitable Third Party Subscriber(s) or that an attractive opportunity arises, the Company intends to undertake the Proposed Renunciation and the Assignment of Receivables in relation thereto (the “**Proposed Renunciation and Assignment**”).
- 4.1.5 Under Rule 1014 of the Listing Manual, shareholders’ approval is required if any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% and such a transaction is classified as a “major transaction”. In determining whether a disposal transaction or a series of disposal transactions is considered a major transaction, the SGX-ST may aggregate separate transactions completed within a twelve (12)-month period and treat these transactions as one under Rule 1005 of the Listing Manual.

In the event that the Company undertakes any Proposed Renunciation and Assignment, the applicable relative figure computed under Rule 1006(c) may exceed 20%, thereby requiring specific Shareholders’ approval under Rule 1014 of the Listing Manual. Please refer to Section 8.6 of this Circular for the illustrative relative figures computed under Rule 1006 of the Listing Manual in relation to the Proposed Renunciation and Assignment. While it may be that a single transaction in respect of the Proposed Renunciation and Assignment may, in itself, trigger the requirement of Shareholders’ approval in accordance with Rule 1014, the Company believes

LETTER TO SHAREHOLDERS

that it is also possible that Shareholders' approval will be required in the event the Proposed Renunciation and Assignment is undertaken by way of separate, smaller transactions within a twelve (12)-month period and which the SGX-ST may aggregate and consider as a single transaction. As such, the Company is seeking the prior approval of Shareholders for the Renunciation and Assignment Mandate at the EGM.

4.2 Terms of the Renunciation and Assignment Mandate

4.2.1 The terms of the Renunciation and Assignment Mandate are as follows:

- (a) the Company may (i) renounce all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue to one or more Third Party Subscriber(s) and (ii) contemporaneously effect the Assignment of Receivables to such Third Party Subscriber(s), in accordance with the terms of the Set-Off and Settlement Agreement in one or more transactions (the "**Transactions**") at the sole and absolute discretion of the Judicial Managers without seeking the specific approval of Shareholders for any of the Transactions;
- (b) all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue may be renounced together with the Assignment of Receivables in relation thereto, at such consideration which the Judicial Managers deem fit in their sole and absolute discretion after taking into account the relevant factors, and such consideration shall be satisfied in such manner as the Judicial Managers deem fit in the interests of the Company and the Group, including, whether in whole or in part, by way of cash, cash equivalents and/or marketable securities, provided that each renunciation together with the Assignment of Receivables in relation thereto carried out under the Renunciation and Assignment Mandate will be at an aggregate consideration at or above an amount equivalent to the aggregate amount of the Assigned Receivables assigned by the Company pursuant to such Assignment of Receivables ("**Minimum Consideration**");
- (c) all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue may be renounced, and each Assignment of Receivables in relation thereto may be effected, on such other terms which the Judicial Managers deem fit in their sole and absolute discretion after taking into account the relevant factors;
- (d) if approved by Shareholders at the EGM, the authority conferred by the Renunciation and Assignment Mandate will take effect from the day immediately following the date of the EGM (i) until the completion of the VHL Rights cum Warrants Issue or (ii) until the next annual general meeting of the Company or (iii) until it is varied or revoked by the Company in a general meeting, whichever is the earliest, provided always that the expiry of such validity period of the Renunciation and Assignment Mandate shall not invalidate or render unauthorised, any renunciation(s) of all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue and/or any Assignment of Receivables that is ongoing or pending completion at the time of such expiry, so long as the relevant agreements relating to the Transactions were executed by the Company with the Third Party Subscriber(s) within the validity period of the Renunciation and Assignment Mandate;
- (e) an intended Third Party Subscriber in respect of all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue and any Assignment of Receivables, shall not be an "interested person" of the Company, unless the specific approval of Shareholders for such transactions is obtained in accordance with Chapter 9 of the Listing Manual; and

LETTER TO SHAREHOLDERS

- (f) any negotiations, if applicable, with an intended Third Party Subscriber in respect of all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue and any Assignment of Receivables shall be conducted on an arm's length and commercial basis, taking into consideration such factors as the Judicial Managers may deem fit in the interests of the Company and the Group.

4.2.2 For the purposes of Section 4.2.1(e) above,

- (a) an "interested person" means a director, chief executive officer or controlling shareholder of the Company, or an associate of such director, chief executive officer or controlling shareholder;
- (b) a "controlling shareholder" means a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder), or in fact exercises control over the Company; and
- (c) an "associate", (1) in relation to any director, chief executive officer or controlling shareholder (being an individual), means (aa) his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), (bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (2) in relation to a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

4.2.3 The Judicial Managers will exercise the authority conferred by the Renunciation and Assignment Mandate in the interests of the Company and the Group. In the event that the Company is not able to renounce all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue in accordance with the terms set out above, the Company will, if it decides to still proceed with the Proposed Renunciation and Assignment, either seek a fresh mandate from the Shareholders for the Proposed Renunciation and Assignment or obtain the specific approval from Shareholders for the Proposed Renunciation and Assignment, as may be applicable under the Listing Manual.

4.3 Protection for Shareholders

4.3.1 Minimum Consideration

In order to protect Shareholders' interests in respect of any renunciation(s) of all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue and the Assignment of Receivables in relation thereto carried out under the Renunciation and Assignment Mandate, the Judicial Managers will ensure that each renunciation and the Assignment of Receivables in relation thereto carried out under the Renunciation and Assignment Mandate will be at or above the Minimum Consideration.

4.3.2 Announcement of Transactions

The Company will also keep Shareholders informed of Transaction(s) carried out under the Renunciation and Assignment Mandate by making announcements of such Transaction(s).

4.4 Proceeds from the Proposed Renunciation and Assignment

The Company intends to use the proceeds from any Proposed Renunciation and Assignment for purposes in connection with the judicial management of the Company at the discretion of the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, for the Group's working capital purposes.

LETTER TO SHAREHOLDERS

4.5 Illustration of the Proposed Renunciation and Assignment

4.5.1 For illustrative purposes only, on the basis of the Agreed Total VHL Group Owing of approximately US\$36.57 million, the maximum amount of the Assigned Receivables that can be assigned by the Company to the Third Party Subscriber(s) would be approximately US\$36.57 million. Assuming that:

- (a) the Company assigns to Third Party Subscriber(s) such maximum amount of Assigned Receivables of approximately US\$36.57 million pursuant to the Assignment of Receivables and contemporaneously renounces to such Third Party Subscriber(s) such maximum amount of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue, insofar as the Third Party Aggregate Issue and Exercise Amount in respect of such Renounced Rights Shares with Warrants is equivalent to or does not exceed the S\$ equivalent of approximately US\$36.57 million (based on the Agreed Exchange Rate); and
- (b) such renunciation together with the Assignment of Receivables is effected at the Minimum Consideration,

the Company will receive approximately US\$36.57 million (whether, in whole or in part, by way of cash, cash equivalents and/or marketable securities) as consideration for such renunciation and Assignment of Receivables.

5. DISPOSAL MANDATE FOR THE PROPOSED DISPOSAL OF SECURITIES

5.1 The Proposed Disposal of Securities

5.1.1 As and when an attractive opportunity arises following the completion of the VHL Rights cum Warrants Issue, the Company proposes to dispose of all or part of (i) the SHL Rights Shares, (ii) the SHL Warrants, (iii) the New VHL Shares to be issued to the Company pursuant to the exercise of the SHL Warrants and (iv) the Additional New Shares to be issued to the Company pursuant to the Proposed Additional Debt to Equity Conversion (collectively, the “**Disposal Securities**”). In the event that any of the Disposal Securities are encumbered, any disposal of such Disposal Securities would be subject to the prior consent of the chargee of such Disposal Securities.

5.1.2 Under Rule 1014 of the Listing Manual, shareholders’ approval is required if any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% and such a transaction is classified as a “major transaction”. In determining whether a disposal transaction or a series of disposal transactions is considered a major transaction, the SGX-ST may aggregate separate transactions completed within a twelve (12)-month period and treat these transactions as one under Rule 1005 of the Listing Manual.

In the event that the Company undertakes any Proposed Disposal of Securities, the applicable relative figure computed under Rule 1006(c) may exceed 20%, thereby requiring specific Shareholders’ approval under Rule 1014 of the Listing Manual. Please refer to Section 8.7 of this Circular for the illustrative relative figures computed under Rule 1006 of the Listing Manual in relation to the Proposed Disposal of Securities. While it may be that a single transaction in respect of the Proposed Disposal of Securities may, in itself, trigger the requirement of Shareholders’ approval in accordance with Rule 1014, the Company believes that it is also possible that Shareholders’ approval will be required in the event the Proposed Disposal of Securities is undertaken by way of separate, smaller transactions within a twelve (12)-month period and which the SGX-ST may aggregate and consider as a single transaction. As such, the Company is seeking the prior approval of Shareholders for the Disposal Mandate at the EGM.

