

**CIRCULAR DATED 25 MAY 2021**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**This Circular is issued by Vallianz Holdings Limited (the “Company” or “VHL”). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the Capital of the Company represented by physical share certificate(s) which are not deposited with CDP, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy form to the purchaser or transferee, or to the bank, the stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company’s Sponsor, Provenance Capital Pte. Ltd. (the “Sponsor”). This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”), and the SGX-ST assumes no responsibility for the contents of this Circular, including the completeness or correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Wong Bee Eng, Tel: (65) 6227 5810, Email: [wongbe@provenancecapital.com](mailto:wongbe@provenancecapital.com).



**VALLIANZ HOLDINGS LIMITED**

(Company Registration No.: 199206945E)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS  
in relation to**

- (1) SHL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN);**
- (2) ESE OWINGS WAIVER (AS DEFINED HEREIN);**
- (3) SCPL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN); AND**
- (4) RHCL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT (AS DEFINED HEREIN)**

**Independent Financial Adviser**



**W CAPITAL MARKETS PTE. LTD.**

(Company Registration Number: 201813207E)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	27 July 2021 at 4.00 p.m.
Date and time of Extraordinary General Meeting	:	29 July 2021 at 4.00 p.m.
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means

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## DEFINITIONS

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## DEFINITIONS

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For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

### **Companies, Organisations and Agencies**

“ASDLB”	: Alam Swiber DLB 1 (L) Inc.
“ASOM”	: Alam Swiber Offshore (M) Sdn Bhd (In Liquidation)
“CDP”	: The Central Depository (Pte) Limited
“Company” or “VHL”	: Vallianz Holdings Limited
“IFA”	: W Capital Markets Pte. Ltd., the independent financial adviser appointed to advise on the Proposed Transactions, as interested person transactions under Chapter 9 of the Catalist Rules
“Jubilee”	: Jubilee Travel Pte Ltd
“OER”	: Offshore Engineering Resources Mexico S.A de C.V.
“OERPL”	: Offshore Engineering Resources Pte. Ltd.
“OSR”	: Offshore Supply Resources Mexico S.A de C.V
“RHCL”	: Rawabi Holding Company Limited
“SCPL”	: Swiber Corporate Pte. Ltd. (In Creditors’ Voluntary Liquidation)
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Registrar”	: Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)
“SHL”	: Swiber Holdings Limited (Judicial Managers Appointed)
“SHL Group”	: SHL and its subsidiaries and associated companies collectively (excluding the Company and any other entities within the VHL Group)
“SOC”	: Swiber Offshore Construction Pte. Ltd. (Judicial Managers Appointed), a subsidiary of SHL
“Sponsor”	: Provenance Capital Pte. Ltd.

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**“VHL Group”** : The Company, its subsidiaries and associated companies collectively

### **General**

**“2020 SOSA Arrangements”** : The SOSA Share Issuances and the set-off and settlement arrangements in connection therewith under the Settlement Agreements

**“Agreed Exchange Rate”** : The exchange rate of US\$1 : S\$1.3878 agreed by parties under the Settlement Agreements for purposes of calculating the number of SOSA Subscription Shares to be issued thereunder, which was based on the agreed exchange rate under the SHL 2017 SOSA

**“Agreed Issue Price”** : The agreed issue price of each SHL Subscription Share, SCPL Subscription Share and RHCL Subscription Share, being S\$0.09

**“Agreed Settlement Amount”** : The agreed settlement amount under the SHL 2020 SOSA, amounting to US\$15,456,380 (approximately US\$15.5 million) (or such other amount as may be mutually agreed between the Company, SHL and SOC in writing)

**“ASOM Assignment”** : An absolute assignment by an ASOM Vallianz Creditor of the Owing from ASOM to such ASOM Vallianz Creditor, to SOC pursuant to the terms of the Deed, such that SOC assumes all the benefits, interests, rights and claims in and to such Owing

**“ASOM Assignment Consideration”** : The consideration payable by SOC to an ASOM Vallianz Creditor for the assignment by such ASOM Vallianz Creditor, to SOC, pursuant to the ASOM Assignment, being an amount equivalent to such Owing so assigned

**“ASOM Vallianz Creditors”** : The following entities within the VHL Group:  
(i) Jubilee Travel Pte Ltd;  
(ii) Newcruz Shipbuilding & Engineering Pte Ltd; and  
(iii) PT United Sindo Perkasa,  
and **“ASOM Vallianz Creditor”** means each or any of them

**“associated company”** : Has the meaning ascribed to it in the Catalist Rules, being a company in which at least 20% but not more than 50% of its shares are held by a company or group

**“Associate”** : (a) In relation to any director, chief executive officer, substantial Shareholder or controlling Shareholder (being an individual) means:  
  
(i) his Immediate Family;

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- (ii) 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
- (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more, and

(b) In relation to a substantial shareholder or 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

- “Board”** : The board of Directors
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : The Listing Manual Section B: Rules of Catalist issued by the SGX-ST, as may be amended, supplemented or revised from time to time
- “Circular”** : This circular to Shareholders dated 25 May 2021
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Consolidated Owings”** : Such Owings between Relevant Vallianz Entities and Relevant Swiber Entities as consolidated, by way of a series of Novations and Assignments as contemplated under the Deed, into owings between SHL and the Company
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company, unless otherwise determined by the SGX-ST; or
  - (b) in fact exercises control over a company
- “Deed”** : The deed of novation and assignment dated 7 August 2020 entered into between SHL, VHL, Relevant Swiber Entities, Relevant Vallianz Entities and OER Group Entities which was amended and supplemented by a supplemental deed dated 13 May 2021

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- “DBS Subscription Confirmation”** : Written confirmation by DBS Bank Ltd. to SCPL that it has no objections to the SCPL Subscription and Set-Off and Settlement Arrangement
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “EPS”** : Earnings per Share
- “EGM”** : The extraordinary general meeting of the Company to be held on 29 July 2021 at 4.00 p.m. by way of electronic means, notice of which is set out on pages N-1 to N-5 of this Circular
- “ESE Owings”** : The net owings of the Excluded Swiber Entities (other than ASDLB) to the relevant VHL Group entities as at 31 December 2016, amounting to approximately US\$27.0 million
- “ESE Owings Waiver”** : The waiver by VHL Group entities of the ESE Owings, to the extent such ESE Owings are not reasonably recoverable from the Excluded Swiber Entities (other than ASDLB)
- “Excess Novated VHL Net Owings”** : Such amount of Novated VHL Net Owings arising from the Full Novation or Partial Novation (as the case may be) which is in excess of the Agreed Settlement Amount
- “Excluded Swiber Entities”** : Collectively: (i) Swiber Offshore (India) Private Limited; (ii) Tuscan Offshore Pte. Ltd.; (iii) Swiber UK Limited; (iv) Swiber Offshore Pte. Ltd.; (v) PT Rajawali Swiber Cakrawala; (vi) Swiber Atlantis Pte. Ltd.; (vii) Holmen Kaizen Ltd; (viii) Bitachon Limited; and (ix) ASDLB
- “Full Novation”** : The scenario whereby each of the Relevant Vallianz Entities and Relevant Swiber Entities are able to fully novate and/or assign all their Owings in accordance with the terms of the Deed. For the avoidance of doubt, a Full Novation contemplates that all ASOM Assignments can be effected in accordance with the terms of the Deed and include the novations and/or assignments of all the ASOM Assignment Consideration payable in respect of such ASOM Assignments
- “FY2020”** : The financial period of 12 months ended 31 March 2020
- “Group Set-Off”** : The set-off between the Novated VHL Group Owings and the Novated SHL Group Owings such that save for the Novated VHL Net Owings arising from such Novations and Assignments, neither the Company nor SHL shall have any claim against each other in respect of the Novated VHL Group Owings and Novated SHL Group Owings
- “GSO Conditions Precedent”** : The conditions precedent applicable to (i) the ASOM Assignments, (ii) the Novations and Assignments and (iii) the

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	Group Set-Off, as summarized in Column B of the table in Appendix II to this Circular
<b>“IFA Letter”</b>	: The letter from the IFA dated 25 May 2021 in relation to the Proposed Transactions, as interested person transactions under Chapter 9 of the Catalist Rules, as set out in Appendix III to this Circular
<b>“Immediate Family”</b>	: In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
<b>“Individual Novation and Assignment”</b>	: Each Novation and/or Assignment by a Relevant Vallianz Entity or Relevant Swiber Entity
<b>“Latest Practicable Date”</b>	: 24 May 2021, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST
<b>“Mainboard”</b>	: The Mainboard of the SGX-ST
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Maximum Subscription Scenario”</b>	: The scenario whereby the:  (i) ASOM Assignments; (ii) Novations and Assignments on a Full Novation basis; (iii) Group Set-Off; and (iv) 2020 SOSA Arrangements  have been completed, and all of the SHL Subscription Shares, SCPL Subscription Shares and RHCL Subscription Shares have been issued
<b>“May 2017 Announcement”</b>	: The announcement dated 24 May 2017 released by the Company in relation to, <i>inter alia</i> , the SHL 2017 SOSA and RHCL 2017 SOSA
<b>“Netting Off Practice”</b>	: The practice, as described by the Company in its announcement dated 31 August 2016, of conducting business on an extended credit basis as well as a netting off basis which includes the netting off of owings as between VHL Group entities and SHL Group entities
<b>“Notice of EGM”</b>	: The notice of EGM set out on pages N-1 to N-5 of this Circular
<b>“Novated SHL Group Owings”</b>	: All Owings of Relevant Swiber Entities to any Relevant Vallianz Entity

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- “Novated VHL Group Owings”** : All Owings of Relevant Vallianz Entities to any Relevant Swiber Entity
- “Novated VHL Net Owings”** : The amount by which the Novated VHL Group Owings exceeds the Novated SHL Group Owings
- “Novations and Assignments”** : Subject to the ASOM Assignments being effected, collectively, the novations and/or assignments of the Owings of the Relevant Vallianz Entities to any Relevant Swiber Entity and the Owings of the Relevant Swiber Entities to any Relevant Vallianz Entity, such that:
- (a) the Company (i) assumes the liability for the Novated VHL Group Owings, and (ii) assumes the benefit of the Novated SHL Group Owings; and
  - (b) SHL (i) assumes the liability for the Novated SHL Group Owings and (ii) assumes the benefit of the Novated VHL Group Owings,
- on the terms and subject to the conditions set out in the Deed
- “NTA”** : Net Tangible Assets
- “OER Deed of Novation and Assignment”** : The deed of novation and assignment dated 13 May 2021 entered into amongst the Company, SHL, Jubilee, the OER Group Entities and the SHL OER Entities
- “OER Group Entities”** : Collectively: (i) OERPL; (ii) OSR and (iii) OER
- “OER Group Owning”** : As between any OER Group Entity and any SHL OER Entity:
- (a) the gross owing as at 31 December 2016 by such OER Group Entity to such SHL OER Entity; or
  - (b) the gross owing as at 31 December 2016 by such SHL OER Entity to such OER Group Entity,
- and **“OER Group Owings”** shall be construed as all or any of such gross owings
- “OER Novation and Assignment”** : Collectively, the novations and/or assignment of all the OER Group Owings which were initially to be settled pursuant to the SHL 2020 SOSA and vice versa, to Jubilee, such that:
- (a) Jubilee (i) assumes the liability for the OER Group Owings as if Jubilee was the party who owes such OER Group Owings in lieu of the OER Group Entities; and (ii) assumes the benefit of the OER Group Owings as if



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Jubilee was the party being owed such OER Group Owings in lieu of the OER Group Entities;

- (b) each SHL OER Entity (i) assumes the liability for the OER Group Owings as if Jubilee was the party being owed such OER Group Owings in lieu of the OER Group Entities; and (ii) assumes the benefit of the OER Group Owings as if Jubilee was the party who owes such OER Group Owings in lieu of the OER Group Entities; and
- (c) OERPL shall assign to Jubilee, and Jubilee shall have assumed, all of the benefits, interests, rights and claims in and to the OER Group Owings of ASOM to OERPL,

on the terms and subject to the conditions set out in the OER Deed of Novation and Assignment

- “Ordinary Resolutions”** : The ordinary resolutions set out in the Notice of EGM, and **“Ordinary Resolution”** shall be construed accordingly
- “Owings”** : Owings as at 31 December 2016 between entities within the SHL Group and entities within the VHL Group less the ESE Owings
- “Partial Novation”** : The Novations and/or Assignments of some (and not all) of the Owings in accordance with the terms of the Deed
- “Proposed Transactions”** : Collectively, the 2020 SOSA Arrangements and ESE Owings Waiver
- “Register of Members”** : Register of members of the Company
- “Relevant Limit”** : Where there are Excess Novated VHL Net Owings, means the amount to be determined as follows:
- Relevant Limit = A – S
- where:
- “A”** means US\$36,000,000, which is an amount commercially agreed between the Company and SHL; and
- “S”** means the Agreed Settlement Amount
- “Relevant Swiber Entities”** : The entities within the SHL Group as set out in Appendix I
- “Relevant Vallianz Entities”** : The entities within the VHL Group as set out in Appendix I
- “RHCL 2017 SOSA”** : The set-off and settlement agreement dated 24 May 2017 (as amended and supplemented by a supplemental agreement

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- dated 6 November 2017) entered into between the Company and RHCL
- “RHCL 2020 SOSA”** : The set-off and settlement agreement dated 29 June 2020 entered into between the Company and RHCL
- “RHCL Aggregate Owings”** : The owings by the Company to RHCL as at the Latest Practicable Date, amounting to approximately US\$91.7 million
- “RHCL Conditions Precedent”** : The conditions precedent applicable to the RHCL Subscription and Set-Off and Settlement Arrangement, as summarized in Column D of the table in Appendix II to this Circular
- “RHCL Debt Conversion Amount”** : The owings by the Company to RHCL subject of settlement under the RHCL 2020 SOSA, amounting to US\$26.3 million
- “RHCL Loan Agreement”** : The new loan agreement to be entered into between the Company and RHCL, as further described in the Company’s circular to shareholders dated 12 April 2021
- “RHCL Long Stop Date”** : 29 December 2021 (or such other date as the parties to the RHCL 2020 SOSA may mutually agree in writing)
- “RHCL Subscription and Set-Off and Settlement Arrangement”** : The issuance of RHCL Subscription Shares and set-off and settlement against RHCL Debt Conversion Amount, pursuant to the RHCL 2020 SOSA, as described in Section 3.4.1 of this Circular
- “RHCL Subscription Completion Date”** : The date on which completion of the subscription for the RHCL Subscription Shares takes place
- “RHCL Subscription Shares”** : The allotment and issuance of new Shares of the Company to RHCL pursuant to the RHCL 2020 SOSA
- “RHCL Undertaking”** : Has the meaning ascribed to it in Section 3.4.4 of this Circular
- “SCPL Conditions Precedent”** : The conditions precedent applicable to the SCPL Subscription and Set-Off and Settlement Arrangement, as summarised in Column C of the table in Appendix II to this Circular
- “SCPL Debt Conversion Amount”** : The owings which are the subject of settlement under the SCPL SOSA, amounting to approximately US\$0.5 million
- “SCPL Long Stop Date”** : 29 December 2021 (or such other date as the parties to the SCPL SOSA may mutually agree in writing)
- “SCPL SOSA”** : The set-off and settlement agreement with SCPL for the set-off and settlement of part of the owings by the Company to SCPL, by way of an issue of the SCPL Subscription Shares to SCPL