LETTER TO SHAREHOLDERS

5.2 Prices of VHL Shares

The following table sets out the historical trading prices of the VHL Shares on the Catalist for the 12 months ended 31 October 2017 (the “**Relevant Period**”):

Period	Price per VHL Share		
	Highest Price (\$)	Lowest Price (\$)	Closing Price (\$)
November 2016	0.020	0.016	0.017
December 2016	0.021	0.017	0.018
January 2017	0.020	0.018	0.019
February 2017	0.025	0.018	0.021
March 2017	0.022	0.019	0.020
April 2017	0.022	0.018	0.019
May 2017	0.020	0.016	0.017
June 2017	0.019	0.014	0.015
July 2017	0.016	0.013	0.014
August 2017	0.015	0.011	0.012
September 2017	0.014	0.011	0.013
October 2017	0.017	0.013	0.017

	Highest Price (\$)	Lowest Price (\$)	Volume Weighted Average Price (\$)
Relevant Period	0.025	0.011	0.0186

5.3 Terms of the Disposal Mandate

5.3.1 The terms of the Disposal Mandate are as follows:

- (a) all or part of the Disposal Securities may be disposed of, in one or more transactions through various arrangements, such as sale in the open market, divestment to strategic investors or placement through brokerage houses, at the sole and absolute discretion of the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) without seeking the specific approval of Shareholders for such disposals;
- (b) all or part of the Disposal Securities may be disposed of at a price which the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) deem fit in their sole and absolute discretion after taking into account the relevant factors, and the consideration in respect of such disposal(s) shall be satisfied in such manner as the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) deem fit in the interests of the Company and the Group, including, whether in whole or in part, by way of cash, cash equivalents or marketable securities, provided that each disposal carried out under the Disposal Mandate will be at or above the Minimum Disposal Share Price or the Minimum Disposal Warrants Price (as the case may be) per Disposal Security;
- (c) all or part of the Disposal Securities may be disposed of on such other terms which the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) deem fit in their sole and absolute discretion after taking into account the relevant factors;

LETTER TO SHAREHOLDERS

- (d) if approved by Shareholders at the EGM, the authority conferred by the Disposal Mandate will take effect from the day immediately following the completion of the VHL Rights cum Warrants Issue (i) until the next annual general meeting of the Company or (ii) until it is varied or revoked by the Company in a general meeting, whichever is the earlier, provided always that the expiry of such validity period of the Disposal Mandate shall not invalidate or render unauthorised, any disposal(s) of all or part of the Disposal Securities that is ongoing or pending completion at the time of such expiry, so long as the relevant agreements relating to such disposal(s) were executed by the Company with the relevant purchasers within the validity period of the Disposal Mandate. During the period when the Disposal Mandate is in force, the Company may enter into a sale and purchase agreement with any prospective purchaser of any of the Disposal Securities, and such agreement shall not be subject to the specific approval of Shareholders, notwithstanding that the completion date of the transaction may fall on a date after the Disposal Mandate has lapsed;
- (e) an intended purchaser in respect of all or part of the Disposal Securities shall not be an “interested person” of the Company, unless the specific approval of Shareholders for such disposal is obtained in accordance with Chapter 9 of the Listing Manual; and
- (f) any negotiations, if applicable, with an intended purchaser in respect of all or part of the Disposal Securities shall be conducted on an arm’s length and commercial basis, taking into consideration such factors as the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) may deem fit in the interests of the Company and the Group.

5.3.2 For the purposes of Section 5.3.1(e) above,

- (a) an “interested person” means a director, chief executive officer or controlling shareholder of the Company, or an associate of such director, chief executive officer or controlling shareholder;
- (b) a “controlling shareholder” means a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder), or in fact exercises control over the Company; and
- (c) an “associate”, (1) in relation to any director, chief executive officer or controlling shareholder (being an individual), means (aa) his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), (bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (2) in relation to a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

5.3.3 The Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) will exercise the authority conferred by the Disposal Mandate in the interests of the Company and the Group. In the event that the Company is not able to dispose of all or part of the Disposal Securities in accordance with the terms set out above, the Company will, if it decides to still proceed with the Proposed Disposal of Securities, either seek a fresh mandate from the Shareholders for the Proposed Disposal of Securities or obtain the specific approval from Shareholders for the Proposed Disposal of Securities, as may be applicable under the Listing Manual.

LETTER TO SHAREHOLDERS

5.4 Protection for Shareholders

5.4.1 Minimum Disposal Share Price and Minimum Disposal Warrants Price

In order to protect Shareholders' interests in respect of any disposal of all or part of the Disposal Securities carried out under the Disposal Mandate, the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) will ensure that each disposal carried out under the Disposal Mandate will be at or above:

- (a) the Minimum Disposal Share Price per SHL Rights Share, New VHL Share to be issued to the Company pursuant to the exercise of the SHL Warrants or Additional New Share to be issued to the Company pursuant to the Proposed Additional Debt to Equity Conversion (as the case may be); or
- (b) the Minimum Disposal Warrants Price per SHL Warrant,

(as the case may be).

5.4.2 Announcement of Proposed Disposals

The Company will also keep Shareholders informed of disposal(s) carried out under the Disposal Mandate by doing the following:

- (a) in the event that any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual for any one transaction carried out under the Disposal Mandate, or any further transaction (when aggregated with all previous transactions carried out under the Disposal Mandate) exceeds five per cent (5%), the Company will make an announcement setting out the information required under Rule 1010 of the Listing Manual. Such transactions are "discloseable transactions" as defined under Rule 1010;
- (b) in the event that the transaction(s) carried out under the Disposal Mandate results in the Company having to make a notification of change in its shareholding to VHL under the SFA, the Company will make an announcement of the same;
- (c) the Company will make an immediate announcement of the transaction(s) carried out under the Disposal Mandate in accordance with Rule 704(18)(a), Rule 704(18)(b), Rule 704(18)(c) and/or Rule 704(18)(d) of the Listing Manual (as the case may be); and
- (d) upon the earlier disposal of all of the Disposal Securities or upon the expiry of the Disposal Mandate, the Company will make an announcement of such a fact.

5.5 Proceeds from the Proposed Disposal of Securities

The Company intends to use the proceeds from any Proposed Disposal of Securities for purposes in connection with the judicial management of the Company at the discretion of the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, for the Group's working capital purposes.

5.6 Illustration of the Proposed Disposal of Securities

For illustrative purposes only, as at the Latest Practicable Date, on the basis that the Company will be issued 903,534,986 VHL Rights Shares with 1,807,069,972 VHL Warrants under the VHL Rights cum Warrants Issue and assuming:-

- (a) the Maximum Group Set-Off Scenario (where there is the Agreed Total VHL Group Owing of approximately US\$36.57 million (approximately S\$50.75 million, based on the Agreed Exchange Rate) which is available for set-off and settlement, which is expected to be fully set-off and settled against (i) the aggregate Actual Subscription Amount and Actual Exercise Amounts payable by the Company to VHL pursuant to the Proposed Subscription and the Proposed Warrants Exercise Arrangement and (ii) the aggregate issue price payable by the Company to VHL for Additional New Shares to be subscribed by the Company pursuant to the Proposed Additional Debt to Equity Conversion);

LETTER TO SHAREHOLDERS

- (b) the Company exercises all of its 1,807,069,972 VHL Warrants and is issued 1,807,069,972 New VHL Shares upon such exercise;
- (c) the Company subscribes for, and is issued, 461,065,915 Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion (being the maximum number of Additional New Shares that it is obliged to subscribe for based on the Agreed Total VHL Group Owing); and
- (d) the Company disposes of all of (i) the 903,534,986 VHL Rights Shares, (ii) the 1,807,069,972 New VHL Shares and (iii) the 461,065,915 Additional New Shares, in each case at the price of S\$0.016 per Disposal Security,

the Company will receive an aggregate of approximately S\$50.75 million (whether, in whole or in part, by way of cash, cash equivalents and/or marketable securities) as the total consideration for such Proposed Disposal of Securities.

6. INFORMATION ON VHL AND THE VHL RIGHTS CUM WARRANTS ISSUE

6.1 Information on VHL

VHL is a company listed on the Catalist. Based on VHL's annual report for the financial period ended 31 March 2017, the VHL Group is a provider of offshore support vessels and integrated offshore marine solutions to the oil and gas industry.

6.2 Value of the VHL Shares

Based on VHL's annual report for the financial period ended 31 March 2017, the net asset value per VHL Share is 4.12 US cents.

6.3 Details of the VHL Rights cum Warrants Issue

6.3.1 Rationale for the VHL Rights cum Warrants Issue:

As stated in the VHL Circular, VHL is undertaking the VHL Rights cum Warrants Issue to strengthen the financial position of the VHL Group. The VHL Rights cum Warrants Issue will also provide the VHL Shareholders with an opportunity to further participate in the equity of VHL and provide for financial flexibility for future expansion both in and outside Singapore.

6.3.2 Salient terms of the VHL Rights cum Warrants Issue:

Based on the VHL Circular:

- (a) the VHL Rights cum Warrants Issue will be made on a renounceable basis to Entitled VHL Shareholders on the basis of one (1) VHL Rights Share for every one (1) existing VHL Share held by each Entitled VHL Shareholder as at the VHL Books Closure Date, with two (2) free detachable VHL Warrants for every one (1) VHL Rights Share, fractional entitlements to be disregarded;
- (b) the VHL Rights Shares are payable in full upon acceptance and/or application by Entitled VHL Shareholders and will, upon allotment and issue, rank *pari passu* in all respects with the then existing VHL Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the VHL Rights Shares;
- (c) the VHL Warrants will be issued free together with the VHL Rights Shares and will be detached from the VHL Rights Shares on issue and will be listed and traded separately on the Catalist under the book-entry (scripless) settlement system upon the listing and quotation of the VHL Warrants on the Catalist, subject to, amongst others, an adequate spread of holdings of the VHL Warrants to provide for an orderly market in the VHL Warrants;

LETTER TO SHAREHOLDERS

- (d) the VHL Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the VHL Warrants as set out in the Deed Poll, each VHL Warrant shall entitle the VHL Warrantholder, at any time during the Warrants Exercise Period, to subscribe for one (1) New VHL Share at the Exercise Price in force on the relevant date of exercise of the VHL Warrants;
- (e) the Exercise Price and/or the number of VHL Warrants to be held by each VHL Warrantholder will, after their issue, be subject to adjustments under certain circumstances provided for in the terms and conditions of the VHL Warrants as set out in the Deed Poll. Such circumstances include, without limitation, consolidation, subdivision or conversion of the VHL Shares, capitalisation issues, rights issues and certain capital distributions;
- (f) the New VHL Shares arising from the exercise of the VHL Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then issued VHL Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of exercise of the VHL Warrants; and
- (g) the terms and conditions of the VHL Rights cum Warrants Issue are subject to such changes as the directors of VHL may deem fit. The final terms and conditions of the VHL Rights cum Warrants Issue will be set out in the offer information statement to be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore, and to be despatched by VHL to Entitled VHL Shareholders in due course, subject to, amongst others, the approval of the VHL Shareholders for the VHL Rights cum Warrants Issue at the VHL EGM.