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- “SCPL Sublease Agreement”** : The sublease agreement entered into between the Company and SCPL dated 9 May 2016
- “SCPL Subscription and Set-Off and Settlement Arrangement”** : The issuance of SCPL Subscription Shares and set-off and settlement against SCPL Debt Conversion Amount, pursuant to the SCPL SOSA, as described in Section 3.3.1 of this Circular
- “SCPL Subscription Completion Date”** : The date on which completion of the subscription for the SCPL Subscription Shares takes place
- “SCPL Subscription Shares”** : The new Shares subject of allotment and issuance to SCPL pursuant to the SCPL SOSA
- “Securities Account”** : A securities account maintained by a Depositor with CDP but does not include a securities sub-account
- “Securities and Futures Act”** : Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
- “Settlement Agreements”** : Collectively, the SHL 2020 SOSA, the Deed, SCPL SOSA and RHCL 2020 SOSA
- “Shareholders”** : Registered holders of Shares except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context admits, mean the Depositors whose direct Securities Accounts maintained with CDP are credited with Shares
- “Share(s)”** : The issued ordinary share(s) in the capital of the Company
- “SHL 2017 SOSA”** : The set-off and settlement agreement dated 24 May 2017 (as amended and supplemented by a supplemental agreement dated 6 November 2017) entered into amongst the Company, SHL and SOC
- “SHL 2020 SOSA”** : The set-off and settlement agreement dated 29 June 2020 entered into amongst the Company, SHL and SOC, which was amended and supplemented by a supplemental agreement dated 7 August 2020 and a second supplemental agreement dated 13 May 2021
- “SHL Debt Waiver”** : The waiver by SHL of any Excess Novated VHL Net Owings
- “SHL Long Stop Date”** : 29 December 2021 (or such other date as the parties to the SHL 2020 SOSA may mutually agree in writing)

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<b>“SHL OER Entity”</b>	Collectively means: <ul style="list-style-type: none"><li>(i) SHL;</li><li>(ii) Swiber Offshore Mexico S.A. De C.V.;</li><li>(iii) Swiber Marine Mexico S.A De C.V.;</li><li>(iv) Equatoriale Services Pte. Ltd. (In Creditors' Voluntary Liquidation);</li><li>(v) PAPE Engineering Pte. Ltd.;</li><li>(vi) PT PAPE Indonesia;</li><li>(vii) Swiber Corporate Pte. Ltd. (In Creditors' Voluntary Liquidation);</li><li>(viii) Swiber Engineering Ltd (In Creditors' Voluntary Liquidation);</li><li>(ix) SOC and Swiber Offshore Construction Pte. Ltd. Branch (Brunei);</li><li>(x) Swiber Offshore Marine Pte. Ltd. (In Creditors' Voluntary Liquidation);</li><li>(xi) Southsea Marine Pte. Ltd. (In Liquidation); and</li><li>(xii) Whitmer Offshore Pte. Ltd.</li></ul>
<b>“SHL Relevant Settlement Date”</b>	: The date of listing and quotation of the SHL Subscription Shares on the Catalist, which the Company shall procure to be within five (5) business days after the SHL Subscription Completion Date
<b>“SHL Subscription and Set-Off and Settlement Arrangement”</b>	: Collectively (i) the issuance of SHL Subscription Shares and set-off and settlement against Novated VHL Net Owings, and (ii) the SHL Debt Waiver, pursuant to the SHL 2020 SOSA, as described in Section 3.1.1 of this Circular
<b>“SHL Subscription Completion Date”</b>	: The date on which completion of the subscription for the SHL Subscription Shares takes place
<b>“SHL Subscription Shares”</b>	: The new Shares subject of allotment and issuance to SHL pursuant to the SHL 2020 SOSA
<b>“SHL Undertakings”</b>	: Has the meaning ascribed to it in Section 3.1.6 of this Circular
<b>“SOSA Share Issuances”</b>	: Collectively, the issuance of new Shares by the Company to SHL, SCPL and RHCL pursuant to the SHL 2020 SOSA, SCPL SOSA and RHCL 2020 SOSA respectively
<b>“SOSA Subscription Shares”</b>	: Collectively, the SHL Subscription Shares, SCPL Subscription Shares and RHCL Subscription Shares
<b>“Specified Amount”</b>	: The number of Shares held or acquired, carrying such minimum percentage of voting rights of the Company as would trigger an obligation to make an offer under Rule 14 of the Code, less such number of Shares carrying 0.1% of the voting rights of the Company

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**“SSI Conditions Precedent”** : The conditions precedent applicable to the SHL Subscription and Set-Off and Settlement Arrangement, as summarised in Column A of the table in Appendix II to this Circular

**“Subject Transaction”** : Has the meaning ascribed to it in Appendix II to this Circular

### **Currencies and Units of Measurements**

**“S\$”** : Singapore dollars, the lawful currency of the Republic of Singapore

**“US\$” and “US cents”** : United States of America dollars and cents respectively, the lawful currency of the United States of America

**“%”** : Per centum or percentage

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The terms **“subsidiary”**, **“treasury share”**, **“related company”**, and **“substantial shareholder”** shall have the meanings ascribed to them respectively in the Companies Act.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act or the Catalist Rules or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Securities and Futures Act or the Catalist Rules or such modification thereof, as the case may be.

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

Any discrepancies in the figures in this Circular between the figures listed 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 that precede them.

For the purposes of this Circular, Dentons Rodyk & Davidson LLP has been appointed as the legal adviser to the Company as to Singapore law.

### **Cautionary Note on Forward-Looking Statements**

*All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements*

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*reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the Catalist Rules and/or any other regulatory or supervisory body or agency.*

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## LETTER TO SHAREHOLDERS

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### VALLIANZ HOLDINGS LIMITED

(Company Registration No.: 199206945E)  
(Incorporated in the Republic of Singapore)

#### Board of Directors

Sheikh Abdulaziz Ali AlTurki (Non-Executive and Non-Independent Chairman)  
Mr. Darren Yeo Chee Neng (Executive Director and Vice Chairman)  
Mr. Ling Yong Wah (Executive Director and Chief Executive Officer)  
Mr. Bote de Vries (Lead Non-Executive Independent Director)  
Mr. Yeo Jeu Nam (Non-Executive Independent Director)  
Mr. Chong Chee Keong Chris (Non-Executive Independent Director)

#### Registered Office

1 Harbourfront Avenue  
#06-08 Keppel Bay Tower  
Singapore 098632

25 May 2021

#### TO: THE SHAREHOLDERS OF VALLIANZ HOLDINGS LIMITED

Dear Sir/Madam

- (1) SHL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT;**
- (2) ESE OWINGS WAIVER;**
- (3) SCPL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT; AND**
- (4) RHCL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT**

#### 1. INTRODUCTION

1.1 Previously, on 24 May 2017, the Company had entered into the SHL 2017 SOSA and the RHCL 2017 SOSA, under the terms of which the Company had intended to fully set-off and settle:

- (i) under the SHL 2017 SOSA, an aggregate of approximately US\$36.6 million, comprising:
  - (a) approximately US\$29.4 million owing by VHL to SHL as at 31 December 2016; and
  - (b) approximately US\$7.2 million of net owings from the VHL Group entities (which for purposes of the SHL 2017 SOSA had included OER Group Entities) to the SHL Group entities as at 31 December 2016, excluding the amount aforementioned in sub-paragraph (a); and
- (ii) under the RHCL 2017 SOSA, an aggregate of approximately US\$102.1 million owing by the Company to RHCL.

1.2 All amounts under the RHCL 2017 SOSA had been fully set-off and settled pursuant to the terms thereto, and approximately US\$29.4 million owing by VHL to SHL referred to in Section 1.1(i)(a) above had been fully set-off and settled pursuant to the terms of the SHL 2017 SOSA.

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- 1.3 As at 29 June 2020, the amount of approximately US\$7.2 million referred to in Section 1.1(i)(b) above remained outstanding and had not been set-off and settled pursuant to the terms of the SHL 2017 SOSA. The Company had on 29 June 2020 announced that the relevant long stop date (being the GSO Long Stop Date as defined in the May 2017 Announcement) had passed without the relevant conditions precedent being satisfied or waived and accordingly, the relevant provisions under the SHL 2017 SOSA relating to the set-off and settlement of approximately US\$7.2 million had ceased to have further effect and all obligations and liabilities of the SHL 2017 SOSA under such provisions had ceased.
- 1.4 Subsequent to the SHL 2017 SOSA, certain SHL Group entities have been dissolved or ceased to be under SHL's control – such entities being the Excluded Swiber Entities which had owings to and from certain VHL Group entities (which at the time of such dissolution or cessation had included OERPL) as at 31 December 2016 – due to, for instance, such Excluded Swiber Entities being in liquidation or under judicial management of which the judicial managers differ from the judicial managers of SHL. These owings were initially intended for settlement under the SHL 2017 SOSA, and such owings (excluding owings to and from ASDLB) amount to a net aggregate ESE Owings of approximately US\$27.0 million to the VHL Group (which at the time of such dissolution or cessation had included OER Group Entities).
- 1.5 Having undertaken a review of its outstanding debts, and in furtherance of the objectives of the SHL 2017 SOSA, the Company had on 29 June 2020, entered into the following Settlement Agreements with a view to settlement of owings as between the SHL Group entities and the VHL Group entities (which at the time of such entry included OER Group Entities) not settled pursuant to the SHL 2017 SOSA, and of certain owings to RHCL that had arisen after the RHCL 2017 SOSA:
- (i) the SHL 2020 SOSA, for (i) the set-off and settlement of part of the Consolidated Owings by the Company to SHL, by way of an issue of the SHL Subscription Shares to SHL; (ii) the SHL Debt Waiver, and (iii) the ESE Owings Waiver, subject to and in accordance with the SHL 2020 SOSA;
  - (ii) the SCPL SOSA, for the set-off and settlement of part of the owings by the Company to SCPL, by way of an issue of the SCPL Subscription Shares to SCPL, subject to and in accordance with the SCPL SOSA; and
  - (iii) the RHCL 2020 SOSA, for the set-off and settlement of part of the owings by the Company to RHCL, by way of an issue of the RHCL Subscription Shares to RHCL, subject to and in accordance with the RHCL 2020 SOSA.
- 1.6 The debts owing between SHL Group and VHL Group that are subject of settlement under, and the terms of settlement of such debts under, the SHL 2020 SOSA are substantially similar to that under the SHL 2017 SOSA, save for in respect of the following:
- (i) subscription by SHL for the Rights Shares with Warrants (as defined in the circular to Shareholders dated 29 September 2016) which was contemplated only in the SHL 2017 SOSA, and was completed;



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- (ii) the Agreed Issue Price, being S\$0.09 in the SHL 2020 SOSA (please refer to Section 4 of this Circular for further details on the Agreed Issue Price);
  - (iii) the ESE Owings Waiver, which is contemplated only under the SHL 2020 SOSA; and
  - (iv) the SHL Debt Waiver, which is contemplated only under the SHL 2020 SOSA.
- 1.7 As announced by the Company on 7 August 2020, the Company had entered into a supplemental agreement to the SHL 2020 SOSA to exclude owings to and from ASDLB, a SHL Group entity, (which amount to net owings by the Company to ASDLB of approximately US\$0.6 million) from the set-off and settlement arrangements under the SHL 2020 SOSA, and for such owings to remain outstanding. This was due to the Company being informed of ASDLB not being in a position to enter into the relevant agreements to consolidate its owings with owings of the other SHL Group entities to facilitate the set-off and settlement in accordance with the SHL 2020 SOSA.
- 1.8 In connection with and for the purposes of facilitating the transactions contemplated under the SHL 2020 SOSA, and in fulfilment of a condition precedent to the SHL 2020 SOSA, the Company and SHL had on 7 August 2020 entered into a Deed with Relevant Vallianz Entities, OER Group Entities and Relevant Swiber Entities, with a view to effecting a series of Novations and Assignments as contemplated under the Deed for the consolidation of Owings between Relevant Vallianz Entities, OER Group Entities and Relevant Swiber Entities into owings between SHL and the Company (subject to the ASOM Assignment being first effected), for settlement of part of such Consolidated Owings by way of set-off and settlement of the balance thereof subject to and in accordance with the SHL 2020 SOSA. Please refer to Sections 3.1 and 3.2 of this Circular for further details.
- 1.9 As announced on 11 January 2021, the Company had at 31 December 2020, disposed of the VHL Group's entire interest in its wholly-owned subsidiary, OERPL and by extension, the disposals of OSR and OER given OERPL's 99% shareholding interest in each of OSR and OER. As announced by the Company on 13 May 2021, in order to ensure the continuity of the transactions contemplated under the SHL 2020 SOSA given that post-disposal, the OER Group Entities had ceased to be under the Company's control, the Company had entered into the OER Deed of Novation and Assignment to effect the OER Novation and Assignment.
- 1.10 Consequential to the OER Deed of Novation and Assignment and as announced on 13 May 2021, the Company had entered into a second supplemental agreement to the SHL 2020 SOSA and a supplemental deed to the Deed, to substitute Jubilee in place of the OER Group Entities for the purposes of effecting the transactions as contemplated pursuant to the SHL 2020 SOSA, pursuant to which:
- (i) the parties to the SHL 2020 SOSA agreed to supplement and vary the terms of the SHL 2020 SOSA to align the provisions of the SHL 2020 SOSA with the OER Novation and Assignment such as updating the relevant definitions to exclude the OER Group Entities; and
  - (ii) the parties to the Deed agreed to supplement and vary the terms of the Deed to align the provisions thereof with the OER Novation and Assignment such as releasing the OER Group Entities (who following the OER Novation and Assignment have ceased to be parties to the Owings from their respective contractual obligations under the Deed).