Please refer to the VHL Circular for further information on the terms of the VHL Rights cum Warrants Issue.

6.3.3 Issue Price and Exercise Price:

Please refer to the VHL Circular for further details in relation to the Issue Price and the Exercise Price under the VHL Rights cum Warrants Issue.

6.4 Undertakings by Rawabi in relation to the VHL Rights cum Warrants Issue

6.4.1 Based on the VHL Circular, Rawabi is a shareholder of VHL and has an interest in 672,000,000 VHL Shares, representing approximately 15.00% of the total number of issued VHL Shares.

6.4.2 As announced by VHL on 24 May 2017, VHL had entered into the Rawabi SOSA with Rawabi in relation to Rawabi's participation in the VHL Rights cum Warrants Issue as well as the set-off and settlement of amounts owing by VHL to Rawabi, on the terms and subject to the conditions set out in the Rawabi SOSA.

6.4.3 Pursuant to the Rawabi SOSA and subject to the terms and conditions of the Rawabi SOSA (including the fulfilment, or waiver by Rawabi, of certain conditions precedent), Rawabi has undertaken (the "**Rawabi Undertakings**"):

- (a) to subscribe in full for (i) its *pro rata* entitlement of the VHL Rights Shares with VHL Warrants, and (ii) subject to availability, all the excess VHL Rights Shares with VHL Warrants (being the additional VHL Rights Shares with VHL Warrants in excess of Rawabi's provisional allotment under the VHL Rights cum Warrants Issue) (the "**Rawabi Subscription**"), and the actual aggregate Issue Price payable by Rawabi to VHL for the Rawabi Subscription (the "**Rawabi Actual Subscription Amount**") shall be set-off and settled against the Rawabi Advances to the extent of the Rawabi Actual Subscription Amount (the "**Rawabi Subscription Set-Off and Settlement Arrangement**");

LETTER TO SHAREHOLDERS

- (b) to exercise all the VHL Warrants issued to Rawabi (the “**Rawabi Warrants Exercise**”) insofar as the aggregate Exercise Price payable by Rawabi to VHL on such exercise is equivalent to or does not exceed the S\$ equivalent of the Rawabi Advances less the Rawabi Actual Subscription Amount (“**Rawabi Balance Advances**”), and subject to such exercise, such actual aggregate Exercise Price payable by Rawabi to VHL in respect of the Rawabi Warrants Exercise shall be set-off and settled against the Rawabi Balance Advances to the extent of such aggregate Exercise Price payable by Rawabi (the “**Rawabi Warrants Exercise Set-Off and Settlement Arrangement**”); and
- (c) with a view to the settlement of the Rawabi Advances to the extent not settled by the Rawabi Subscription Set-Off and Settlement Arrangement and the Rawabi Warrants Exercise Set-Off and Settlement Arrangement, upon the occurrence of certain specified events whereby any part of the Rawabi Advances remains owing by VHL to Rawabi (the “**Unutilised Rawabi Advances**”), to subscribe for new VHL Shares at an issue price of S\$0.016 for each new VHL Share to the extent that the aggregate issue price payable by Rawabi to VHL for such new VHL Shares is equivalent to the S\$ equivalent of the Unutilised Rawabi Advances. In such event, the aggregate issue price payable by Rawabi to VHL on such subscription shall be deemed to be fully set-off and settled against the Unutilised Rawabi Advances to the extent of the US\$ equivalent of such aggregate issue price on the date of completion of the issue of such new VHL Shares by VHL to Rawabi.

6.4.4 Each of the Rawabi Undertakings is subject to and conditional upon certain conditions precedent as set out under Appendix II of the VHL Circular. As stated in the VHL Circular, in view of the Rawabi Undertaking set out in Section 6.4.3(a) above, the VHL Rights cum Warrants Issue will be fully subscribed, subject to the terms and on the conditions of the Rawabi SOSA. Please refer to the VHL Circular for further information on the terms of the Rawabi SOSA and the Rawabi Undertakings.

6.4.5 Under the Rawabi SOSA, Rawabi has undertaken that it shall vote, at the extraordinary general meeting of VHL to be convened, in favour of all acts, deeds, things and documents as may be necessary to implement, give effect to, consummate, complete or procure the performance and completion of any transactions or matters contemplated in the Set-Off and Settlement Agreement, unless Rawabi is required by the SGX-ST or the SIC to abstain from voting on the same.

7. RATIONALE FOR THE PROPOSED TRANSACTIONS, THE PROPOSED RENUNCIATION AND ASSIGNMENT AND THE PROPOSED DISPOSAL OF SECURITIES

7.1 Rationale for the Proposed Transactions

A key reason for the Company undertaking the Proposed Subscription and the Proposed Warrants Exercise Arrangement is to maintain its shareholding percentage in VHL (assuming all VHL Rights Shares are subscribed for and all VHL Warrants are exercised). If the Company is unable to undertake the Proposed Subscription and the Proposed Warrants Exercise Arrangement, the Company’s shareholding percentage in VHL may consequently be diluted, which would not be in the interests of the Company.

Further, as the Company is currently placed under judicial management, the Company is of the view that the Proposed Subscription and the Proposed Warrants Exercise Arrangement are in the interests of the Company. It is contemplated under the Set-off and Settlement Agreement that the aggregate Issue Price and Exercise Price payable by the Company in respect of the Proposed Subscription and the Proposed Warrants Exercise Arrangement respectively will be satisfied in full by way of a set off and settlement against outstanding amounts owing by VHL to the Company. As the SHL Rights Shares with SHL Warrants and the New VHL Shares to be issued pursuant to the exercise of the SHL Warrants will be listed and quoted on the Catalist following completion of the VHL Rights cum Warrants Issue, the Company would be provided with the opportunity to convert outstanding amounts owing by VHL to the Company (where there is no certainty that such outstanding amounts will be fully repaid, if at all) into more liquid and marketable assets in the form of the SHL Rights Shares with the SHL Warrants and the New VHL Shares (as the

LETTER TO SHAREHOLDERS

case may be), which the Company may readily realise for the purpose of generating cash flow, if necessary. The Company believes that this would assist in achieving the purposes of the judicial management of the Company, including a more advantageous realisation of the Company's assets than would be effected by a winding up of the Company.

Similarly, the Proposed Additional Debt to Equity Conversion would provide the Company with the opportunity to convert further outstanding amounts owing by VHL to the Company (where there is no certainty that such outstanding amounts will be fully repaid, if at all), beyond the aggregate Issue Price and Exercise Price payable by the Company under the VHL Rights cum Warrants Issue, into more liquid and marketable assets in the form of the Additional New Shares.

7.2 **Rationale for the Proposed Renunciation and Assignment**

The Proposed Renunciation and Assignment would enable the Company to receive payment upfront, whether in whole or in part, by way of cash, cash equivalents and/or marketable securities, in respect of the Renounced Rights Shares with Warrants and the Assigned Receivables, and would discharge the Company of its relevant obligations under the Set-Off and Settlement Agreement to effect the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion, to the extent of such Proposed Renunciation(s) and Assignment(s) (subject to compliance by the Third Party Subscriber(s) with the same).

The Assignment of Receivables would in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to save time and resources that will otherwise be utilised for the recovery or settlement of the Assigned Receivables.

As at the Latest Practicable Date, the Company has not formalised or entered into any agreement or arrangement with any party with respect to any Proposed Renunciation and Assignment. In the event the Company undertakes any Proposed Renunciation and Assignment, the applicable relative figure computed under Rule 1006(c) may exceed 20%, thereby requiring specific Shareholders' approval under Rule 1014 of the Listing Manual. Please refer to Section 8.6 of this Circular for the illustrative relative figures computed under Rule 1006 of the Listing Manual in relation to the Proposed Renunciation and Assignment. The Company is of the view that the time required for, and uncertainty posed by any specific requirement for, Shareholders' approval may deter potential Third Party Subscriber(s). The lead-time required for the preparation of the Shareholders' circular and for the convening of an extraordinary general meeting may also put the Company at risk of missing a window of opportunity for any Proposed Renunciation and Assignment.

For the reasons specified above, the Company believes that it is important that the Company obtains prior Shareholders' approval for the Renunciation and Assignment Mandate in order for the Company to undertake any Proposed Renunciation and Assignment at opportune times. The Renunciation and Assignment Mandate will allow the Company to act flexibly and decisively on opportunities that will maximise the value of the Proposed Renunciation and Assignment but at the same time without compromising value realisation to Shareholders. Therefore, the Company is proposing to seek Shareholders' approval for the Renunciation and Assignment Mandate at the forthcoming EGM.

7.3 **Rationale for the Proposed Disposal of Securities**

The Company believes that the Proposed Disposal of Securities would allow the Company to unlock value from the Proposed Transactions, where the proceeds from any Proposed Disposal of Securities may be used for purposes in connection with the judicial management of the Company at the discretion of the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, for the Group's working capital purposes.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the Company has not formalised or entered into any agreement or arrangement with any party with respect to any Proposed Disposal of Securities. In the event the Company undertakes any Proposed Disposal of Securities, the applicable relative figure computed under Rule 1006(c) may exceed 20%, thereby requiring specific Shareholders' approval under Rule 1014 of the Listing Manual. Please refer to Section 8.7 of this Circular for the illustrative relative figures computed under Rule 1006 of the Listing Manual in relation to the Proposed Disposal of Securities. The Company is of the view that the time required for, and uncertainty posed by any specific requirement for, Shareholders' approval may deter potential purchasers of the Disposal Securities. The lead-time required for the preparation of the Shareholders' circular and for the convening of an extraordinary general meeting may also put the Company at risk of missing a window of opportunity for any Proposed Disposal of Securities.