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- 1.11 There has been no material change to the amount of Owings between 31 December 2016 and the Latest Practicable Date. Assuming such consolidation is effected on a Full Novation basis to consolidate such Owings into Consolidated Owings and a set-off is effected in respect of such Consolidated Owings, the net amount owing by the Company to SHL would be approximately US\$33.7 million.
- 1.12 The SCPL Debt Conversion Amount which is the subject of settlement under the SCPL SOSA amounts to approximately US\$0.5 million. The owings by the Company to SCPL, including the SCPL Debt Conversion Amount, relate to the SCPL Sublease Agreement for the rental of office premises from the SHL Group, which had commenced on 27 May 2016 and expired on 26 May 2019. It is noted that the SCPL Debt Conversion Amount is to be resolved under the SCPL SOSA and separately from the Owings under the SHL 2020 SOSA because the SHL 2020 SOSA contemplates the settlement of the Owings that was to have been but not yet settled pursuant to the SHL 2017 SOSA whereas the Debt Conversion Amount is not part of such Owings.
- 1.13 The RHCL Aggregate Owings by the Company to RHCL as at the Latest Practicable Date amounts to approximately US\$91.7 million and are unrelated to the owings which were the subject of and had been settled pursuant to the RHCL 2017 SOSA. The RHCL Debt Conversion Amount, being the owings subject of settlement under the RHCL 2020 SOSA amounts to US\$26.3 million. The remainder of the RHCL Aggregate Owings not subject of settlement under the RHCL 2020 SOSA will remain outstanding and payable by the Company to RHCL pursuant to the RHCL Loan Agreement to be entered into.
- 1.14 It is intended that the SOSA Share Issuances, to the extent undertaken, do not result in:
- (i) the aggregate voting rights of SHL and its subsidiaries and associated companies (including without limitation SCPL) in the Company amounting to 30% or more; and
  - (ii) the voting rights of RHCL in the Company falling below 50% and RHCL losing its majority shareholding interests in the Company,
- so as not to trigger any obligations for mandatory offers under the Code, while at all times maintaining the minimum percentage of Shares held by the public as required under the Catalist Rules post-such issuance.
- 1.15 Having regard to the considerations in Section 1.14 above:
- (i) the Agreed Settlement Amount was derived and agreed upon by the parties to the SHL 2020 SOSA, to ensure that the SHL Subscription Shares issued in respect thereof pursuant to the SHL 2020 SOSA, when aggregated with the SCPL Subscription Shares issued in respect of the SCPL Debt Conversion Amount under the SCPL SOSA, would not result in the threshold referred to in Section 1.14(i) above being breached; and
  - (ii) the RHCL Debt Conversion Amount was derived and agreed upon by parties to the RHCL 2020 SOSA, to ensure sufficient RHCL Subscription Shares issued in respect thereof pursuant to the RHCL 2020 SOSA, such that RHCL's shareholdings in the Company are

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increased concurrently with the issuance of SHL Subscription Shares and SCPL Subscription Shares, such that the thresholds referred to in Section 1.14(i) and (ii) above would not be breached by way of dilution of its shareholdings in the Company due to the issuance of such SHL Subscription Shares and SCPL Subscription Shares.

- 1.16 With reference to paragraph 8.3 of the Company's announcement dated 29 June 2020, the SGX-ST had, following the Company's consultation with the SGX-ST via the Company's Sponsor, informed that the ESE Owings Waiver ought to be considered an "interested person transaction" under Chapter 9 of the Catalist Rules.
- 1.17 Therefore, as the (i) 2020 SOSA Arrangements and (ii) the ESE Owings Waiver constitute "interested person transactions" under Chapter 9 of the Catalist Rules, they will accordingly be subject to the approval of the Shareholders being obtained at the EGM to be convened. Further details are set out in Section 5 of this Circular. For the avoidance of doubt, the SHL Debt Waiver is not subject to Shareholders' approval under Chapter 9 of the Catalist Rules as there is no amount at risk to the Company in respect thereof.
- 1.18 As the 2020 SOSA Arrangements involve the allotment and issuance of the SOSA Subscription Shares to restricted persons under Chapter 8 of the Catalist Rules, specific Shareholders' approval will also need to be obtained at the EGM in respect thereof. Please refer to Section 5.1 of this Circular for further details.
- 1.19 Shareholders should read this Circular and the IFA Letter to the Directors in Appendix III carefully and consider the recommendations of the Directors in Section 11 and the opinion of the IFA in respect of the Proposed Transactions.
- 1.20 The purpose of this Circular is to provide the Shareholders with relevant information pertaining to the Proposed Transactions, which will be tabled at the EGM to be held by way of electronic means on 29 July 2021 at 4.00 p.m. The Notice of EGM is set out on pages N-1 to N-5 of this Circular.
- 1.21 Shareholders should also note that certain arrangements under the SHL 2020 SOSA, including the proposed subscription by SHL of the SHL Subscription Shares, are subject to approval of the shareholders of SHL at an extraordinary general meeting of SHL to be convened.

## **2. ABOUT SHL, SCPL, RHCL AND THE EXCLUDED SWIBER ENTITIES**

- 2.1 SHL is a company incorporated in Singapore and is listed on the Mainboard of the SGX-ST. SHL is currently under judicial management. SHL is a Controlling Shareholder of the Company holding 115,102,345 Shares representing approximately 20.58% of the Company's total issued and paid-up Shares. SHL is an "interested person" under Chapter 9 of the Catalist Rules. Please refer to Section 5.2.2 below for more information on the key terms under Chapter 9 of the Catalist Rules.
- 2.2 SCPL is a wholly-owned subsidiary of SHL, and is currently in creditors' voluntary liquidation. SCPL is an Associate of SHL (a Controlling Shareholder of the Company), and thus is an "interested person" under Chapter 9 of the Catalist Rules.

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- 2.3 RHCL is a company incorporated in the Kingdom of Saudi Arabia. RHCL is a Controlling Shareholder of the Company holding 317,560,389 Shares representing approximately 56.77% of the Company's total issued and paid-up Shares. RHCL is an "interested person" under Chapter 9 of the Catalist Rules.
- 2.4 With reference to paragraph 8.3 of the Company's announcement dated 29 June 2020, the SGX-ST had, following the Company's consultation with the SGX-ST via the Company's Sponsor, informed that:
- (i) the Excluded Swiber Entities which have been dissolved or which have ceased to be under SHL's control, due to, for instance, such Excluded Swiber Entities being in liquidation or under judicial management of which the judicial managers differ from the judicial managers of SHL, remain considered as Associates of SHL for purposes of Chapter 9 of the Catalist Rules notwithstanding that SHL has lost control over such Excluded Swiber Entities, and accordingly, are deemed to be the "same interested person" as SHL within the meaning of Chapter 9 of the Catalist Rules, pursuant to Rule 908 of the Catalist Rules; and
  - (ii) accordingly, the ESE Owings Waiver will have to be aggregated with the SHL Subscription and Set-Off and Settlement Arrangement for purposes of Chapter 9 of the Catalist Rules, and be subject to approval by Shareholders.

### 3. PRINCIPAL TERMS OF THE SETTLEMENT AGREEMENTS

A summary of the principal terms of each of the Settlement Agreements is set out below.

#### 3.1 SHL 2020 SOSA

- 3.1.1 Pursuant to and subject to the terms of the SHL 2020 SOSA, the Company, SHL and SOC have agreed, amongst others, as follows:

##### Partial Novation

- (a) in the event Full Novation cannot be undertaken on the SHL Subscription Completion Date, SHL and the Company shall discuss in good faith to determine whether the parties can proceed with Partial Novation on the SHL Subscription Completion Date.

For the avoidance of doubt, in the event parties elect to proceed with Partial Novation, the Agreed Settlement Amount and the amount of SHL Debt Waiver (if any) could be reduced from the respective amounts under a Full Novation scenario. However, whether to proceed with a Partial Novation would be subject to decision by the Board, and further subject to agreement between VHL, SHL and SOC. In deciding whether to proceed with a Partial Novation on VHL's part, the Board will have regard to whether such Partial Novation is in the best interests of the Company based on the relevant considerations at that point in time, including the amount of Owings which are available for set-off and settlement at that point in time under such Partial Novation;

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### Group Set-Off

- (b) upon Full Novation or Partial Novation (as the case may be) being effected on the SHL Subscription Completion Date in accordance with the Deed, to effect the Group Set-Off;

### Issuance of SHL Subscription Shares and Set-Off and Settlement against Novated VHL Net Owings

- (c) subject to the fulfilment or waiver of the SSI Conditions Precedent, SHL shall subscribe for, and the Company shall issue to SHL, such number of SHL Subscription Shares at the Agreed Issue Price for each SHL Subscription Share to the extent of the Agreed Settlement Amount, and the aggregate issue price payable by SHL for the SHL Subscription Shares shall be fully set-off and settled against the Novated VHL Net Owings arising from the Full Novation or Partial Novation (as the case may be) to the extent of the Agreed Settlement Amount on the date of issuance of the SHL Subscription Shares; and

### Waiver of Excess Novated VHL Net Owings (i.e. the SHL Debt Waiver)

- (d) following the issuance by the Company of the SHL Subscription Shares to SHL on the SHL Subscription Completion Date, in the event there is any Excess Novated VHL Net Owings, the SHL Debt Waiver shall be effected by SHL on the SHL Relevant Settlement Date.

Based on a Full Novation scenario, the SHL Debt Waiver would amount to a waiver of approximately US\$18.2 million<sup>1</sup>.

### 3.1.2 SSI Conditions Precedent

The SHL Subscription And Set-Off and Settlement Arrangement, which contemplates SHL's proposed subscription of SHL Subscription Shares and the proposed SHL Debt Waiver, is conditional upon certain conditions precedent (the "**SSI Conditions Precedent**") being satisfied, or waived in accordance with the SHL 2020 SOSA. The SSI Conditions Precedent are summarised in Column A of the table in Appendix II to this Circular.

### 3.1.3 SHL Long Stop Date

In the event that:

- (a) any of the SSI Conditions Precedent (save for the SSI Conditions Precedent referred to in sub-paragraph (b) below) is not fulfilled or waived (as the case may be) in accordance with the SHL 2020 SOSA on or before the SHL Long Stop Date; or
- (b) any of the SSI Conditions Precedent relating to: (i) the RHCL Subscription And Set-Off and Settlement Arrangement; (ii) the Company remaining as an associated company (as defined in the Listing Manual) of SHL; and (iii) the undertaking of the Novations and Assignments and Group Set Off, is not fulfilled or waived (as the case may be) in accordance with the SHL 2020 SOSA on or before the date falling five (5) days after the SSI Conditions Precedent

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<sup>1</sup> Computed based on the difference between the Consolidated Owings by the Company to SHL of approximately US\$33.7 million, less the Agreed Settlement Amount of approximately US\$15.5 million.

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referred to in sub-paragraph (a) above are fulfilled or waived (as the case may be) in accordance with the SHL 2020 SOSA,

the SHL 2020 SOSA (other than the agreed surviving provisions) shall lapse and terminate and cease to have further effect.

### 3.1.4 ESE Owings Waiver

In connection with the completion of the subscription of SHL Subscription Shares, the Company has agreed to procure the ESE Owings Waiver, to the extent such ESE Owings are not reasonably recoverable from such Excluded Swiber Entities.

### 3.1.5 Reservation of and no prejudice to rights in respect of the Netting Off Practice

Nothing in the SHL 2020 SOSA nor its termination shall prejudice, affect or vary (a) the parties' respective legal positions regarding the Netting Off Practice (if any); or (b) the rights of the VHL Group entities and the SHL Group entities in respect of or arising under the Netting Off Practice (if any), which are expressly reserved by the VHL Group entities and the SHL Group entities, unless the settlement of all owings between the SHL Group and the VHL Group is fully effected by the SHL 2020 SOSA.

### 3.1.6 SHL Undertakings

The Company undertakes to SHL that (collectively, the "**SHL Undertakings**"):

- (a) for the period from (and including) the date of the SHL 2020 SOSA up to (and including) (i) the SHL Subscription Completion Date or (ii) the date of termination of the SHL 2020 SOSA pursuant to the terms therein (whichever is earlier), the Company shall not, and with respect to sub-paragraph (iii) below shall procure that no other entity shall, without the prior written consent of SHL, do any of the following:
  - (i) allot or issue, or agree to allot or issue, any new Share(s), if the issue price per Share is less than the Agreed Issue Price;
  - (ii) grant, or agree to grant, any rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any new Share(s), if the issue price per Share is less than the Agreed Issue Price;
  - (iii) issue, sell or distribute, or agree to issue, sell or distribute, any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than the Agreed Issue Price, or effect or agree to effect any modification of rights of conversion, exchange or subscription attaching to any securities which carry rights of conversion into, or exchange or subscription for, Shares such that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Agreed Issue Price;

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- (iv) issue, sell or distribute, or agree to issue, sell or distribute any securities (other than those mentioned in sub-paragraphs (i), (ii) and (iii) above), at a price which is less than the Agreed Issue Price; or
  - (v) effect, or agree to effect, any consolidation, subdivision or reclassification of any of its Shares; and
- (b) the Company shall not do anything or take any action(s) that will result in the Company ceasing to be an associated company (as defined in the Listing Manual) of SHL as at (i) the SHL Subscription Completion Date and (ii) the SHL Relevant Settlement Date.

### 3.1.7 Summary table of the SHL 2020 SOSA

The table below sets out the gross balances:

- Column (1) - Amounts due from/to the SHL Group under the SHL 2017 SOSA resulting in a net owing to SHL Group of US\$7.2 million
- Column (2) - Amounts due from/to ASDLB which are excluded from the SHL 2020 SOSA as set out in Section 1.7 of this Circular
- Column (3) - Amounts due from/to the Excluded Swiber Entities (other than ASDLB) resulting in net receivables from the Excluded Swiber Entities (other than ASDLB) of approximately US\$27.0 million, which is the subject of the ESE Owings Waiver, as set out in Section 3.1.4 of this Circular

Accordingly, on a net basis, the amount owing to the SHL Group to be settled pursuant to the SHL 2020 SOSA is US\$33.7 million. Of this US\$33.7 million, US\$15.5 million (being the Agreed Settlement Amount) will be set-off via the issuance of 238,337,380 SHL Subscription Shares. The balance of US\$18.2 million will be waived by SHL, being the SHL Debt Waiver. The number of SHL Subscription Shares is arrived at based on the Agreed Settlement Amount, Agreed Exchange Rate of US\$1.00 : S\$1.3878 and the Agreed Issue Price of S\$0.09 per Share.

	(1)	(2)	(3)	(1) – (2) – (3)
US\$	Owings from/(to) SHL Group after the SHL 2017 SOSA	Owings from/(to) ASDLB	Owings from/(to) from Excluded Swiber Entities (other than ASDLB)	Net
VHL Group's gross receivables from SHL Group	95,142,804	426,363	27,421,866	67,294,575
VHL Group's gross payables to SHL Group	(102,315,428)	(978,800)	(384,084)	(100,952,544)

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Net receivables owing from/(to) SHL Group	(7,172,624)	(552,437)	27,037,782	(33,657,969)
Agreed Settlement Amount				15,456,380
SHL Debt Waiver				(18,201,589)

### 3.2 Deed

#### 3.2.1 ASOM Assignment

To effect the absolute assignment by the ASOM Vallianz Creditors with amounts owing from ASOM, to SOC such that SOC assumes all the benefits, interests, rights and claims in and to such owings, for the ASOM Assignment Consideration, and such ASOM Assignment Consideration payable by SOC to such ASOM Vallianz Creditors shall form part of the Owings by SOC to the VHL Group in lieu of the owings which were (prior to such ASOM Assignments) owing by ASOM to such ASOM Vallianz Creditors; and

#### 3.2.2 Novations and Assignments

Subject to ASOM Assignments being effected, to effect the novations and/or assignments of the Owings of the Relevant Vallianz Entities to any Relevant Swiber Entity and the Owings of the Relevant Swiber Entities to any Relevant Vallianz Entity, such that:

- (a) the Company (i) assumes the liability for all the Novated VHL Group Owings, and (ii) assumes the benefit of all the Novated SHL Group Owings; and
- (b) SHL (i) assumes the liability for the Novated SHL Group Owings and (ii) assumes the benefit of the Novated VHL Group Owings,

on the terms and subject to the conditions set out in the Deed.

#### 3.2.3 GSO Conditions Precedent

Each of (i) the ASOM Assignments, (ii) the Novations and Assignments and (iii) the Group Set-Off are conditional upon the GSO Conditions Precedent being satisfied, or waived in accordance with the Deed.

#### 3.2.4 Further Conditions for the ASOM Assignments and the Novations and Assignments

Without prejudice to the GSO Conditions Precedent, the ASOM Assignments and the Novations and Assignments shall comply with, amongst others, the following further conditions:

- (a) none of the ASOM Assignments and the Novations and Assignments shall be effected if such ASOM Assignments and Novations and Assignments will result in (1) there being Novated VHL Net Owings of less than the Agreed Settlement Amount or (2) (where there



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are Excess Novated VHL Net Owings) there being Excess Novated VHL Net Owings of more than the Relevant Limit;

- (b) none of the ASOM Assignments shall be effected on the SHL Subscription Completion Date unless the GSO Conditions Precedent for the Individual Novation and Assignment and the Group Set-Off in respect of all the Owings to be novated and/or assigned pursuant to a Full Novation or a Partial Novation (as the case may be) are fulfilled or waived in accordance with the terms of the Deed (as the case may be) as at the SHL Subscription Completion Date;
- (c) no Individual Novation and Assignment shall be effected, if such Individual Novation and Assignment will result in there being any Novated SHL Group Owings which cannot be set-off against any Novated VHL Group Owings for any reason (including without limitation due to the GSO Conditions Precedent for the Group Set-Off (to the extent not waived) not being fulfilled on the SHL Subscription Completion Date), as between the Company and SHL;
- (d) the Full Novation or a Partial Novation (as the case may be) must not result in there being any Novated SHL Group Owings which cannot be set-off against any Novated VHL Group Owings for any reason (including without limitation due to the GSO Conditions Precedent for the Group Set-Off (to the extent not waived) not being fulfilled on the SHL Subscription Completion Date), as between the Company and SHL;
- (e) a Full Novation or a Partial Novation (as the case may be) shall not be effected unless it complies with any statute, law, order, rule, regulation, ruling, directive, decision, requirement or request promulgated, imposed 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);
- (f) none of the ASOM Assignments and the Novations and Assignments shall be effected if SHL is unable to subscribe for the SHL Subscription Shares on the SHL Subscription Completion Date or if, as at the SHL Subscription Completion Date, the proposed SHL Debt Waiver cannot proceed in accordance with the provisions of the SHL 2020 SOSA; and
- (g) if the SHL Subscription Completion does not actually take place under the SHL 2020 SOSA for any reason, none of the ASOM Assignments and the Novations and Assignments would be effected.

In respect of the condition set out in paragraph 3.2.4(a) above:

- (a) the Relevant Limit as at the Latest Practicable Date is US\$20,543,620 based on the Agreement Settlement Amount of US\$15,456,380;
- (b) to the extent that Full Novation takes place, such condition shall be complied with as ASOM Assignments and Novations and Assignments undertaken on the premise of Full Novation taking place will not result in (1) there being Novated VHL Net Owings of less than the Agreed Settlement Amount; or (2) (where there are Excess Novated VHL Net Owings) there being Excess Novated VHL Net Owings being more than the Relevant Limit; and

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- (c) as at the Latest Practicable Date, nothing has come to the attention of the Company that Full Novation will not take place.

### **3.3 SCPL SOSA**

#### **3.3.1 Issuance of SCPL Subscription Shares and Set-Off and Settlement against SCPL Debt Conversion Amount**

Subject to the fulfilment or waiver of the SCPL Conditions Precedent, SCPL shall subscribe for, and the Company shall issue to SCPL, such number of SCPL Subscription Shares at the Agreed Issue Price for each SCPL Subscription Share to the extent of the SCPL Debt Conversion Amount, and the aggregate issue price payable by SCPL for the SCPL Subscription Shares shall be fully set-off and settled against the SCPL Debt Conversion Amount on the SCPL Subscription Completion Date.

#### **3.3.2 SCPL Conditions Precedent**

The SCPL Subscription And Set-Off and Settlement Arrangement is conditional upon the SCPL Conditions Precedent being satisfied, or waived in accordance with the SCPL SOSA.

#### **3.3.3 SCPL Long Stop Date**

In the event that:

- (a) any of the SCPL Conditions Precedent (save for the SCPL Condition Precedent relating to the subscription by SHL of the SHL Subscription Shares) is not fulfilled or waived (as the case may be) in accordance with the SCPL SOSA on or before the SCPL Long Stop Date; or
- (b) any of the SCPL Conditions Precedent are not fulfilled, or waived (as the case may be) in accordance with the SCPL SOSA, on the SHL Subscription Completion Date;

the SCPL SOSA (other than the agreed surviving provisions) shall lapse and terminate and cease to have further effect

### **3.4 RHCL 2020 SOSA**

#### **3.4.1 Issuance of RHCL Subscription Shares and Set-Off and Settlement against RHCL Debt Conversion Amount**

Subject to the fulfilment or waiver of the RHCL Conditions Precedent, RHCL shall subscribe for, and the Company shall issue to RHCL, such number of RHCL Subscription Shares at the Agreed Issue Price for each RHCL Subscription Share to the extent of the RHCL Debt Conversion Amount, and the aggregate issue price payable by RHCL for the RHCL Subscription Shares shall be fully set-off and settled against the RHCL Debt Conversion Amount on the RHCL Subscription Completion Date.

#### **3.4.2 RHCL Conditions Precedent**

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The RHCL Subscription And Set-Off and Settlement Arrangement is conditional upon the RHCL Conditions Precedent, being satisfied, or waived in accordance with the RHCL 2020 SOSA.

### 3.4.3 RHCL Long Stop Date

In the event that:

- (a) any of the RHCL Conditions Precedent (save for the RHCL Condition Precedent relating to the subscription by SHL of the SHL Subscription Shares) is not fulfilled or waived (as the case may be) in accordance with the RHCL 2020 SOSA on or before the RHCL Long Stop Date; or
- (b) any of the RHCL Conditions Precedent are not fulfilled, or waived (as the case may be) in accordance with the RHCL 2020 SOSA, on the SHL Subscription Completion Date;

the RHCL 2020 SOSA (other than the agreed surviving provisions) shall lapse and terminate and cease to have further effect.

### 3.4.4 RHCL Undertaking

The Company undertakes to RHCL ("**RHCL Undertaking**") that for the period from (and including) the date of the RHCL 2020 SOSA up to (and including) (i) the RHCL Subscription Completion Date or (ii) the date of termination of the RHCL 2020 SOSA pursuant to the terms therein (whichever is earlier), the Company shall not, and with respect to sub-paragraph (c) below shall procure that no other entity shall, without the prior written consent of RHCL, do any of the following:

- (a) allot or issue, or agree to allot or issue, any new share(s), if the issue price per share is less than the Agreed Issue Price;
- (b) grant, or agree to grant, any rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any new share(s), if the issue price per share is less than the Agreed Issue Price;
- (c) issue, sell or distribute, or agree to issue, sell or distribute, any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per share which is less than the Agreed Issue Price, or effect or agree to effect any modification of rights of conversion, exchange or subscription attaching to any securities which carry rights of conversion into, or exchange or subscription for, Shares such that the consideration per share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Agreed Issue Price;
- (d) issue, sell or distribute, or agree to issue, sell or distribute any securities (other than those mentioned in sub-paragraphs (a), (b) and (c) above), at a price which is less than the Agreed Issue Price; or
- (e) effect, or agree to effect, any consolidation, subdivision or reclassification of any of its Shares.

**4. AGREED ISSUE PRICE AND AGREED EXCHANGE RATE FOR SOSA SHARE ISSUANCES**

4.1 The Agreed Issue Price for each of the SHL Subscription Shares, RHCL Subscription Shares and SCPL Subscription Shares of S\$0.09, represents a premium of approximately 50% to the volume weighted average price of S\$0.06 for trades done on the Catalist on 18 June 2020, being the last full Market Day on which Shares were traded prior to the signing of the SHL 2020 SOSA, RHCL 2020 SOSA and SCPL SOSA.

4.2 The Agreed Exchange Rate of US\$1 : S\$1.3878 tracks the agreed exchange rate under the SHL 2017 SOSA, and was agreed by parties under the respective Settlement Agreements for purposes of calculating the number of SOSA Subscription Shares to be issued thereunder.

For reference:

- (i) the US\$ : S\$ exchange rate on the date the SHL 2020 SOSA, SCPL SOSA and RHCL 2020 SOSA were entered into, being 29 June 2020, was US\$1 : S\$1.3935<sup>2</sup>; and
- (ii) the US\$ : S\$ exchange rate as at the Latest Practicable Date is US\$1 : S\$1.3309<sup>3</sup>.

**5. CATALIST RULES REQUIRING SHAREHOLDERS' APPROVAL FOR PROPOSED TRANSACTIONS**

**5.1 Shareholders' Approval for the SOSA Share Issuances under Chapter 8 of the Catalist Rules**

The SOSA Share Issuances require the approval of Shareholders under section 161 of the Companies Act and Rule 805 of the Catalist Rules. In addition, as:

- (a) SHL and RHCL, each being substantial shareholders of the Company (as described in Section 2 of this Circular); and
- (b) SCPL, being a wholly-owned subsidiary of SHL,

are restricted persons under Rule 812(1) of the Catalist Rules, specific Shareholder approval of the SOSA Share Issuances to SHL, RHCL and SCPL respectively is required to be obtained pursuant to Rule 812(2) of the Catalist Rules. Accordingly, the Company will be seeking Shareholders' approval at the EGM for the allotment and issuance of the SHL Subscription Shares, SCPL Subscription Shares and RHCL Subscription Shares.

The SHL Subscription Shares, SCPL Subscription Shares and RHCL Subscription Shares will be issued and allotted pursuant to a specific mandate and will not be issued under the authority of the general share issue mandate of the Company.

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<sup>2</sup> Extracted from Bloomberg as at 29 June 2020.

<sup>3</sup> Extracted from Bloomberg as at the Latest Practicable Date.

**5.2 Shareholders' Approval for the Proposed Transactions as Interested Person Transactions under Chapter 9 of the Catalist Rules**

**5.2.1 Chapter 9 of the Catalist Rules**

Chapter 9 of the Catalist Rules governs transactions by a listed company or any of its subsidiaries or associated companies (the “**entity at risk**”) with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

**5.2.2 Definitions of key terms used in Chapter 9 of the Catalist Rules**

For the purpose of Chapter 9 of the Catalist Rules:

- (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Catalist Rules;
- (b) in the case of a company, an “**associate**” means:
  - (i) in relation to any director, chief executive officer, substantial shareholder, or controlling shareholder (being an individual), his Immediate Family, 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 any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
  - (ii) in relation to a substantial shareholder or controlling shareholder (being a company), 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;
- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) a “**controlling shareholder**” is 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 listed company, or in fact exercises control over the listed company;
- (e) an “**entity at risk**” means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange or an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group or the listed group and its interested person(s) has control over the associated company;

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- (f) in the case of a company, an “**interested person**” means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder or any person or entity deemed by the SGX-ST to be an interested person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction;
- (g) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
- (h) a “**transaction**” includes, whether or not in the ordinary course of business and whether or not entered into directly or indirectly (for example, through one or more interposed entities), the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments; and
- (i) a “**listed company**” means a company admitted to the Official List of the SGX-ST and not removed.

### 5.2.3 Materiality thresholds

Save for transactions which are not considered to put the listed company at risk and which are therefore excluded from the ambit of Chapter 9 of the Catalist Rules, Shareholders’ approval would be required in respect of such transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, Shareholders’ approval is required where:

- (a) the value of an interested person transaction is equal to, or more than, 5% of the VHL Group’s latest audited consolidated NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5% or more of the VHL Group’s latest audited consolidated NTA. The aggregation will exclude any transaction that has been approved by Shareholders previously, or is the subject of aggregation with another transaction that has been previously approved by Shareholders.

The abovementioned requirements for Shareholders’ approval do not apply to any transaction below S\$100,000, save that the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction, having regard to the objective of Chapter 9 of the Catalist Rules, and the economic and commercial substance of the interested person transaction.

### 5.2.4 Abstention from Voting

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In obtaining such Shareholders' approval for purposes of Chapter 9 of the Catalist Rules, the respective interested persons are required to abstain from voting on the resolution approving the transaction. Please refer to Section 15 of this Circular for the required abstentions in respect of the Proposed Transactions.

### **6. INFORMATION IN RELATION TO THE SOSA SHARE ISSUANCES AND THE PROPOSED TRANSACTIONS AS REQUIRED UNDER CHAPTER 8 AND CHAPTER 9 OF THE CATALIST RULES**

#### **6.1 No Placement Agent**

There is no placement agent appointed for the purpose of the SOSA Share Issuances.