For the reasons specified above, the Company believes that it is important that the Company obtains prior Shareholders' approval for the Disposal Mandate in order for the Company to undertake any Proposed Disposal of Securities at opportune times. The Disposal Mandate will allow the Company to act flexibly and decisively on opportunities that will maximise the value of the Proposed Disposal of Securities but at the same time without compromising value realisation to Shareholders. Therefore, the Company is proposing to seek Shareholders' approval for the Disposal Mandate at the forthcoming EGM.

8. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

8.1 Relative Figures for the Proposed Subscription and the Proposed Warrants Exercise Arrangement pursuant to the VHL Rights cum Warrants Issue only (and disregarding any Proposed Additional Debt to Equity Conversion that is required to be undertaken) under the Maximum Group Set-Off Scenario

Assuming the Maximum Group Set-Off Scenario (where there is the Agreed Total VHL Group Owing of approximately US\$36.57 million which is available for set-off and settlement) and the Company subscribes for all the SHL Rights Shares and exercises all the SHL Warrants, the relative figures for the Proposed Subscription and the Proposed Warrants Exercise Arrangement pursuant to the VHL Rights cum Warrants Issue only (and disregarding any Proposed Additional Debt to Equity Conversion) as at the Latest Practicable Date computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are set out below:

Rule	Bases of computation	Proposed Subscription and Proposed Warrants Exercise Arrangement only (S\$' million)	Group (S\$' million)	Relative figure
1006(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value	–	–	Not applicable, as this is not a disposal of assets.
1006(b)	Net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(loss) <small>(1)(2)(3)</small>	0.74	11.82	6.27%
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾⁽⁵⁾	43.37	51.10	84.87%

LETTER TO SHAREHOLDERS

Rule	Bases of computation	Proposed Subscription and Proposed Warrants Exercise Arrangement only (S\$' million)	Group (S\$' million)	Relative figure
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	–	–	Not applicable, as there is no issuance of equity securities by the Company.

Notes:

- (1) Based on profits or loss before income tax, minority interest and extraordinary items.
- (2) Based on VHL's issued share capital comprising 4,483,061,385 issued VHL Shares (assuming that the 4,000,000 outstanding options under VHL's employee share option scheme ("VHL ESOS Options") have been exercised in full) and assuming that (a) all of the VHL Shareholders (including the Company and Rawabi) subscribe for their full *pro-rata* entitlements of VHL Rights Shares with VHL Warrants (and Rawabi does not subscribe for any excess VHL Rights Shares), (b) each of the Company and Rawabi exercises all of their respective VHL Warrants at the same time, (c) no other VHL Shareholder exercises any of their VHL Warrants and (d) save for the issuance of all the VHL Rights Shares and the New VHL Shares arising from the exercise by each of the Company and Rawabi of all of their respective VHL Warrants, there is no further issuance of any VHL Shares, this would result in an increase in the Company's shareholding interest in VHL by 9.68%, from approximately 20.15% to 29.83%, immediately following the exercise by the Company and Rawabi of all of their respective VHL Warrants.

In such case, the net profits attributable to the assets acquired would be the additional share of VHL's profits that the Company would be required to account in its books of account, assuming that the Proposed Subscription and the Proposed Warrants Exercise Arrangement had taken place at the beginning of 1Q2016, being approximately US\$0.53 million (approximately S\$0.74 million, based on the Agreed Exchange Rate), which is equivalent to 9.68% (being the increase in the Company's shareholding level in VHL) of VHL's profits for 1Q2016.

- (3) Based on the net profits attributable to the Proposed Subscription and the Proposed Warrants Exercise Arrangement set out at note (2) above, and the Group's net profit of approximately US\$8.52 million (approximately S\$11.82 million, based on the Agreed Exchange Rate) for 1Q2016.
- (4) Based on the Maximum Aggregate Price as at the Latest Practicable Date of approximately S\$43.37 million.
- (5) Based on the market capitalisation of the Company of approximately S\$51.10 million, which is determined by multiplying the 460,376,986 issued shares in the Company by S\$0.111, being the weighted average price of the Company's Shares transacted on 26 July 2017, being the last full Market Day preceding the suspension of trading of the Company's Shares on the SGX-ST (the "SHL Market Capitalisation").

Based on the above, under the Maximum Group Set-Off Scenario, as the relative figure in Rule 1006(c) exceeds 20%, the Proposed Subscription and the Proposed Warrants Exercise Arrangement (taken together) would constitute a major transaction under Rule 1014 of the Listing Manual and are subject to and conditional upon the approval of Shareholders at a general meeting to be convened.

8.2 Relative Figures for the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion under the Maximum Group Set-Off Scenario

Assuming:

- (a) the Maximum Group Set-Off Scenario, where there is the Agreed Total VHL Group Owing of approximately US\$36.57 million which is available for set-off and settlement, of which there is an amount of Novated VHL Net Owings of approximately US\$5.32 million (being the amount by which the Agreed Total VHL Group Owing exceeds the Maximum Aggregate Price as at the Latest Practicable Date) in respect of which the Company would be obliged to undertake Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion (as shown in Section 3.3.1(b) of this Circular); and

LETTER TO SHAREHOLDERS

- (b) the Company subscribes for all the SHL Rights Shares and exercises all the SHL Warrants, and also undertakes the Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion mentioned above),

the relative figures for the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion as at the Latest Practicable Date computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are set out below:

Rule	Bases of computation	Proposed Subscription, Proposed Warrants Exercise Arrangement and Proposed Additional Debt to Equity Conversion – Maximum Group Set-Off Scenario (S\$ million)	Group (S\$ million)	Relative figure
1006(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value	–	–	Not applicable, as this is not a disposal of assets.
1006(b)	Net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(loss) ⁽¹⁾⁽²⁾⁽³⁾	–	11.82	0%
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾⁽⁵⁾	50.75	51.10	99.31%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	–	–	Not applicable, as there is no issuance of equity securities by the Company.

Notes:

- (1) Based on profits or loss before income tax, minority interest and extraordinary items.
- (2) Based on VHL's issued share capital comprising 4,483,061,385 issued VHL Shares (assuming that the 4,000,000 VHL ESOS Options have been exercised in full) and assuming that (a) all of the VHL Shareholders (including the Company and Rawabi) subscribe for their full *pro-rata* entitlements of the VHL Rights Shares with VHL Warrants (and Rawabi does not subscribe for any excess VHL Rights Shares), (b) all of the VHL Shareholders (including the Company and Rawabi) exercise all of their respective VHL Warrants at the same time, (c) Rawabi is issued all the Rawabi Settlement Shares pursuant to the Rawabi Debts Settlement, (d) the Company is issued the Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion based on Excess VHL Amounts of approximately US\$5.32 million, and (e) save for the issuance of all the VHL Rights Shares and the New VHL Shares arising from the exercise of all the VHL Warrants, the Rawabi Settlement Shares and the Additional New Shares, there is no further issuance of any VHL Shares, this would result in a decrease in the Company's shareholding interest in VHL from approximately 20.15% to 16.15% immediately following the exercise of the VHL Warrants and the issuances of the Rawabi Settlement Shares and the Additional New Shares as mentioned above. In such case, as the Company's shareholding level in VHL has decreased, there is no additional share of VHL's profits that the Company would be required to account in its books of account and accordingly, there are no net profits attributable to the assets acquired.
- (3) Based on the Group's net profit of approximately US\$8.52 million (approximately S\$11.82 million, based on the Agreed Exchange Rate) for 1Q2016.

LETTER TO SHAREHOLDERS

- (4) Based on the Agreed Total VHL Group Owing of approximately US\$36.57 million (approximately S\$50.75 million, based on the Agreed Exchange Rate).
- (5) Based on the SHL Market Capitalisation of approximately S\$51.10 million.

Based on the above, under the Maximum Group Set-Off Scenario, as the relative figure in Rule 1006(c) exceeds 20%, the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion (taken together) would constitute a major transaction under Rule 1014 of the Listing Manual and are subject to and conditional upon the approval of Shareholders at a general meeting to be convened.

8.3 **Relative Figures for the additional Proposed Additional Debt to Equity Conversion under the Maximum Restricted Novations Scenario (where there will be further Additional Subscription(s) in respect of the Additional Novated VHL Net Owings, pursuant to the Proposed Additional Debt to Equity Conversion)**

As stated in Section 3.3.2(d)(ii) of this Circular, under the Maximum Restricted Novations Scenario, there could be Maximum Excess VHL Amounts of approximately US\$89.18 million. Such Maximum Excess VHL Amounts would comprise:

- (a) Novated VHL Net Owings of approximately US\$5.32 million (being the amount by which the Agreed Total VHL Group Owing exceeds the Maximum Aggregate Price as at the Latest Practicable Date) as contemplated under the Maximum Group Set-Off Scenario, in respect of which the Company would be obliged to undertake Additional Subscription(s) of Additional New Shares (as shown in Section 3.3.1(b) of this Circular); and
- (b) Additional Novated VHL Net Owings of approximately US\$83.86 million, in respect of which the Company would have to undertake further Additional Subscription(s) of Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion, in addition to the Additional Subscription(s) of Additional New Shares referred to in Section 8.3(a) above.

Assuming (i) the Maximum Restricted Novations Scenario and (ii) an issue price of S\$0.016 per Additional New Share, the relative figures for the Proposed Additional Debt to Equity Conversion in respect of the Additional Novated VHL Net Owings of approximately US\$83.86 million as at the Latest Practicable Date computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are set out below:

Rule	Bases of computation	Proposed Additional Debt to Equity Conversion in respect of Additional Novated VHL Net Owings – Maximum Restricted Novations Scenario (S\$' million)	Group (S\$' million)	Relative figure
1006(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value	–	–	Not applicable, as this is not a disposal of assets.
1006(b)	Net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(loss) <small>(1)(2)(3)</small>	0.75	11.82	6.32%
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾⁽⁵⁾	86.47	51.10	169.21%

LETTER TO SHAREHOLDERS

Rule	Bases of computation	Proposed Additional Debt to Equity Conversion in respect of Additional Novated VHL Net Owings – Maximum Restricted Novations Scenario (\$' million)	Group (\$' million)	Relative figure
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	–	–	Not applicable, as there is no issuance of equity securities by the Company.