#### **6.2 Status of the SOSA Subscription Shares**

The SOSA Subscription Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares existing as at the date of issue and allotment of the SOSA Subscription Shares, save that they will not rank for any dividends, rights, allotments other distributions, the record date in respect of which falls on or prior to such issue and allotment. There is no moratorium imposed on the SOSA Subscription Shares.

#### **6.3 Listing and Quotation**

The Sponsor will be making an additional listing application for and on behalf of the Company to the SGX-ST for the listing and quotation of the SOSA Subscription Shares on the Catalist.

#### **6.4 Value of the Proposed Transactions with regard to the materiality thresholds under Chapter 9 of the Catalist Rules**

##### **6.4.1 SHL Subscription and Set-Off and Settlement Arrangement**

Based on a Maximum Subscription Scenario, the total value of the SHL Subscription and Set-Off and Settlement Arrangement is approximately US\$15.5 million, being the Agreed Settlement Amount. The latest audited consolidated NTA of the VHL Group as at 31 March 2020 was approximately US\$63.2 million. As such, the value of the Agreed Settlement Amount therefore amounts to approximately 24.5% of the VHL Group's latest audited consolidated NTA. As this exceeds 5% of the VHL Group's latest audited consolidated NTA, the SHL Subscription and Set-Off and Settlement Arrangement is accordingly subject to Shareholders' approval at the EGM.

##### **6.4.2 SCPL Subscription and Set-Off and Settlement Arrangement**

The value of the SCPL Subscription and Set-Off and Settlement Arrangement is approximately US\$0.5 million, being the SCPL Debt Conversion Amount, and amounts to approximately 0.8% of the VHL Group's latest audited consolidated NTA. As this is less than 5% of the VHL Group's latest

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audited consolidated NTA, the SCPL Subscription and Set-Off and Settlement Arrangement would not on its own be subject to Shareholders' approval at the EGM.

### 6.4.3 RHCL Subscription and Set-Off and Settlement Arrangement

The value of the RHCL Subscription and Set-Off and Settlement Arrangement is US\$26.3 million, comprising the RHCL Debt Conversion Amount, and amounts to approximately 41.6% of the VHL Group's latest audited consolidated NTA. As this exceeds 5% of the VHL Group's latest audited consolidated NTA, the RHCL Subscription and Set-Off and Settlement Arrangement is accordingly subject to Shareholders' approval at the EGM.

### 6.4.4 ESE Owings Waiver

The value of the ESE Owings Waiver amounts to approximately US\$27.0 million, and amounts to approximately 42.7% of the VHL Group's latest audited consolidated NTA. As this exceeds 5% of the VHL Group's latest audited consolidated NTA, the ESE Owings Waiver is accordingly subject to Shareholders' approval at the EGM.

### 6.4.5 Aggregation of values of SHL Subscription and Set-Off and Settlement Arrangement, SCPL Subscription and Set-Off and Settlement Arrangement and ESE Owing Waiver

As described in Section 2.4 of this Circular, SHL, SCPL and the Excluded Swiber Entities are deemed to be the "same interested person" as SHL for the purposes of Chapter 9 of the Catalist Rules. As such, the values of the Agreed Settlement Amount, SCPL Subscription and Set-Off and Settlement Arrangement, and ESE Owings Waiver would be subject to aggregation. The total aggregated value would amount to approximately US\$43.0 million, which is 68.0% of the VHL Group's latest audited consolidated NTA. As this exceeds 5% of the VHL Group's latest audited consolidated NTA, the Agreed Settlement Amount, SCPL Subscription and Set-Off and Settlement Arrangement, and ESE Owings Waiver are accordingly subject to Shareholders' approval at the EGM.

### 6.4.6 Disregarding the following:

- (a) interested person transactions of a value equal to, or more than 5% of the VHL Group's latest audited NTA, where the Company has obtained shareholder approval, pursuant to Rule 906(1)(a) of the Catalist Rules;
- (b) interested person transactions of a value equal to, or more than 5% of the VHL Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year (but excluding transactions that have already been approved by shareholders or is the subject of aggregation with another transaction that has been approved by shareholders, from such subsequent aggregation), where the Company has obtained shareholder approval, pursuant to Rule 906(1)(b) of the Catalist Rules; or
- (c) transactions below S\$100,000 in accordance with Rules 905(3) and 906(2) of the Catalist Rules,



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there are no other interested person transactions which would be the subject of aggregation pursuant to Rule 906(1)(b) of the Catalist Rules as at the date of this Circular.

### 6.5 **Total number of Shares issued under the SOSA Share Issuances and rationale for the SOSA Share Issuances**

#### 6.5.1 SHL Subscription Shares

Based on the Maximum Subscription Scenario, the aggregate amount of proceeds from the allotment and issue of all the 238,337,380 SHL Subscription Shares will be approximately S\$21.5 million (amounting to approximately US\$15.5 million based on the Agreed Exchange Rate), which shall be fully set-off and settled against the Novated VHL Net Owings on the SHL Subscription Completion Date. The actual aggregate amount of proceeds from the allotment and issue of the SHL Subscription Shares is dependent on a variety of factors, including but not limited to ASOM Assignment being first effected and the extent of Novations and Assignments effected by the Relevant Vallianz Entities and Relevant Swiber Entities, and correspondingly the Novated VHL Net Owings.

The rationale of the issue of the SHL Subscription Shares and the SHL Subscription And Set-Off and Settlement Arrangement is to further the objectives of the SHL 2017 SOSA where owings as between the VHL Group (which for purposes of SHL 2017 SOSA had included OER Group Entities) and SHL Group would be settled via the issuance of Shares to SHL and, together with the SHL Debt Waiver, would comprise a holistic solution to the settlement of Owings as between the VHL Group (which for purposes of SHL 2017 SOSA had included OER Group Entities) and SHL Group.

#### 6.5.2 SCPL Subscription Shares

The aggregate amount of proceeds from the allotment and issue of all of the 8,382,620 SCPL Subscription Shares will be approximately S\$0.8 million (amounting to approximately US\$0.5 million based on the Agreed Exchange Rate), which shall be fully set-off and settled against the SCPL Debt Conversion Amount on the SCPL Subscription Completion Date.

The rationale of the issue of the SCPL Subscription Shares and SCPL Subscription And Set-Off and Settlement Arrangement is to set-off and settle the SCPL Debt Conversion Amount, whilst conserving cash reserves of the VHL Group.

#### 6.5.3 RHCL Subscription Shares

The aggregate amount of proceeds from the allotment and issue of all of the 405,546,000 RHCL Subscription Shares will be approximately S\$36.5 million (amounting to approximately US\$26.3 million based on the Agreed Exchange Rate), which shall be fully set-off and settled against the RHCL Debt Conversion Amount on the RHCL Subscription Completion Date.

The rationale of the issue of the RHCL Subscription Shares and RHCL Subscription And Set-Off and Settlement Arrangement is to fully set-off and settle the RHCL Debt Conversion Amount.

## 7. **FINANCIAL EFFECTS OF THE 2020 SOSA ARRANGEMENTS**

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### 7.1 Assumptions

The financial effects of the 2020 SOSA Arrangements on the VHL Group as set out in this Section 7 are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the VHL Group after the completion of the 2020 SOSA Arrangements under the Maximum Subscription Scenario.

Based on the latest consolidated financial statements of the Group for 1HFY2021 as announced by the Company on 13 November 2020, the financial effects of the Maximum Subscription Scenario on (i) the number of Shares and share capital; (ii) NTA per Share; (iii) earnings per Share (“**EPS**”); and (iv) gearing of the VHL Group (assuming that the 2020 SOSA Arrangements under the Maximum Subscription Scenario had been completed at the end of FY2020), are as follows:

### 7.2 Number of Shares and Share Capital

	<b>As at 30 September 2020</b>	<b>After the 2020 SOSA Arrangements under a Maximum Subscription Scenario</b>
Number of Shares	559,354,434 <sup>(1)</sup>	1,211,620,434
Share capital (US\$)	347,746,000 <sup>(1)</sup>	381,209,000

**Note:**

- (1) There has been no change to the number of Shares and Share capital of the Company as at the Latest Practicable Date.

### 7.3 NTA

	<b>As at 30 September 2020</b>	<b>After the 2020 SOSA Arrangements under a Maximum Subscription Scenario<sup>(1)</sup></b>
NTA (US\$ '000)	62,498	62,330 <sup>(2)</sup>
Number of Shares ('000)	559,354	1,211,620
NTA per Share (US Cents)	11.2	5.1

**Notes:**

- (1) All S\$ figures have been converted from S\$ to US\$ at the Agreed Exchange Rate; and
- (2) There is no material change in NTA as the amount of owings to SHL and RHCL are already classified as equity in the VHL Group's consolidated Statement of Financial Position as at 30 September 2020.

### 7.4 EPS

	<b>1HFY2021</b>	<b>After the 2020 SOSA Arrangements under a Maximum Subscription Scenario<sup>(1)</sup></b>
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Loss after tax attributable to Shareholders (US\$ '000)	(10,567)	(10,567) <sup>(2)</sup>
Weighted average number of Shares ('000)	559,354	1,211,620
EPS (US cents)	(1.9)	(0.9)

**Notes:**

- (1) All S\$ figures have been converted from S\$ to US\$ at the Agreed Exchange Rate; and
- (2) There is no change in profit after tax attributable to Shareholders as the net cost of the SOSA Share Issuances, which comprises substantially the net waiver of owings of US\$8.8 million (being the difference in (i) ESE Owings Waiver of approximately US\$27 million by VHL, and (ii) the SHL Debt Waiver of approximately US\$18.2 million by SHL), by the Company is expected to be set off against the issuance of SHL Subscription Shares to SHL under the SHL 2020 SOSA.

### 7.5 Gearing

	As at 30 September 2020	After the 2020 SOSA Arrangements under a Maximum Subscription Scenario <sup>(2)</sup>
Net borrowings (US\$ '000)	785,626	785,626
Total equity (US\$ '000)	87,502	87,334
Gearing ratio <sup>(1)</sup> (times)	8.98	9.00

**Notes:**

- (1) Gearing ratio means the ratio of the VHL Group's net borrowings to total equity; and
- (2) All S\$ figures have been converted from S\$ to US\$ at the Agreed Exchange Rate.

## 8. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND THE PUBLIC, AND DILUTION IMPACT UPON COMPLETION OF THE SOSA SHARE ISSUANCES

8.1 The table below sets out the interests of Directors and substantial Shareholders as at the Latest Practicable Date, and the change in such interests assuming completion of the SOSA Share Issuances based on the Maximum Subscription Scenario:

	As at Latest Practicable Date			Upon Completion of SOSA Share Issuances (based on Maximum Subscription Scenario)		
	No. of Shares		Total % <sup>(1)</sup>	No. of Shares		Total % <sup>(2)</sup>
	Direct Interests	Deemed Interests		Direct Interests	Deemed Interests	
<b>Directors</b>						
Ling Yong Wah	1,526,146	-	0.3	1,526,146	-	0.1
Yeo Chee Neng	2,297,493	-	0.4	2,297,493	-	0.2
Yeo Jau Nam	336,666	-	0.1	336,666	-	0.03

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Bote De Vries	136,666	-	0.02	136,666	-	0.01
Sheikh Abdulaziz Ali AITurki	-	317,560,389 <sup>(3)</sup>	56.8	-	723,106,389 <sup>(4)</sup>	59.7
<b>Substantial Shareholders other than Directors</b>						
RHCL	317,560,389	-	56.8	723,106,389	-	59.7
SHL	115,102,345	-	20.6	353,439,725	8,382,620 <sup>(5)</sup>	29.9
<b>Other Shareholders</b>						
SCPL	-	-	-	8,382,620	-	0.7
<b>Public Shareholders<sup>(6)</sup></b>						
Public Shareholders	122,394,729	-	21.9	122,394,729	-	10.1
<b>Total:</b>	559,354,434		100.0	1,211,620,434		100.0

**Notes:**

- (1) Based on the share capital of the Company as at the Latest Practicable Date of 559,354,434 Shares.
- (2) Based on the enlarged share capital of the Company of 1,211,620,434 Shares assuming completion of the SOSA Share Issuances based on the Maximum Subscription Scenario.
- (3) By virtue of Section 4 of the Securities and Futures Act, Sheikh Abdulaziz Ali AITurki is deemed to be interested in the 317,560,389 Shares in which RHCL has a direct interest.
- (4) By virtue of Section 4 of the Securities and Futures Act, Sheikh Abdulaziz Ali AITurki is deemed to be interested in the 723,106,389 Shares in which RHCL has a direct interest.
- (5) Notwithstanding that SCPL is currently under creditors' voluntary liquidation, after the SCPL Subscription Shares have been issued, SHL is deemed to be interested in the 8,382,620 Shares in which SCPL has a direct interest.
- (6) "Public Shareholders" refers to Shareholders other than (a) Directors, substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; and (b) Associates of the persons in sub-paragraph (a) above.

8.2 Save for RHCL, SHL and Sheikh Abdulaziz Ali AITurki, as disclosed in Section 9.1 of this Circular, none of the Directors or substantial shareholders have any interests, direct or indirect, in the Proposed Transactions other than through their respective shareholdings in the Company.

8.3 As a result of the 2020 SOSA Arrangements, the key changes to the shareholding interests of the Company are as follows:

- (a) the shareholding interest of RHCL will increase from 56.8% to 59.7%;
- (b) the shareholding interest of SHL will increase from 20.6% to 29.9%; and
- (c) the shareholding interest of public Shareholders in the Company will decrease from 21.9% to 10.1%.

## 9. OPINION OF THE IFA

9.1 The IFA, in accordance with Chapter 9 of the Catalist Rules, has been appointed as the independent financial adviser to the Directors in respect of the Proposed Transactions.

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- 9.2 Taking into consideration the factors set out in the IFA Letter, subject to the assumptions and qualifications set out in the IFA Letter and information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.
- 9.3 A copy of the IFA Letter dated 25 May 2021 in relation to the above is set out and appended as Appendix III to this Circular. Shareholders are advised to read the IFA Letter in its entirety and consider carefully the recommendations of the IFA before deciding on whether to approve the Proposed Transactions.

### 10. AUDIT COMMITTEE STATEMENT

The Audit Committee has considered, *inter alia*, the terms of, rationale for and benefit of the Proposed Transactions as well as the IFA Letter, and is of the view that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its Shareholders.