Notes:

- (1) Based on profits or loss before income tax, minority interest and extraordinary items.
- (2) Based on VHL's issued share capital comprising 4,483,061,385 issued VHL Shares (assuming that the 4,000,000 VHL ESOS Options have been exercised in full) and assuming that (a) all of the VHL Shareholders (including the Company and Rawabi) subscribe for their full *pro-rata* entitlements of the VHL Rights Shares with VHL Warrants (and Rawabi does not subscribe for any excess VHL Rights Shares), (b) all of the VHL Shareholders (including the Company and Rawabi) exercise all of their respective VHL Warrants at the same time, (c) Rawabi is issued all the Rawabi Settlement Shares pursuant to the Rawabi Debts Settlement, (d) the Company is issued the Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion based on the Maximum Excess VHL Amounts, and (e) save for the issuance of all the VHL Rights Shares and the New VHL Shares arising from the exercise of all the VHL Warrants, the Rawabi Settlement Shares and the Additional New Shares, there is no further issuance of any VHL Shares, the Proposed Additional Debt to Equity Conversion in respect of the Additional Novated VHL Net Owings of approximately US\$83.86 million alone would result in an increase in the Company's shareholding interest in VHL by 9.75%, from approximately 20.15% to 29.9% (after taking into account the 29.9% Threshold Condition), immediately following the exercise of the VHL Warrants and the issuances of the Rawabi Settlement Shares and the Additional New Shares as mentioned above.

In such case, the net profits attributable to the assets acquired pursuant to the Proposed Additional Debt to Equity Conversion in respect of the Additional Novated VHL Net Owings of approximately US\$83.86 million would be the additional share of VHL's profits that the Company would be required to account in its books of account, assuming that such Proposed Additional Debt to Equity Conversion had taken place at the beginning of 1Q2016, being approximately US\$0.54 million (approximately S\$0.75 million, based on the Agreed Exchange Rate), which is equivalent to 9.75% (being the increase in the Company's shareholding level in VHL) of VHL's profits for 1Q2016.

- (3) Based on the net profits attributable to the Proposed Additional Debt to Equity Conversion set out at note (2) above, and the Group's net profit of approximately US\$8.52 million (approximately S\$11.82 million, based on the Agreed Exchange Rate) for 1Q2016.
- (4) Based on an aggregate issue price of approximately S\$86.47 million (approximately US\$62.31 million, based on the Agreed Exchange Rate), which is the aggregate issue price (assuming the issue price is S\$0.016 per Additional New Share) of the maximum number of Additional New Shares which SHL can subscribe for based on the Additional Novated VHL Net Owings of approximately US\$83.86 million, such that such subscription will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such subscription, in view of the 29.9% Threshold Condition, notwithstanding that there are Additional Novated VHL Net Owings of approximately US\$83.86 million (approximately S\$116.39 million, based on the Agreed Exchange Rate).

The amount of approximately S\$86.47 million is computed based on VHL's issued share capital comprising 4,483,061,385 issued VHL Shares (assuming that the 4,000,000 VHL ESOS Options have been exercised in full) and assuming that (a) all of the VHL Shareholders (including the Company and Rawabi) subscribe for their full *pro-rata* entitlements of the VHL Rights Shares with VHL Warrants (and Rawabi does not subscribe for any excess VHL Rights Shares), (b) all of the VHL Shareholders (including the Company and Rawabi) exercise all of their respective VHL Warrants at the same time, (c) Rawabi is issued all the Rawabi Settlement Shares pursuant to the Rawabi Debts Settlement, (d) the Company is issued the maximum number of Additional New Shares which the Company can subscribe for, such that such subscription will not result in SHL and persons acting in concert with it holding VHL Shares representing more than 29.9% of the voting rights of VHL immediately following such subscription, and (e) save for the issuance of all the VHL Rights Shares and the New VHL Shares arising from the exercise of all the VHL Warrants, the Rawabi Settlement Shares and the Additional New Shares, there is no further issuance of any VHL Shares.

- (5) Based on the SHL Market Capitalisation of approximately S\$51.10 million.

LETTER TO SHAREHOLDERS

Based on the above, under the Maximum Restricted Novations Scenario and on the basis of Additional Novated VHL Net Owings of approximately US\$83.86 million, the relative figure for the Proposed Additional Debt to Equity Conversion in respect of such Additional Novated VHL Net Owings alone in Rule 1006(c) exceeds 100%. Accordingly, the Proposed Additional Debt to Equity Conversion in respect of such Additional Novated VHL Net Owings alone would technically be classified as a “very substantial acquisition” under Rule 1015(1)(a) of the Listing Manual, to which the requirements of Rule 1015 would apply in respect of the Proposed Additional Debt to Equity Conversion (unless waived by the SGX-ST).

8.4 **Waiver granted by the SGX-ST in relation to Rule 1015 of the Listing Manual in respect of the Proposed Transactions**

8.4.1 The Company had on 22 June 2017 submitted an application to the SGX-ST for the following waivers (the “**Waiver Application**”):-

- (a) a waiver from complying with Rule 1015 of the Listing Manual in relation to the Proposed Subscription and the Proposed Warrants Exercise Arrangement (the “**Rule 1015 Waiver**”); and
- (b) that the Rule 1015 Waiver will also apply to the Proposed Additional Debt to Equity Conversion such that the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion will together be regarded as a “major transaction” under Rule 1014 of the Listing Manual.

8.4.2 The SGX-ST had on 14 August 2017 informed the Company that the SGX-ST has no objection to the Company’s Waiver Application in respect of the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion, subject to the following:

- (a) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Rule 107 of the Listing Manual;
- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company;
- (c) the Company seeking Shareholders’ approval for the Proposed Transactions at a Shareholders’ meeting to be convened; and
- (d) the Company complying with the circular disclosure requirements under Rule 1014(2) of the Listing Manual,

(the “**SGX-ST Waiver**”).

The Company had made the announcement referred to in Section 8.4.2(a) above on 15 August 2017, and had on 5 September 2017 submitted to the SGX-ST the written confirmation referred to in Section 8.4.2(b) above.

In view of the changes to each of the Issue Price and the Exercise Price under the VHL Rights cum Warrants Issue from S\$0.02 to S\$0.016 subsequent to the Waiver Application, the Company has written to the SGX-ST for a confirmation that the SGX-ST Waiver continues to apply. SGX-ST has confirmed that the SGX-ST Waiver continues to apply.

8.5 **Grounds for seeking the Rule 1015 Waiver**

Please refer to the Company’s announcement dated 15 August 2017 for the grounds on which the Company had sought the Rule 1015 Waiver, as well as the extension of the Rule 1015 Waiver to apply to the Proposed Additional Debt to Equity Conversion, such that the Proposed Transactions together will be regarded as a “major transaction” under Rule 1014 of the Listing Manual.

LETTER TO SHAREHOLDERS

8.6 Relative Figures for the Proposed Renunciation and Assignment

Assuming the Maximum Group Set-Off Scenario and based on the amount of the Assigned Receivables being approximately US\$36.57 million (being the Agreed Total VHL Group Owing), the relative figures for the Proposed Renunciation and Assignment computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are set out below:

Rule	Bases of computation	Proposed Renunciation and Assignment – Maximum Group Set-Off Scenario (S\$' million)	Group (S\$' million)	Relative figure
1006(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value ⁽¹⁾	50.75	674.70	7.52%
1006(b)	Net profits/(loss) attributable to the assets disposed of, compared with the Group's net profits/(loss) ⁽²⁾⁽³⁾	–	11.82	0%
1006(c)	Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾⁽⁵⁾	50.75	51.10	99.31%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	–	–	Not applicable, as there is no issuance of equity securities by the Company.

Notes:

- (1) Based on the unaudited book value of the Assigned Receivables of approximately US\$36.57 million (equivalent to approximately S\$50.75 million, based on the Agreed Exchange Rate), and the Group's unaudited net asset value of approximately US\$486.16 million (equivalent to approximately S\$674.70 million, based on the Agreed Exchange Rate) as at 31 March 2016.
- (2) Based on profits or loss before income tax, minority interest and extraordinary items.
- (3) Based on the Group's net profit of approximately US\$8.52 million (equivalent to approximately S\$11.82 million, based on the Agreed Exchange Rate) for 1Q2016.
- (4) Based on the Minimum Consideration of approximately US\$36.57 million (equivalent to approximately S\$50.75 million, based on the Agreed Exchange Rate) for the Proposed Renunciation and Assignment involving an assignment of Assigned Receivables of approximately US\$36.57 million.
- (5) Based on the SHL Market Capitalisation of approximately S\$51.10 million.

Based on the above, assuming the Maximum Group Set-Off Scenario and based on the amount of the Assigned Receivables being approximately US\$36.57 million, as the relative figure in Rule 1006(c) exceeds 20%, the Proposed Renunciation and Assignment would constitute a major transaction under Rule 1014 of the Listing Manual and is subject to and conditional upon the approval of Shareholders at a general meeting to be convened.