### 11. DIRECTORS' RECOMMENDATIONS

- 11.1 Sheikh Abdulaziz Ali AlTurki, a Director of the Company, shall abstain from making any recommendations on the approval of the RHCL Subscription and Set-Off and Settlement Arrangement to be tabled at the EGM. He will also not accept appointments as proxies for voting in respect of Ordinary Resolution 4 for the approval of the RHCL Subscription and Set-Off and Settlement Arrangement set out in the Notice of EGM unless specific instructions as to voting are given.
- 11.2 Shareholders are advised to read this Circular in its entirety, in particular the rationale for the Proposed Transactions and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor or other professional adviser.

#### 11.3 2020 SOSA Arrangements

##### 11.3.1 SHL Subscription and Set-Off and Settlement Arrangement

The Directors wish to highlight the following:

- (i) Under the SHL 2020 SOSA, the VHL Group has gross outstanding owings to the SHL Group amounting to approximately US\$101.3 million<sup>4</sup>, and gross receivables from the SHL Group

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<sup>4</sup> These figures *exclude* owings of the VHL Group to and from ASDLB, which are not included under the SHL Subscription and Set-Off and Settlement Arrangements, as set out in Section 1.7 of this Circular. For reference, the VHL Group's (i) gross outstanding owings to the SHL Group (*including* ASDLB), (ii) gross receivables from the SHL Group (*including* ASDLB), and (iii) net outstanding owings to the SHL Group (*including* ASDLB) are approximately (i) US\$102.3 million, (ii) US\$95.1 million and (iii) US\$7.2 million respectively, as set out in Section 3.1.7 of this Circular.

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amounting to approximately US\$94.7 million<sup>4</sup>, resulting in net outstanding owings to the SHL Group of approximately US\$6.6 million<sup>4</sup>.

In addition, the VHL Group has:

- (a) gross owings to the Excluded Swiber Entities (other than ASDLB) amounting to approximately US\$0.4 million<sup>5</sup>; and
- (b) gross receivables from the Excluded Swiber Entities (other than ASDLB) amounting to approximately US\$27.4 million<sup>6</sup>.

Please refer to the table in Section 3.1.7 of this Circular for further details.

- (ii) Should the SHL Subscription and Set-Off and Settlement Arrangement under the SHL 2020 SOSA not be approved at the EGM, these amounts stated in Section 11.3.1(i) above will continue to be owing and outstanding and will be subject, in the VHL Group's view, to the Netting Off Practice.
- (iii) As detailed in Section 3.1.5 of this Circular, unless the settlement of all owings between the SHL Group and the VHL Group are fully effected by the SHL 2020 SOSA, (a) VHL's, SHL's and SOC's respective legal positions regarding the Netting Off Practice (if any) and (b) the rights of the VHL Group entities and the SHL Group entities (including ASDLB) in respect of or arising under the Netting Off Practice (if any) are preserved.
- (iv) To-date, the SHL Group has not made any admission or concurrence as to the Netting Off Practice. Therefore, should the SHL Group contest, and succeed on contesting, VHL's position regarding the Netting Off Practice, the gross outstanding owings to the SHL Group from the VHL Group amounting to approximately US\$101.3 million will remain outstanding and payable, regardless of the recovery (if any) of owings from the SHL Group to the VHL Group.
- (v) In such a circumstance and unless such outstanding owings be capable of being resolved other than by the SHL 2020 SOSA, such outstanding owings will remain owing by the VHL Group to the SHL Group, and the VHL Group may also not be able to recover and be required to write-off up to approximately US\$94.7 million of owings from the SHL Group. This may result in negative repercussions on the Group's cash flows, and may also potentially result in events of default under the Group's existing banking facilities should certain Group entities default on any of their payment obligations.
- (vi) The subscription of the SHL Subscription Shares is also a condition precedent to the subscription of the SCPL Subscription Shares and the RHCL Subscription Shares respectively. Therefore, should the SHL Subscription and Set-Off and Settlement Arrangement under the SHL 2020 SOSA not be approved at the EGM, this could impact the

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<sup>5</sup> For reference, the gross owings of the VHL Group to the Excluded Swiber Entities (*including* ASDLB) amounts to approximately US\$1.4 million.

<sup>6</sup> For reference, the gross receivables of the VHL Group from the Excluded Swiber Entities (*including* ASDLB) amounts to approximately US\$27.8 million.

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## LETTER TO SHAREHOLDERS

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ability of the SCPL Subscription and Set-Off and Settlement Arrangement and RHCL Subscription and Set-Off and Settlement Arrangement to proceed to completion under the SCPL SOSA and the RHCL 2020 SOSA respectively, even if the same were approved at the EGM.

### 11.3.2 **ESE Owings Waiver**

The ESE Owings Waiver is a pre-requisite to the completion of the 2020 SOSA Arrangements involving SHL and therefore, should the ESE Owings Waiver not be approved at the EGM, this would impact the completion of the SHL Subscription and Set-Off and Settlement Arrangement under the SHL 2020 SOSA, even if the SHL Subscription and Set-Off and Settlement Arrangement be approved at the EGM.

### 11.3.3 **RHCL Subscription and Set-Off and Settlement Arrangement**

The Directors wish to also highlight that should the RHCL Subscription and Set-Off and Settlement Arrangement under the RHCL 2020 SOSA not be approved at the EGM, the entire amount of the RHCL Aggregate Owings of approximately US\$80.1 million will remain outstanding. Additionally, this could impact the ability of the SHL Subscription and Set-Off and Settlement Arrangement to proceed to completion under the SHL 2020 SOSA, even if the same were approved at the EGM, as:

- (i) the completion of the RHCL Subscription and Set-Off and Settlement Arrangement is a condition precedent to the completion of the completion of the SHL Subscription and Set-Off and Settlement Arrangement under the SHL 2020 SOSA; and
- (ii) the issuance of the SHL Subscription Shares, without the concurrent issuance of the RHCL Subscription Shares pursuant to the RHCL 2020 SOSA, would result in the aggregate voting rights of SHL and its subsidiaries and associated companies in the Company amounting to 30% or more, thereby triggering obligations for mandatory offers under the Code, which the Company and SHL intend to avoid, as set out in Section 1.11 of this Circular.

### 11.3.4 **Directors' Recommendations**

Having considered, *inter alia*:

- (i) the foregoing implications should the 2020 SOSA Arrangements and the ESE Owings Waiver not be approved by Shareholders;
- (ii) the terms, the rationale, the benefits, and the financial effects of the 2020 SOSA Arrangements and the ESE Owings Waiver, including the rationale for the SOSA Share Issuances as set out in Section 6.5 of this Circular above; and
- (iii) the IFA Letter,

the Directors (other than Sheikh Abdulaziz Ali AlTurki being interested in and abstaining from making any recommendations on the approval of the RHCL Subscription and Set-Off and Settlement Arrangement only) are of the opinion that the 2020 SOSA Arrangements are in the best interests of

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## LETTER TO SHAREHOLDERS

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the Company, and accordingly recommend that the Shareholders vote in favour of Ordinary Resolutions 1, 2, 3 and 4 to be proposed at the EGM.

### 11.4 Directors' Opinion

The Directors are of the opinion that, after taking into consideration: (a) the VHL Group's present banking facilities which are being restructured; (b) the 2020 SOSA Arrangements, or if the 2020 SOSA Arrangements do not proceed, assuming that the Netting Off Practice will not be successfully contested by SHL Group; and (c) RHCL's ongoing financial support to VHL Group, the working capital available to the VHL Group is sufficient to meet its present requirements, and that the 2020 SOSA Arrangements are in the best interests of the Company.

## 12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held on 29 July 2021 at 4.00 p.m. by electronic means, for the purpose of considering and, if thought fit, passing with or without modifications, Ordinary Resolutions 1, 2, 3, 4 and 5 as set out in the Notice of EGM.

## 13. CONDITIONALITY OF ORDINARY RESOLUTIONS PROPOSED AT THE EGM

As the ESE Owings Waiver is a pre-requisite to the completion of the SHL Subscription and Set-Off and Settlement Arrangement (in particular the subscription of the SHL Subscription Shares), Shareholders should note that Ordinary Resolution 1 (relating to the SHL Subscription and Set-Off and Settlement Arrangement) is conditional upon Ordinary Resolution 2 (relating to the ESE Owings Waiver) being passed. This means that if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 will not be considered passed even if Shareholders vote in favour of Ordinary Resolution 1.

## 14. ACTION TO BE TAKEN BY SHAREHOLDERS

### 14.1 No attendance at EGM

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the EGM in person.

### 14.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings via "live" webcast, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Shareholders should refer to this Circular which has been uploaded on SGXNet for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the URL <http://www.vallianzholdings.com/newsroom.html>.



**15. ABSTENTION FROM VOTING**

Rule 919 of the Catalist Rules provides that in a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution in respect of the interested person transaction, nor accept appointments as proxies unless specific instructions as to voting are given.

Pursuant to Rule 812(2) of the Catalist Rules, an issue of Shares to Controlling Shareholders is permitted where specific shareholder approval for such issue has been obtained, and where such Controlling Shareholders abstain from voting on the resolution approving such placement of shares to them.

In light of the above:

- (i) SHL has undertaken that it shall abstain, and will ensure that its Associates shall (where such persons are Shareholders) abstain, from voting on Ordinary Resolutions 1, 2 and 3; and
- (ii) RHCL has undertaken that it shall abstain, and will ensure that its Associates shall (where such persons are Shareholders) abstain, from voting on Ordinary Resolution 4,

and SHL and RHCL will not accept appointments as proxies at the EGM unless the independent Shareholder(s) appointing them as proxies has given specific instructions in the relevant Proxy Form(s) on the manner in which they wish their votes to be cast.

**16. CONSENTS**

- (i) W Capital Markets Pte. Ltd., the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.
- (ii) Dentons Rodyk & Davidson LLP, the legal adviser to the Company as to Singapore law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

**17. NO PROSPECTUS, OFFER DOCUMENT OR OFFER INFORMATION STATEMENT TO BE ISSUED**

The SOSA Share Issuances will be undertaken in reliance on the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus, offer document or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the SOSA Share Issuances.

**18. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors 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 Company and its subsidiaries, and the Directors 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 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.

**19. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Circular to the time and date of the EGM:

- (i) the Settlement Agreements;
- (ii) the annual report of the Company for FY2020;
- (iii) the constitution of the Company;
- (iv) the IFA Letter; and
- (v) the letters of consent referred to in Section 16 of this Circular.

Yours faithfully,

For and on behalf of the Board of Directors of  
**Vallianz Holdings Limited**

Ling Yong Wah  
Executive Director and Chief Executive Officer

**APPENDIX I – RELEVANT VALLIANZ ENTITIES AND RELEVANT SWIBER ENTITIES**

**Relevant Vallianz Entities and Relevant Swiber Entities**

<b>S/N</b>	<b>Relevant Vallianz Entities</b>	<b>Relevant Swiber Entities</b>
1.	Hamilton Offshore Services Pte Ltd	Equatoriale Services Pte. Ltd. (In Creditors' Voluntary Liquidation)
2.	Holmen Arctic Pte Ltd	Meadsea Services B.V. (In Liquidation)
3.	Holmen Atlantic Pte Ltd	PAPE Engineering Pte. Ltd.
4.	Holmen Heavylift Offshore Pte Ltd	PT PAPE Indonesia
5.	Holmen Pacific LLC	Resolute Offshore Pte. Ltd.
6.	Jetlee Shipbuilding & Engineering Pte Ltd	Swiber Corporate Pte. Ltd. (In Creditors' Voluntary Liquidation)
7.	Jubilee Travel Pte Ltd	Swiber Engineering Ltd (In Creditors' Voluntary Liquidation)
8.	Newcruz Shipbuilding & Engineering Pte Ltd	Swiber Holdings Limited (Judicial Managers Appointed)
9.	OER Services Ltd	Swiber Marine Mexico S.A. DE C.V.
10.	PT United Sindo Perkasa	Swiber Offshore Construction Pte. Ltd. (Judicial Managers Appointed) – Swiber Offshore Construction Pte. Ltd Branch (Brunei)
11.	Resolute Pte Ltd	Swiber Offshore Marine Pte. Ltd. (In Creditors' Voluntary Liquidation)
12.	Samson Engineering Limited	Swiber Offshore Mexico S.A. DE C.V.
13.	Vallianz Corporate Services Pte Ltd	Southsea Marine Pte. Ltd. (In Liquidation)
14.	Vallianz Marine Mexico Sa De Cv	Southsea Offshore Pte. Ltd.
15.	Vallianz Offshore Marine Pte Ltd	Whitmer Offshore Pte. Ltd.
16.	Vallianz Shipbuilding & Engineering Pte Ltd	Rawabi Swiber Offshore Services Limited
17.	Vallianz Offshore Capital Sa De Cv	Rawabi Swiber Offshore Marine Pte. Ltd.
18.	Rawabi Vallianz Offshore Services Co. Ltd.	
19.	PT Vallianz Offshore Maritim	

## APPENDIX II – CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENTS

The table below sets out a indicative summary of the conditions precedents applicable to the transactions contemplated under the Settlement Agreements as described in the Circular (each a “**Subject Transaction**”), as indicated by a “X” against the respective columns.

In the table, the conditions precedent:

- (a) in respect of **Column A**, comprise(s) the SSI Conditions Precedent as set out in the SHL 2020 SOSA;
- (b) in respect of **Column B**, comprise(s) the GSO Conditions Precedent as set out in the Deed;
- (c) in respect of **Column C**, comprise(s) SCPL Conditions Precedent as set out in the SCPL SOSA; and
- (d) in respect of **Column D**, comprise(s) the RHCL Conditions Precedent as set out in the RHCL 2020 SOSA.