LETTER TO SHAREHOLDERS

8.7 Relative Figures for the Proposed Disposal of Securities

Assuming (a) the Maximum Restricted Novations Scenario where there will be Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion and (b) an issue price of S\$0.016 per Additional New Share, the relative figures for the Proposed Disposal of Securities as at the Latest Practicable Date computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are set out below:

Rule	Bases of computation	Proposed Disposal of Securities – Maximum Restricted Novations Scenario (S\$ million)	Group (S\$ million)	Relative figure
1006(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value ⁽¹⁾	129.84	674.70	19.24%
1006(b)	Net profits/(loss) attributable to the assets disposed of, compared with the Group's net profits/(loss) ⁽²⁾⁽³⁾⁽⁴⁾	2.06	11.82	17.43%
1006(c)	Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁵⁾⁽⁶⁾	129.84	51.10	254.07%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	–	–	Not applicable, as there is no issuance of equity securities by the Company.

Notes:

- (1) Based on the book value of the Relevant Disposal Securities (as defined in footnote (3) below) of approximately US\$93.56 million (approximately S\$129.84 million, based on the Agreed Exchange Rate) and the Group's unaudited net asset value of approximately US\$486.16 million (approximately S\$674.70 million, based on the Agreed Exchange Rate) as at 31 March 2016.
- (2) Based on profits or loss before income tax, minority interest and extraordinary items.
- (3) Based on VHL's issued share capital comprising 4,483,061,385 issued VHL Shares (assuming that the 4,000,000 outstanding options under VHL ESOS Options have been exercised in full) and assuming that (a) all of the VHL Shareholders (including the Company and Rawabi) subscribe for their full *pro-rata* entitlements of the VHL Rights Shares with VHL Warrants (and Rawabi does not subscribe for any VHL excess Rights Shares), (b) all of the VHL Shareholders (including the Company and Rawabi) exercise all of their respective VHL Warrants at the same time, (c) Rawabi is issued all the Rawabi Settlement Shares pursuant to the Rawabi Debts Settlement, (d) the Company is issued the Additional New Shares pursuant to the Proposed Additional Debt to Equity Conversion based on the Maximum Excess VHL Amounts, and (e) save for the issuance of all the VHL Rights Shares and the New VHL Shares arising from the exercise by each of the Company and Rawabi of all of their respective VHL Warrants, the Rawabi Settlement Shares and the Additional New Shares, there is no further issuance of any VHL Shares, the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion would result in an increase in the Company's shareholding interest in VHL by 9.75%, from approximately 20.15% to 29.9% (after taking into account the 29.9% Threshold Condition), immediately following the exercise of the VHL Warrants and the issuances of the Rawabi Settlement Shares and the Additional New Shares as mentioned above.

Based on such increased shareholding interest of 29.9% in VHL, the Company may dispose of a maximum of approximately 8.11 billion VHL Shares ("**Relevant Disposal Securities**") (being the aggregate of the SHL Rights Shares, the New VHL Shares and the Additional New Shares issued to the Company). In such case, the net profits attributable to the Relevant Disposal Securities (which constitute approximately 26.89% of the total issued VHL Shares at the time of such disposal) would be approximately US\$1.48 million (approximately S\$2.06 million, based on the Agreed Exchange Rate), being 26.89% of VHL's profits for 1Q2016.

LETTER TO SHAREHOLDERS

- (4) Based on the net profits attributable to the disposal of the Relevant Disposal Securities set out in note (3) above, and the Group's net profit of approximately US\$8.52 million (approximately S\$11.82 million, based on the Agreed Exchange Rate) for 1Q2016.
- (5) Assuming and based on the price of S\$0.016 per Disposal Security.
- (6) Based on the SHL Market Capitalisation of approximately S\$51.10 million.

Based on the above, assuming (i) the Maximum Restricted Novations Scenario where there will be Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion and (ii) an issue price of S\$0.016 per Additional New Share, as the relative figure in Rule 1006(c) exceeds 20%, the Proposed Disposal of Securities would constitute a major transaction under Rule 1014 of the Listing Manual and is subject to and conditional upon the approval of Shareholders at a general meeting to be convened.

9. FINANCIAL EFFECTS

The proforma financial effects of the Proposed Transactions, the Proposed Renunciation and Assignment (if applicable) and the Proposed Disposal of Securities set out below are for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Group following the Proposed Transactions, the Proposed Renunciation and Assignment (if applicable) and the Proposed Disposal of Securities, nor a projection of the future financial performance or position of the Group after completion of the Proposed Transactions, the Proposed Renunciation and Assignment (if applicable) and the Proposed Disposal of Securities.

9.1 Financial Effects of the Proposed Subscription and the Proposed Warrants Exercise Arrangement

The proforma financial effects of the Proposed Subscription and the Proposed Warrants Exercise Arrangement (taken together) based on the Group's audited consolidated financial statements for FY2015 (being the latest available audited consolidated financial statements of the Group), are set out below:

9.1.1 NTA per share

Assuming that the Proposed Subscription and the Proposed Warrants Exercise Arrangement (based on the Maximum Group Set-Off Scenario but disregarding any Proposed Additional Debt to Equity Conversion) had been completed on 31 December 2015, the NTA per share of the Group would be as follows:

	Before the Proposed Subscription and the Proposed Warrants Exercise Arrangement	After the Proposed Subscription and the Proposed Warrants Exercise Arrangement ⁽¹⁾
NTA (US\$)⁽²⁾	575,136,000	575,136,000
Number of issued shares⁽²⁾	459,469,490	459,469,490
NTA per share (US\$)	1.25	1.25

Notes:

- (1) Based on the Maximum Aggregate Price as at the Latest Practicable Date of approximately S\$43.37 million (approximately US\$31.25 million, based on the Agreed Exchange Rate), on the basis of the Issue Price being S\$0.016 and the Exercise Price being S\$0.016.
- (2) Based on the Company's annual report for FY2015.

LETTER TO SHAREHOLDERS

9.1.2 EPS

Assuming that the Proposed Subscription and the Proposed Warrants Exercise Arrangement (based on the Maximum Group Set-Off Scenario but disregarding any Proposed Additional Debt to Equity Conversion) had been completed on 1 January 2015, the EPS for FY2015 of the Group would be as follows:

	Before the Proposed Subscription and the Proposed Warrants Exercise Arrangement	After the Proposed Subscription and the Proposed Warrants Exercise Arrangement ⁽¹⁾
Net profit/(loss) after tax (US\$)⁽²⁾⁽³⁾	(27,375,000)	(25,428,853)
Weighted average number of issued shares⁽³⁾	453,215,000	453,215,000
EPS (US cents)	(6.04)	(5.61)

Notes:

- (1) Based on the Maximum Aggregate Price as at the Latest Practicable Date of approximately S\$43.37 million (approximately US\$31.25 million, based on the Agreed Exchange Rate), on the basis of the Issue Price being S\$0.016 and the Exercise Price being S\$0.016, and assuming an increase in the Company's shareholding interest in VHL by approximately 9.68%, from approximately 20.15% to approximately 29.83%.
- (2) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (3) Based on the Company's annual report for FY2015.

9.2 Financial Effects of the Proposed Transactions

The proforma financial effects of the Proposed Transactions based on the Group's audited consolidated financial statements for FY2015 (being the latest available audited consolidated financial statements of the Group), are set out below:

9.2.1 NTA per share

Assuming that (a) the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion (based on the Maximum Group Set-Off Scenario), and (b) the Proposed Additional Debt to Equity Conversion in respect of the Additional Novated VHL Net Owings of approximately US\$83.86 million (based on the Maximum Restricted Novations Scenario and based on an issue price of S\$0.016 per Additional New Share), had been completed on 31 December 2015, the NTA per share of the Group would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions ⁽¹⁾
NTA (US\$)⁽²⁾	575,136,000	575,136,000
Number of issued shares⁽²⁾	459,469,490	459,469,490
NTA per share (US\$)	1.25	1.25

Notes:

- (1) Based on the Maximum Aggregate Price as at the Latest Practicable Date of approximately S\$43.37 million (approximately US\$31.25 million, based on the Agreed Exchange Rate) and Maximum Excess VHL Amounts of approximately US\$89.18 million.
- (2) Based on the Company's annual report for FY2015.

LETTER TO SHAREHOLDERS

9.2.2 EPS

Assuming that (a) the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion (based on the Maximum Group Set-Off Scenario), and (b) the Proposed Additional Debt to Equity Conversion in respect of the Additional Novated VHL Net Owings of approximately US\$83.86 million (based on the Maximum Restricted Novations Scenario and based on an issue price of S\$0.016 per Additional New Share), had been completed on 1 January 2015, the EPS for FY2015 of the Group would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions⁽¹⁾
Net profit/(loss) after tax (US\$)⁽²⁾⁽³⁾	(27,375,000)	(25,414,080)
Weighted average number of issued shares⁽³⁾	453,215,000	453,215,000
EPS (US cents)	(6.04)	(5.61)

Notes:

- (1) Based on the Maximum Aggregate Price as at the Latest Practicable Date of approximately S\$43.37 million (approximately US\$31.25 million, based on the Agreed Exchange Rate) and Maximum Excess VHL Amounts of approximately US\$89.18 million, and assuming an increase in the Company's shareholding interest in VHL by approximately 9.75%, from approximately 20.15% to 29.9%.
- (2) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (3) Based on the Company's annual report for FY2015.

9.3 Financial Effects of the Proposed Renunciation and Assignment

The proforma financial effects of the Proposed Renunciation and Assignment based on the Group's audited consolidated financial statements for FY2015 (being the latest available audited consolidated financial statements of the Group), are set out below:

9.3.1 NTA per share

Assuming that the Proposed Renunciation and Assignment (based on (a) the Maximum Group Set-Off Scenario and (b) the amount of the Assigned Receivables being approximately US\$36.57 million (being the Agreed Total VHL Group Owing)) had been completed on 31 December 2015, the NTA per share of the Group would be as follows:

	Before the Proposed Renunciation and Assignment	After the Proposed Renunciation and Assignment⁽¹⁾
NTA (US\$)⁽²⁾	575,136,000	575,136,000
Number of issued shares⁽²⁾	459,469,490	459,469,490
NTA per share (US\$)	1.25	1.25

Notes:

- (1) Based on the Minimum Consideration of approximately US\$36.57 million (equivalent to approximately S\$50.75 million, based on the Agreed Exchange Rate) for the Proposed Renunciation and Assignment involving an assignment of Assigned Receivables of approximately US\$36.57 million.
- (2) Based on the Company's annual report for FY2015.