No.	Description of conditions precedent	Subject Transaction(s) in respect of:			
		A	B	C	D
1.	The approval of the shareholders of SHL for the Subject Transaction (if required) being obtained at an extraordinary general meeting to be convened by SHL and such shareholders’ approval remaining in full force and effect and not having been revoked or varied.	X	X	X	
2.	The approval of the shareholders of the Company for the Subject Transaction (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.	X		X	X
3.	All approvals, consents and/or waivers from any third parties (including without limitation any regulatory authorities and any creditors of the relevant other party/ies to the Subject Transaction, and the board of directors, Committee of Inspection (where applicable) or any liquidators of such relevant other party/ies) for the Subject Transaction (if required) which the Swiber party in its sole and absolute discretion considers to be necessary or desirable, being granted to such Swiber party, and where any such approvals, consents and/or waivers are subject to conditions, such conditions being acceptable to such Swiber party, and if such conditions are required to be fulfilled before undertaking the Subject Transaction, such conditions being fulfilled before the Subject Transaction, and such approvals, consents and/or waivers not being amended and remaining valid and in full force and effect.	X <sup>(1)(2)</sup>	X <sup>(1)(2)</sup>	X <sup>(1)(2)</sup>	

**APPENDIX II – CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENTS**

4.	The Subject Transaction 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).	X	X	X	X
5.	The approval by the SGX-ST for the listing and quotation of the subscription shares issued to be issued by the Company under the Subject Transaction, on the Catalist, being granted, and where such approval is subject to conditions, such conditions being acceptable to the Company and the relevant other party and being fulfilled, and such approval remaining valid and in full force and effect.	X <sup>(3)</sup>		X <sup>(3)</sup>	X
6.	In the event that trading in the Company's Shares shall at any time prior to the completion of the share subscription contemplated under the Subject Transaction be suspended for any reason whatsoever, such suspension being lifted on or before such subscription or in the event the lifting of such suspension is subject to conditions prescribed by the SGX-ST, such conditions being fulfilled.	X		X	X
7.	The RHCL 2020 SOSA not being amended and remaining in full force and effect, and RHCL and the Company complying with all the terms of the RHCL 2020 SOSA.	X			
8.	The SHL 2020 SOSA not being amended and remaining in full force and effect, and SHL and the Company complying with all the terms of the SHL 2020 SOSA.				X
9.	The issuance of the RHCL Subscription Shares to RHCL pursuant to the RHCL 2020 SOSA taking place concurrently with the issuance of the SHL Subscription Shares to SHL, and the set-off and settlement of the RHCL Debt Conversion Amount being fully effected upon such issuance of the RHCL Subscription Shares to RHCL such that none of the RHCL Debt Conversion Amount remains outstanding.	X			
10.	The issuance of the SHL Subscription Shares to SHL pursuant to the SHL 2020 SOSA taking place concurrently with the issuance of the RHCL Subscription Shares to RHCL.				X
11.	None of the relative figures in respect of (i) the subscription by Swiber party of the subscription Shares pursuant to the Subject Transaction and/or (ii) any other transactions contemplated or effected under or in connection with the Settlement Agreements, as computed on the bases set out in Rule 1006 of the Listing Manual pursuant to the rules set out in Chapter 10 of the Listing Manual, whether individually or on an aggregated basis as the SGX-ST may require, being 100% or more, from the perspective of SHL.	X <sup>(2)</sup>	X <sup>(7)</sup>	X <sup>(2)</sup>	
12.	That no order has been made, petition presented, resolution passed or meeting convened for the winding-up, judicial management or dissolution of the Company.	X <sup>(4)</sup>	X <sup>(6)</sup>	X	X
13.	No person has been appointed as a receiver (including an administrative receiver), liquidator, judicial manager, administrator, or similar officer in respect of the whole or any part of the business of the Company or the assets of the Company.	X <sup>(4)</sup>	X <sup>(6)</sup>	X	X

**APPENDIX II – CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENTS**

14.	That save to the extent contemplated under the Subject Transaction and the Settlement Agreements, no composition in satisfaction of the debts of the Company, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, (other than any such composition, scheme of arrangement, compromise or arrangement between the Company and its creditors or any class of its creditors which will not or will not reasonably be expected to affect the Company's performance of or compliance with its obligations under the Subject Transaction and the Settlement Agreements) has been proposed, sanctioned or approved and no court application for any moratorium (interim or otherwise) has been made in relation to any proposed scheme of arrangement.	X	X <sup>(6)</sup>	X	X
15.	That no distress order, execution or other process has been levied or applied for in respect of the whole or any part of the assets of the Company.	X <sup>(4)</sup>	X <sup>(6)</sup>	X	X
16.	That (i) the Company remains as an associated company (as defined in the Listing Manual) of SHL as at the SHL Subscription Completion Date, and (having regard to all the facts and circumstances prevailing as at the SHL Subscription Completion Date) will remain as an associated company of SHL as at the SHL Relevant Settlement Date; and (ii) the Company delivers to SHL immediately prior to the completion of the subscription by SHL for the SHL Subscription Shares on the SHL Subscription Completion Date a written confirmation (in such form as may be reasonably acceptable to SHL) duly executed by the Company confirming that (aa) the Company is an associated company of SHL as at the SHL Subscription Completion Date and (bb) the Company has not done anything or taken any action(s) that will result in the Company ceasing to be an associated company of SHL as at the SHL Relevant Settlement Date.	X			
17.	The Deed having been entered into by all the parties thereto, and remaining in full force and effect.	X			
18.	A Full Novation or Partial Novation (as the case may be), and the Group Set-Off, being undertaken or effected in accordance with the terms of the Deed and the SHL 2020 SOSA, on the SHL Subscription Completion Date.	X			
19.	Each of the warranties and representations given by the Company under the Settlement Agreement remaining true and accurate as at the SHL Subscription Date and (where applicable) the Company complying with its obligations under its undertaking(s) under the Subject Transaction.	X <sup>(5)</sup>	X <sup>(8)(9)</sup>	X <sup>(9)</sup>	X <sup>(5)</sup>
20.	The subscription contemplated under the Subject Transaction not resulting in:- (i) the Swiber party and persons acting in concert with it, or SHL and persons acting in concert with it (including without limitation SCPL), or any sub-group of which SHL is a member, together holding or acquiring Shares exceeding the Specified Amount immediately following such subscription and the subscription by SHL of the SHL Subscription Shares; or (ii) SHL and its subsidiaries and associated companies (including without limitation SCPL) together holding or acquiring Shares carrying more than 29.9% of the voting rights of the Company immediately following subscription by the Swiber party pursuant to the Subject Transaction, and by SHL of the SHL Subscription Shares, whichever is the lower.	X <sup>(2)</sup>		X <sup>(2)</sup>	

**APPENDIX II – CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENTS**

21.	In respect of any Individual Novation and Assignment by a Relevant Swiber Entity, such Relevant Swiber Entity having agreed with SHL in writing on the terms and conditions for SHL's assumption of the liability for the Novated SHL Group Owings of such Relevant Swiber Entity and the benefit of the Novated VHL Group Owings of such Relevant Swiber Entity as contemplated under the Subject Transaction, and such terms and conditions remaining in full force and effect.		X		
22.	In respect of any ASOM Assignment or any Individual Novation and Assignment, (i) the Owing which is the subject of such Individual Novation and Assignment and the underlying outstanding amounts in respect of such Owing remaining fully outstanding as at the SHL Subscription Completion Date and (ii) each of the Relevant Swiber Entity and the Relevant Vallianz Entity who are parties to such Owing not having created, granted and/or permitted to subsist any encumbrance over all or any of its rights, title and interests in such Owing and/or the underlying outstanding amounts in respect of such Owing.		X		
23.	In respect of any Individual Novation and Assignment by any Relevant Vallianz Entity (other than the Company), such Relevant Vallianz Entity having agreed with the Company in writing on the terms and conditions for the Company's assumption of the liability for the Novated VHL Group Owings of such Relevant Vallianz Entity and the benefit of the Novated SHL Group Owings of such Relevant Vallianz Entity as contemplated under this Deed, and such terms and conditions remaining in full force and effect.		X		
24.	The receipt by SCPL of the DBS Subscription Confirmation (if required), and where such DBS Subscription Confirmation is subject to conditions, such conditions being acceptable to SCPL, and if such conditions are required to be fulfilled before such subscription, such conditions being fulfilled before such subscription, and such DBS Subscription Confirmation remaining valid and in full force and effect and not being withdrawn or amended.			X	
25.	The completion of the subscription by SHL of the SHL Subscription Shares taking place concurrently with the completion of the subscription contemplated under the Subject Transaction or having taken place prior to the completion of such subscription, as the case may be.			X	
26.	In respect of a Relevant Swiber Entity, there being no order of court (including orders for winding up and judicial management) and no legal proceedings (including winding up or judicial management applications) commenced by or against such Relevant Swiber Entity which has the effect or result of prohibiting or restricting in any manner the Subject Transactions.		X		

**Notes:**

- (1) The "relevant other party/ies" referred to herein being:
  - (a) in respect of the SSI Conditions Precedent: SHL, SOC and/or any of the Relevant Swiber Entities; and
  - (b) in respect of the SCPL Conditions Precedent: SCPL.
- (2) The "Swiber party" referred to herein being:
  - (a) in respect of the SSI Conditions Precedent: SHL;

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## APPENDIX II – CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENTS

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- (b) in respect of the GSO Conditions Precedent: SHL, SOC and/or any of the Relevant Swiber Entities; and
- (c) in respect of the SCPL Conditions Precedent: SCPL.
- (3) The “relevant other party” referred to herein being:
  - (a) in respect of the SSI Conditions Precedent: SHL;
  - (b) in respect of the SCPL Conditions Precedent: SCPL; and
  - (c) in respect of the RHCL Conditions Precedent: RHCL.
- (4) Such condition precedent also applicable in respect of Relevant Vallianz Entities, whereby references to “the Company” herein should be read as referring to “*the Company or any other Relevant Vallianz Entity*”.
- (5) The “undertaking” referred to herein being:
  - (a) in respect of the SSI Conditions Precedent: the SHL Undertakings; and
  - (b) in respect of the RHCL Conditions Precedent: the RHCL Undertaking.
- (6) In respect of:
  - (a) any Individual Novation and Assignment, this GSO Condition Precedent is applicable to the Company and/or the Relevant Vallianz Entity (other than the Company) involved in such Individual Novation and Assignment (as the case may be), whereby references to “*the Company*” to be read as referring to “*the Company and/or the Relevant Vallianz Entity (other than the Company) involved in such Individual Novation and Assignment (as the case may be)*”; and
  - (b) the Group Set-Off, this GSO Condition Precedent is applicable to the Company only.
- (7) Reference to the “subscription by Swiber party of the subscription Shares pursuant to the Subject Transaction” herein to be read as referring to “*the subscription by SHL of the SHL Subscription Shares under the SHL SOSA*”.
- (8) Reference to the “warranties and representations given by the Company” herein to be read as referring to “*warranties and representations given by the Relevant Vallianz Entities and the Relevant Swiber Entities which are parties to the Individual Novation and Assignment or the Group Set-Off (as the case may be)*”.
- (9) No undertaking applicable for this condition precedent.



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## APPENDIX III – IFA LETTER

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### W CAPITAL MARKETS PTE. LTD.

Incorporated in the Republic of Singapore)  
(Company Registration Number: 201813207E)  
65 Chulia Street, #43-01 OCBC Centre  
Singapore 049513

25 May 2021

The Non-Interested Directors (as defined herein)  
Vallianz Holdings Limited (the “**Company**”)  
1 Harbourfront Avenue  
#06-08 Keppel Bay Tower  
Singapore 098632

Dear Sirs,

- (1) **SHL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT;**
  - (2) **ESE OWINGS WAIVER;**
  - (3) **SCPL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT; AND**
  - (4) **RHCL SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT**
- (COLLECTIVELY, THE “PROPOSED TRANSACTIONS”)**

*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the circular to shareholder of the Company dated 25 May 2021 (the “**Circular**”).*

### 1. Introduction

- 1.1 Previously, on 24 May 2017, the Company had entered into the set-off and settlement agreement (as amended and supplemented by a supplemental agreement dated 6 November 2017) with SHL and SOC (“**SHL 2017 SOSA**”) and the set-off and settlement agreement dated 24 May 2017 (as amended and supplemented by a supplemental agreement dated 6 November 2017) with RHCL (“**RHCL 2017 SOSA**”), under the terms of which the Company had intended to fully set-off and settle:
- (i) under the SHL 2017 SOSA, an aggregate of approximately US\$36.6 million, comprising:
    - (a) approximately US\$29.4 million owing by VHL to SHL as at 31 December 2016; and
    - (b) approximately US\$7.2 million of net owings from the VHL Group entities (which for purposes of the SHL 2017 SOSA had included OER Group Entities) to the SHL Group entities as at 31 December 2016, excluding the amount aforementioned in sub-paragraph (a); and
  - (ii) under the RHCL 2017 SOSA, an aggregate of approximately US\$102.1 million owing by the Company to RHCL.
- 1.2 All amounts under the RHCL 2017 SOSA had been fully set-off and settled pursuant to the terms thereto, and approximately US\$29.4 million owing by VHL to SHL referred to in paragraph (i)(a) above had been fully set-off and settled pursuant to the terms of the SHL 2017 SOSA.

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## APPENDIX III – IFA LETTER

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- 1.3 As at 29 June 2020, the amount of approximately US\$7.2 million referred to in paragraph (i)(b) above remained outstanding and had not been set-off and settled pursuant to the terms of the SHL 2017 SOSA. The Company had on 29 June 2020 announced that the relevant long stop date (being the GSO Long Stop Date as defined in the May 2017 Announcement) had passed without the relevant conditions precedent being satisfied or waived and accordingly, the relevant provisions under the SHL 2017 SOSA relating to the set-off and settlement of approximately US\$7.2 million had ceased to have further effect and all obligations and liabilities of the SHL 2017 SOSA under such provisions had ceased.
- 1.4 Subsequent to the SHL 2017 SOSA, certain SHL Group entities have been dissolved or ceased to be under SHL's control – such entities being the Excluded Swiber Entities which had owings to and from certain VHL Group entities (which at the time of such dissolution or cessation had included OERPL) as at 31 December 2016 - due to, for instance, such Excluded Swiber Entities being in liquidation or under judicial management of which the judicial managers differ from the judicial managers of SHL. These owings were initially intended for settlement under the SHL 2017 SOSA, and the net aggregate ESE Owings of the Excluded Swiber Entities (other than ASDLB) to the VHL Group amount to approximately US\$27.0 million (which at the time of such dissolution or cessation had included OER Group Entities).
- 1.5 Having undertaken a review of its outstanding debts, and in furtherance of the objectives of the SHL 2017 SOSA, the Company had on 29 June 2020, entered into the following settlement agreements ("**Settlement Agreements**" or "**2020 SOSA Arrangements**") with a view to settlement of owings as between the SHL Group entities and the VHL Group entities (which at the time of such entry included OER Group Entities) not settled pursuant to the SHL 2017 SOSA, and of certain owings to RHCL that had arisen after the RHCL 2017 SOSA:
- (a) the SHL 2020 SOSA, for (i) the set-off and settlement of part of the Consolidated Owings (as defined in the Circular) by the Company to SHL, by way of an issue of new shares to SHL ("**SHL Subscription Shares**"); (ii) the waiver by SHL of any Excess Novated VHL Net Owings ("**SHL Debt Waiver**"); and (iii) the ESE Owings Waiver, subject to and in accordance with the SHL 2020 SOSA;
  - (b) the set-off and settlement arrangement with SCPL ("**SCPL SOSA**"), for the set-off and settlement of part of the owings by the Company to SCPL, by way of an issue of the SCPL Subscription Shares to SCPL, subject to and in accordance with the SCPL SOSA; and
  - (c) the set-off and settlement of part of the owings by the Company to RHCL ("**RHCL SOSA**"), by way of an issue of the RHCL Subscription Shares to RHCL, subject to and in accordance with the RHCL 2020 SOSA.
- 1.6 The debts owing between SHL Group and VHL Group that are subject of settlement under, and the terms of settlement of such debts under, the SHL 2020 SOSA are substantially similar to that under the SHL 2017 SOSA, save for in respect of the following:
- (i) subscription by SHL for the Rights Shares with Warrants (as defined in the circular to Shareholders dated 29 September 2016) which was contemplated only in the SHL 2017 SOSA, and was completed;
  - (ii) the agreed issue price for each of SHL Subscription Share, being S\$0.09 (the "**Agreed Issue Price**") in the SHL 2020 SOSA;
  - (iii) the ESE Owings Waiver, which is contemplated only under the SHL 2020 SOSA; and
  - (iv) the SHL Debt Waiver, which is contemplated only under the SHL 2020 SOSA.