LETTER TO SHAREHOLDERS

9.3.2 EPS

Assuming that the Proposed Renunciation and Assignment (based on the Maximum Group Set-Off Scenario) had been completed on 1 January 2015, the EPS for FY2015 of the Group would be as follows:

	Before the Proposed Renunciation and Assignment	After the Proposed Renunciation and Assignment⁽¹⁾
Net profit/(loss) after tax (US\$)⁽²⁾⁽³⁾	(27,375,000)	(30,414,204)
Weighted average number of issued shares⁽³⁾	453,215,000	453,215,000
EPS (US cents)	(6.04)	(6.71)

Notes:

- (1) Based on the Minimum Consideration of approximately US\$36.57 million (equivalent to approximately S\$50.75 million, based on the Agreed Exchange Rate) for the Proposed Renunciation and Assignment involving an assignment of Assigned Receivables of approximately US\$36.57 million.
- (2) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (3) Based on the Company's annual report for FY2015.

9.3.3 Gain or loss on disposal

For illustrative purposes only, based on the unaudited book value of the Assigned Receivables of approximately US\$36.57 million as at 31 March 2016 (being approximately US\$36.57 million), and assuming that the Proposed Renunciation and Assignment (based on (a) the Maximum Group Set-Off Scenario and (b) the amount of the Assigned Receivables being approximately US\$36.57 million (being the Agreed Total VHL Group Owing)) is undertaken at the Minimum Consideration of approximately US\$36.57 million, there will be no excess or deficit of the proceeds from the Proposed Renunciation and Assignment over such book value, and no gain or loss on disposal (without taking into account any related expenses).

9.4 **Financial Effects of the Proposed Disposal of Securities**

The proforma financial effects of the Proposed Disposal of Securities based on the Group's audited consolidated financial statements for FY2015 (being the latest available audited consolidated financial statements of the Group), are set out below:

9.4.1 NTA per share

Assuming that the Proposed Disposal of Securities (based on the Maximum Restricted Novations Scenario where there will be Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion) had been completed on 31 December 2015, the NTA per share of the Group would be as follows:

	Before the Proposed Disposal of Securities	After the Proposed Disposal of Securities⁽¹⁾
NTA (US\$)⁽²⁾	575,136,000	575,136,000
Number of issued shares⁽²⁾	459,469,490	459,469,490
NTA per share (US\$)	1.25	1.25

Notes:

- (1) Based on the Maximum Restricted Novations Scenario where there will be Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion, and assuming the Company disposes of approximately 8.11 billion VHL Shares at a price of S\$0.016 each.
- (2) Based on the Company's annual report for FY2015.

LETTER TO SHAREHOLDERS

9.4.2 EPS

Assuming that the Proposed Disposal of Securities (based on the Maximum Restricted Novations Scenario where there will be Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion) had been completed on 1 January 2015, the EPS for FY2015 of the Group would be as follows:

	Before the Proposed Disposal of Securities	After the Proposed Disposal of Securities ⁽¹⁾
Net profit/(loss) after tax (US\$)⁽²⁾⁽³⁾	(27,375,000)	(30,825,356)
Weighted average number of issued shares⁽³⁾	453,215,000	453,215,000
EPS (US cents)	(6.04)	(6.80)

Notes:

- (1) Based on the Maximum Restricted Novations Scenario where there will be Additional Subscription(s) pursuant to the Proposed Additional Debt to Equity Conversion, and assuming the Company disposes of approximately 8.11 billion VHL Shares at a price of S\$0.016 each.
- (2) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (3) Based on the Company's annual report for FY2015.

9.4.3 Gain or loss on disposal

For illustrative purposes only, assuming that approximately 8.11 billion VHL Shares are disposed of at a price of S\$0.016 each (amounting to an aggregate price of approximately S\$129.84 million) and based on the book value of such VHL Shares (being approximately US\$93.56 million (equivalent to approximately S\$129.84 million, based on the Agreed Exchange Rate)), there will be no excess or deficit of the proceeds from such disposal over such book value, and no gain or loss on disposal (without taking into account any related expenses).

10. INTERESTS OF THE JUDICIAL MANAGERS, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

10.1 Interest in Shares

As at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders as maintained under the provisions of the Companies Act and the SFA, the interests of the Directors and Substantial Shareholders of the Company in the Shares are set out below:-

	Direct Interest	Deemed Interest	Total Interest	
	Number of Shares	Number of Shares	Number of Shares	%(¹)
Directors				
Raymond Kim Goh	3,900,000	70,034,083 ⁽²⁾	73,934,083	16.06
John F. Swinden	–	–	–	–
Jean Pers ⁽³⁾	10,100,000	–	10,100,000	2.19
Oon Thian Seng ⁽⁴⁾	22,500	–	22,500	0.005
Substantial Shareholders (Other than Directors)				
Pang Yoke Min	–	44,211,510 ⁽⁵⁾	44,211,510	9.60
Newshire Capital Limited	70,034,083	–	70,034,083	15.21
Yeo Chee Neng	10,201,500	70,034,083 ⁽⁶⁾	80,235,583	17.43

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on 460,376,986 Shares in issue as at the Latest Practicable Date.
- (2) Mr Raymond Kim Goh is deemed to have an interest in the 70,034,083 Shares held by Newshire Capital Limited by virtue of Section 4 of the SFA and also has share options to subscribe for 5,000,000 Shares granted pursuant to the employee share option scheme of the Company (the “**Swiber Employee Share Option Scheme**”).
- (3) Mr Jean Pers also has share options to subscribe for 2,000,000 Shares granted pursuant to the Swiber Employee Share Option Scheme.
- (4) Mr Oon Thian Seng also has share options to subscribe for 300,000 Shares granted pursuant to the Swiber Employee Share Option Scheme.
- (5) Mr Pang Yoke Min is deemed to have an interest in 44,211,510 Shares held through nominee accounts with Citibank Nominees Singapore Pte Ltd, DBS Nominees Pte Ltd, OCBC Securities Pte Ltd and Raffles Nominees (Pte) Limited.
- (6) Mr Yeo Chee Neng is deemed to have an interest in the 70,034,083 Shares held by Newshire Capital Limited by virtue of Section 4 of the SFA.

10.2 Interests in the VHL Shares

As at the Latest Practicable Date, (a) the Directors, (b) Mr Raymond Kim Goh and Mr Yeo Chee Neng (who are controlling shareholders of the Company) and (c) Mr Pang Yoke Min (who is a Substantial Shareholder of the Company) had the following direct or indirect interests in VHL Shares:-

Name	Direct Interest	Deemed Interest	Total Interest	
	Number of VHL Shares	Number of VHL Shares	Number of VHL Shares	% ⁽¹⁾
Raymond Kim Goh ⁽³⁾	–	33,000,000 ⁽²⁾	33,000,000	0.74
John F. Swinden	–	–	–	–
Jean Pers	11,000,000	–	11,000,000	0.25
Oon Thian Seng	500,000	–	500,000	0.01
Pang Yoke Min	6,101,000	–	6,101,000	0.14
Yeo Chee Neng ⁽⁴⁾	3,000,000	30,000,000 ⁽⁵⁾	33,000,000	0.74

Notes:

- (1) Based on VHL's total number of voting shares comprising 4,479,061,385 VHL Shares as at the Latest Practicable Date.
- (2) These shares are held by a family trust constituted by Mr Raymond Kim Goh for the benefit of his family members but not Mr Raymond Kim Goh himself. Mr Raymond Kim Goh is deemed to have an interest pursuant to Section 4 of the SFA.
- (3) Mr Raymond Kim Goh is also a controlling shareholder of the Company, as he has aggregate direct and deemed interests in 73,934,083 Shares (which constitutes approximately 16.06% of the total issued Shares in the capital of the Company as at the Latest Practicable Date), which comprises (i) his direct interest in 3,900,000 Shares (which constitutes approximately 0.85% of the total issued shares in the capital of the Company as at the date of the Latest Practicable Date) and (ii) his deemed interest in the 70,034,083 Shares (which constitutes approximately 15.21% of the total issued Shares in the capital of the Company as at the Latest Practicable Date) held by Newshire Capital Limited by virtue of Section 4 of the SFA. Newshire Capital Limited does not have any direct or indirect interests in VHL.
- (4) As at the Latest Practicable Date, Mr Yeo Chee Neng is also a Non-Executive Director (Vice-Chairman) of VHL and has share awards in respect of 27,000,000 unissued VHL Shares under the Vallianz Performance Share Plan.
- (5) Mr Yeo Chee Neng is deemed to have an interest in 30,000,000 VHL Shares held through a nominee account with DBS Nominees Pte Ltd.

LETTER TO SHAREHOLDERS

10.3 **Interests in the Proposed Transactions, the Proposed Renunciation and Assignment and the Proposed Disposal of Securities**

As at the Latest Practicable Date, save as disclosed in this Circular, none of the Judicial Managers and the Directors and, to the best of the knowledge of the Judicial Managers and the Directors, none of the Substantial Shareholders of the Company have any direct or indirect interest in the Proposed Transactions, the Proposed Renunciation and Assignment and the Proposed Disposal of Securities.

11. **DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transactions, the Proposed Renunciation and Assignment and the Proposed Disposal of Securities. Accordingly, no service contract for such appointment is proposed to be entered into between the Company and any such person.

12. **EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 65 to 67 of this Circular, will be held at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920 on 23 November 2017 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of EGM.

13. **ACTION TO BE TAKEN BY SHAREHOLDERS**

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time fixed for holding the EGM.

14. **JUDICIAL MANAGERS' RECOMMENDATIONS**

The Judicial Managers, having considered, amongst other things, the terms of the Set Off and Settlement Agreement, the rationales for and the financial effects of the Proposed Transactions, the Proposed Renunciation and Assignment and the Proposed Disposal of Securities and all other information set out in this Circular, are collectively of the view that based on current circumstances, the Proposed Transactions, the Proposed Renunciation and Assignment (including the Renunciation and Assignment Mandate) and the Proposed Disposal of Securities (including the Disposal Mandate) are in the interests of the Company.

Accordingly, the Judicial Managers recommend that Shareholders vote in favour of the ordinary resolutions relating to the Proposed Transactions, the Renunciation and Assignment Mandate and the Disposal Mandate to be proposed at the EGM, as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

15. RESPONSIBILITY STATEMENT

The Directors and the Judicial Managers (including any who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Proposed Renunciation and Assignment, the Proposed Disposal of Securities and the Group, and the Directors and the Judicial Managers are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors and the Judicial Managers has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context. The Directors and the Judicial Managers have not undertaken any independent verification of the information furnished by VHL in the VHL Circular, the announcements made by VHL in relation to the VHL Rights cum Warrants Issue or any other announcements or circulars released by VHL from time to time.

The affairs, business and property of the Company and SOC are being managed by the Judicial Managers. The Judicial Managers act only as agents of the Company and SOC and disclaim all personal liability of any nature whatsoever for all matters arising out of, in connection with and in respect of the judicial management of the Company and SOC.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the Company's registered office at 12 International Business Park, #01-05 Swiber@IBP, Singapore 609920 from the date of this Circular up to and including the date of the EGM:

- (a) the Set-Off and Settlement Agreement; and
- (b) the Constitution of the Company.

Yours faithfully,
For and on behalf of
SWIBER HOLDINGS LIMITED (JUDICIAL MANAGERS APPOINTED)

Bob Yap Cheng Ghee
Joint and Several Judicial Manager
8 November 2017

Raymond Kim Goh
Chairman
8 November 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

SWIBER HOLDINGS LIMITED (JUDICIAL MANAGERS APPOINTED)

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “EGM”) of Swiber Holdings Limited (Judicial Managers Appointed) (the “Company”) will be held at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920 on 23 November 2017 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company’s circular to its shareholders dated 8 November 2017 (the “Circular”).

ORDINARY RESOLUTION 1

THE PROPOSED SUBSCRIPTION FOR VHL RIGHTS SHARES WITH VHL WARRANTS PURSUANT TO THE VHL RIGHTS CUM WARRANTS ISSUE, BY WAY OF THE SUBSCRIPTION SET-OFF AND SETTLEMENT ARRANGEMENT

That:-

- (a) approval be and is hereby given for the participation by the Company in the VHL Rights Cum Warrants Issue by way of the Subscription Set-Off and Settlement Arrangement and in the manner described in the Circular (the “**Proposed Subscription**”); and
- (b) the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) and each of them be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they or any of them may in their or his absolute discretion consider necessary, desirable or expedient in connection with the Proposed Subscription and to give effect to this resolution.

ORDINARY RESOLUTION 2

THE PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL PURSUANT TO THE EXERCISE OF VHL WARRANTS, BY WAY OF THE WARRANTS EXERCISE SET-OFF AND SETTLEMENT ARRANGEMENT

That subject to and contingent upon the passing of Ordinary Resolution 1:-

- (a) approval be and is hereby given for the proposed acquisition by the Company of new ordinary shares in the capital of VHL pursuant to the exercise of VHL Warrants issued by VHL pursuant to the VHL Rights Cum Warrants Issue, by way of the Warrants Exercise Set-Off and Settlement Arrangement and in the manner described in the Circular (the “**Proposed Warrants Exercise Arrangement**”); and
- (b) the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) and each of them be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they or any of them may in their or his absolute discretion consider necessary, desirable or expedient in connection with the Proposed Warrants Exercise Arrangement and to give effect to this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3

PROPOSED ACQUISITION OF NEW ORDINARY SHARES IN VHL, BY WAY OF THE PROPOSED ADDITIONAL DEBT TO EQUITY CONVERSION

That subject to and contingent upon the passing of Ordinary Resolution 1:-

- (a) approval be and is hereby given for the proposed acquisition by the Company of new ordinary shares in the capital of VHL (the “**Additional New Shares**”) by way of the Proposed Additional Debt to Equity Conversion; and
- (b) the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) and each of them be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they or any of them may in their or his absolute discretion consider necessary, desirable or expedient in connection with the Proposed Additional Debt to Equity Conversion and to give effect to this resolution.

ORDINARY RESOLUTION 4

PROPOSED SHAREHOLDERS’ MANDATE FOR THE RENUNCIATION OF ALL OR PART OF THE COMPANY’S PROVISIONAL ALLOTMENTS OF VHL RIGHTS SHARES WITH VHL WARRANTS TO THIRD PARTY(IES) AND THE ASSIGNMENT OF RECEIVABLES IN CONNECTION THEREWITH

That subject to and contingent upon the passing of Ordinary Resolution 1:-

- (a) approval be and is hereby given for the proposed renunciation by the Company of all or part of its provisional allotments of VHL Rights Shares with VHL Warrants under the VHL Rights cum Warrants Issue (the “**Proposed Renunciation**”) to third party(ies) (the “**Third Party Subscriber(s)**”), and the assignment by the Company of the VHL Holdco Owning and/or (if any) Novated VHL Net Owings (or any part thereof) to Third Party Subscriber(s) in connection with the Proposed Renunciation (the “**Assignment of Receivables**”), to the extent mandated and according to the terms under the Renunciation and Assignment Mandate as described in the Circular; and
- (b) the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) and each of them be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they or any of them may in their or his absolute discretion consider necessary, desirable or expedient in connection with the Proposed Renunciation and Assignment of Receivables and to give effect to this resolution.

ORDINARY RESOLUTION 5

PROPOSED SHAREHOLDERS’ MANDATE FOR THE DISPOSAL OF ALL OR PART OF (I) THE SHL RIGHTS SHARES, (II) THE SHL WARRANTS, (III) THE NEW VHL SHARES AND (IV) THE ADDITIONAL NEW SHARES

That subject to and contingent upon the passing of Ordinary Resolution 1:-

- (a) approval be and is hereby given for the proposed disposal by the Company of all or part of (i) the SHL Rights Shares, (ii) the SHL Warrants, (iii) the New VHL Shares to be issued to the Company pursuant to the exercise of the SHL Warrants and (iv) the Additional New Shares to be issued to the Company pursuant to the Proposed Additional Debt to Equity Conversion (the “**Proposed Disposal of Securities**”), to the extent mandated and according to the terms under the Disposal Mandate as described in the Circular; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) and each of them be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they or any of them may in their or his absolute discretion consider necessary, desirable or expedient in connection with the Proposed Disposal of Securities and to give effect to this resolution.

BY ORDER OF THE JUDICIAL MANAGERS

Bob Yap Cheng Ghee
Joint and Several Judicial Manager
8 November 2017

BY ORDER OF THE BOARD

Raymond Kim Goh
Chairman
8 November 2017

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM (the “**Meeting**”). Where such member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50 of Singapore).

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company.
4. The form of proxy must be deposited at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”);
- (b) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

PROXY FORM

SWIBER HOLDINGS LIMITED (JUDICIAL MANAGERS APPOINTED)

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend, speak and vote at the EGM (please see note 2 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold Shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS operators if they have any queries regarding their appointment as proxies.

I/We*, _____ (Name) _____ (NRIC/Passport* No.)

of _____ (Address)

being a member/members* of Swiber Holdings Limited (Judicial Managers Appointed) (the "Company"), hereby appoint:

Name	Address	NRIC/Passport* No.	Proportion of Shareholdings	
			Number of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/Passport* No.	Proportion of Shareholdings	
			Number of Shares	%

or failing him/her/them*, the Chairman of the Extraordinary General Meeting (the "Meeting") of the Company as my/our* proxy/proxies* to vote for me/us* on my/our* behalf, at the Meeting of the Company to be held at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920 on 23 November 2017 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matter arising at the Meeting and at any adjournment thereof.

Voting on the Ordinary Resolutions will be conducted by poll. Please indicate your vote "For" or "Against" with an "X" within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate.

	For	Against
Ordinary Resolution 1 To approve the proposed subscription for VHL Rights Shares with VHL Warrants pursuant to the VHL Rights cum Warrants Issue, by way of the Subscription Set-Off and Settlement Arrangement		
Ordinary Resolution 2 To approve the proposed acquisition of new ordinary shares in VHL pursuant to the exercise of VHL Warrants, by way of the Warrants Exercise Set-Off and Settlement Arrangement		
Ordinary Resolution 3 To approve the proposed acquisition of new ordinary shares in VHL by way of the Proposed Additional Debt to Equity Conversion		
Ordinary Resolution 4 To approve the Renunciation and Assignment Mandate for the Proposed Renunciation and the Assignment of Receivables in connection therewith		
Ordinary Resolution 5 To approve the Disposal Mandate for the Proposed Disposal of Securities		

Dated this _____ day of _____ 2017

Total Number of Shares in:	Number of Shares
CDP Register	
Register of Members	

Signature(s) of Member(s) / Common Seal
of Corporate Shareholder

* To delete as appropriate

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's circular to its shareholders dated 8 November 2017.



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member of the Company ("**Member**") who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at a Meeting of the Company. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at a Meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50 of Singapore).
3. A proxy need not be a member of the Company.
4. This form of proxy must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for holding the Meeting.
5. This form of proxy must be signed by the appointor or his attorney duly authorised in writing. Where the form of proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer. Where a form of proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the form of proxy, failing which, the form of proxy may be treated as invalid.
6. A corporation which is a Member may, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
7. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy. In addition, in the case of Members whose Shares are entered against their names in the Depository Register, the Company may reject any form of proxy lodged if such Members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 November 2017.