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- 1.7 As announced by the Company on 7 August 2020, the Company had entered into a supplemental agreement to the SHL 2020 SOSA to exclude owings to and from ASDLB, a SHL Group entity, (which amount to net owings by the Company to ASDLB of approximately US\$0.6 million) from the set-off and settlement arrangements under the SHL 2020 SOSA, and for such owings to remain outstanding. This was due to the Company being informed of ASDLB not being in a position to enter into the relevant agreements to consolidate its owings with owings of the other SHL Group entities to facilitate the set-off and settlement in accordance with the SHL 2020 SOSA.
- 1.8 In connection with and for the purposes of facilitating the transactions contemplated under the SHL 2020 SOSA, and in fulfillment of a condition precedent to the SHL 2020 SOSA, the Company and SHL had on 7 August 2020 entered into a deed of novation and assignment dated 7 August 2020 (the “**Deed**”) with Relevant Vallianz Entities, Relevant Swiber Entities and OER Group Entities, with a view to effecting a series of Novations and Assignments as contemplated under the Deed for the consolidation of the Owings between Relevant Vallianz Entities, OER Group Entities and Relevant Swiber Entities into owings between SHL and the Company (subject to the ASOM Assignment being first effected), for settlement of part of such Consolidated Owings by way of set-off and settlement of the balance thereof subject to and in accordance with the SHL 2020 SOSA. Please refer to Sections 3.1 and 3.2 of the Circular for further details.
- 1.9 As announced on 11 January 2021, the Company had at 31 December 2020, disposed of the VHL Group’s entire interest in its wholly-owned subsidiary, OERPL and by extension, the disposals of OSR and OER given OERPL’s 99% shareholding interest in each of OSR and OER. As announced by the Company on 13 May 2021, in order to ensure the continuity of the transactions contemplated under the SHL 2020 SOSA given that post-disposal, the OER Group Entities had ceased to be under the Company’s control, the Company had entered into the OER Deed of Novation and Assignment to effect the OER Novation and Assignment.
- 1.10 Consequential to the OER Deed of Novation and Assignment and as announced on 13 May 2021, the Company had entered into a second supplemental agreement to the SHL 2020 SOSA and a supplemental deed to the Deed, to substitute Jubilee in place of the OER Group Entities for the purposes of effecting the transactions as contemplated pursuant to the SHL 2020 SOSA, pursuant to which:
- (i) the parties to the SHL 2020 SOSA agreed to supplement and vary the terms of the SHL 2020 SOSA to align the provisions of the SHL 2020 SOSA with the OER Novation and Assignment such as updating the relevant definitions to exclude the OER Group Entities; and
  - (ii) the parties to the Deed agreed to supplement and vary the terms of the Deed to align the provisions thereof with the OER Novation and Assignment such as releasing the OER Group Entities (who following the OER Novation and Assignment have ceased to be parties to the Owings from their respective contractual obligations under the Deed.
- 1.11 There has been no material change to the amount of Owings between 31 December 2016 and the Latest Practicable Date. Assuming such consolidation is effected on a basis that each of the Relevant Vallianz Entities and Relevant Swiber Entities are able to fully novate and/or assign all their Owings in accordance with the terms of the Deed (“**Full Novation**”) to consolidate such Owings into Consolidated Owings and a set-off is effected in respect of such Consolidated Owings, the net amount owing by the Company to SHL would be approximately US\$33.7 million.

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- 1.12 The owings which are the subject of settlement under the SCPL SOSA amounts to approximately US\$0.5 million (“**SCPL Debt Conversion Amount**”). The owings by the Company to SCPL, including the SCPL Debt Conversion Amount, relate to, *inter-alia*, rental charges, utilities, management fees and operational chargeback amounts incurred pursuant to the sublease agreement entered into between the Company and SCPL dated 9 May 2016 (the “**SCPL Sublease Agreement**”), which had expired on 26 May 2019. It is noted that the SCPL Debt Conversion Amount is to be resolved under the SCPL SOSA and separately from the SHL 2020 SOSA because the SHL 2020 SOSA contemplates the settlement of the Owings that was to have been but not yet settled pursuant to the SHL 2017 SOSA whereas the SCPL Debt Conversion Amount is not part of such Owings.
- 1.13 The owings by the Company to RHCL as at the Latest Practicable Date amounts to approximately US\$112.42 million (“**RHCL Aggregate Owings**”) and are unrelated to the owings which were the subject of and had been settled pursuant to the RHCL 2017 SOSA. The owings by the Company to RHCL, being the subject of settlement under the RHCL 2020 SOSA, amounts to US\$26.3 million (“**RHCL Debt Conversion Amount**”). The remainder of the RHCL Aggregate Owings not subject of settlement under the RHCL 2020 SOSA will remain outstanding and payable by the Company to RHCL pursuant to the RHCL Loan Agreement to be entered into.
- 1.14 It is intended that the SOSA Share Issuances, to the extent undertaken, do not result in:
- (a) the aggregate voting rights of SHL and its subsidiaries and associated companies (including without limitation SCPL) in the Company amounting to 30% or more; and
  - (b) the voting rights of RHCL in the Company falling below 50% and RHCL losing its majority shareholding interests in the Company,
- so as not to trigger any obligations for mandatory offers under the Code, while at all times maintaining the minimum percentage of Shares held by the public as required under the Catalist Rules post-such issuance.
- 1.15 Having regard to the considerations in the above:
- (i) the agreed settlement amount was derived and agreed upon by the parties to the SHL 2020 SOSA, amounting to approximately US\$15.5 million (or such other amount as may be mutually agreed between the Company, SHL and SOC in writing) (“**Agreed Settlement Amount**”), to ensure that the SHL Subscription Shares issued in respect thereof pursuant to the SHL 2020 SOSA would, when aggregated with the SCPL Subscription Shares issued in respect of the SCPL Debt Conversion Amount under the SCPL SOSA, would not result in the threshold referred to in Section 1.14(a) above being breached; and
  - (ii) the RHCL Debt Conversion Amount was derived and agreed upon by parties to the RHCL 2020 SOSA, to ensure sufficient RHCL Subscription Shares issued in respect thereof pursuant to the RHCL 2020 SOSA, such that RHCL’s shareholdings in the Company are increased concurrently with the issuance of SHL Subscription Shares and SCPL Subscription Shares, such that the thresholds referred to in Section 1.14(a) and (b) above would not be breached by way of dilution of its shareholdings in the Company due to the issuance of such SHL Subscription Shares and SCPL Subscription Shares.

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- 1.16 Pursuant to Chapter 9 of the Catalist Rules, W Capital Markets Pte. Ltd. (“**W Capital Markets**”) has been appointed as the independent financial adviser (“**IFA**”) to the directors of the Company who are deemed independent (the “**Non-Interested Directors**”) for the purposes of making recommendations to the Shareholders in respect of the respective Proposed Transactions.
- 1.17 This letter (“**Letter**”) is addressed to the Non-Interested Directors and sets out, *inter alia*, our evaluation and opinion on the Proposed Transactions. This Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed Transactions, and the recommendations of the Non-Interested Directors on the Proposed Transactions.

### 2. Application of Chapter 9 of the Catalist Rules

- 2.1 Chapter 9 of the Catalist Rules governs transactions by a listed company or any of its subsidiaries or associated companies with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.
- 2.2 Pursuant to Rule 906(1) of the Catalist Rules, a listed company will be required to obtain shareholders’ approval for any interested person transaction (“**IPTs**”) of a value equal to, or exceeding, 5% of the group’s latest audited net tangible assets (“**NTA**”) when aggregated with other transactions entered into with the same interested persons during the same financial year (“**5% Threshold**”).
- 2.3 The Proposed Transactions, which comprises the 2020 SOSA Arrangements and ESE Owings Waiver, constitute IPTs in view of the following:
- (i) Each of SHL and RHCL being controlling Shareholders who owns approximately 20.6% and 56.8% of the issued and paid-up share capital of the Company respectively;
  - (ii) SCPL being a wholly-owned subsidiary of SHL and therefore an Associate of SHL; and
  - (iii) Further to the Company’s consultation with the SGX-ST, notwithstanding that SHL has lost control over the Excluded Swiber Entities, such Excluded Swiber Entities shall remain considered as Associates of SHL.
- 2.4 Therefore, SHL, SCPL and the Excluded Swiber Entities are deemed to be the “same interested person” within the meaning of Chapter 9 of the Catalist Rules, pursuant to Rule 908 and the SHL Subscription and Set-Off and Settlement Arrangement, the SCPL Subscription and Set-Off and Settlement Arrangement and the ESE Owings Waiver will accordingly be aggregated for purposes of compliance with Chapter 9 of the Catalist Rules.
- 2.5 As set out in Section 6.4 of the Circular:
- (i) Based on a Maximum Subscription Scenario, the total value of the SHL Subscription and Set-Off and Settlement Arrangement is approximately US\$15.5 million, which amounts to approximately 24.5% of the VHL Group’s latest audited consolidated NTA;
  - (ii) The value of the SCPL Subscription and Set-Off and Settlement Arrangement is approximately US\$0.5 million and amounts to approximately 0.8% of the VHL Group’s latest audited consolidated NTA;
  - (iii) The value of the ESE Owings Waiver amounts to approximately US\$27.0 million and amounts to approximately 42.7% of the VHL Group’s latest audited consolidated NTA; and

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- (iv) The value of the RHCL Subscription and Set-Off and Settlement Arrangement is US\$26.3 million, comprising the RHCL Debt Conversion Amount, and amounts to approximately 41.6% of the VHL Group's latest audited consolidated NTA.

Accordingly, the 2020 SOSA Arrangements and the ESE Owings Waiver are subject to the approval of the Shareholders being obtained at the EGM to be convened. For the avoidance of doubt, the SHL Debt Waiver is not subject to Shareholders' approval under Chapter 9 of the Catalyst Rules as there is no amount at risk to the Company in respect thereof.

### 3. Terms of reference

W Capital Markets has been appointed as the IFA to the Non-Interested Directors in respect of the respective Proposed Transactions as IPTs. We were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Transactions, nor were we involved in the deliberation leading up to the decision on the part of the directors of the Company ("**Directors**") to enter into the Proposed Transactions. Further, we do not warrant the merits of the Proposed Transactions, other than to express an opinion on whether the Proposed Transactions as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

In the course of our evaluation, we have held discussions with the management of the Company ("**Management**") and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the "Directors' Responsibility Statement" in Section 18 of the Circular.

For the purpose of assessing the terms of the Proposed Transactions as IPTs, we have not relied upon any financial projections in respect of the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of the Group and have not made any independent evaluation or appraisal of the assets and liabilities of the Group.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 24 May 2021 ("**Latest Practicable Date**" or "**LPD**") and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed Transactions, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group

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of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this Letter).

We have prepared this Letter pursuant to the requirements of Chapter 9 of the Catalist Rules as well as for the use of the Non-Interested Directors in connection with their consideration of the Proposed Transactions as IPTs and their advice to the Shareholders arising thereof. The recommendations made to Shareholders in relation to the Proposed Transactions remains the responsibility of the Non-Interested Directors.

**Our opinion in relation to the Proposed Transactions should be considered in the context of the entirety of this Letter and the Circular.**

#### **4. Principal terms of the Settlement Agreements**

The summary of principal terms of each of the Settlements Agreements can be found in Section 3 of the Circular and we recommend that Shareholders read those pages of the Circular carefully. We set out below the salient terms in relation to the respective Settlement Agreements that we wish to highlight.

##### **4.1 SHL 2020 SOSA**

Pursuant to and subject to the terms of the SHL 2020 SOSA, the Company, SHL and SOC have agreed, amongst others, as follows:

- 4.1.1 **Partial Novation.** In the event Full Novation cannot be undertaken on the SHL Subscription Completion Date, SHL and the Company shall discuss in good faith to determine whether the parties can proceed with Partial Novation on the SHL Subscription Completion Date and in such case, the Agreed Settlement Amount and the amount of SHL Debt Waiver (if any) could be reduced from the respective amounts under a Full Novation scenario.
- 4.1.2 **Group Set-Off.** Upon Full Novation or Partial Novation (as the case may be) being effected on the SHL Subscription Completion Date in accordance with the Deed, to effect the Group Set-Off. Pursuant to the Group Set-Off, save for the Novated Net VHL Net Owings arising from such Novations and Assignments Group Set-Off, neither the Company nor SHL shall have any claim against each other in respect of the Novated VHL Group Owings and Novated SHL Group Owings.
- 4.1.3 **SHL Debt Waiver.** Following the issuance by the Company of the SHL Subscription Shares to SHL on the SHL Subscription Completion Date, in the event there is any Excess Novated VHL Net Owings, the SHL Debt Waiver shall be effected by SHL on the SHL Relevant Settlement Date. Based on a Full Novation scenario, the SHL Debt Waiver would amount to a waiver of approximately US\$18.2 million (being the difference between the Consolidated Owings by the Company to SHL of approximately US\$33.7 million, less the Agreed Settlement Amount of approximately US\$15.5 million).
- 4.1.4 **SSI Conditions Precedent.** The SHL Subscription And Set-Off and Settlement Arrangement is conditional upon certain conditions precedent being satisfied, or waived in accordance with the SHL 2020 SOSA. The SSI Conditions Precedent are summarised in Column A of the table in Appendix II to the Circular. Subject to the fulfillment or waiver of the SSI Conditions Precedent,

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SHL shall subscribe for, and the Company shall issue to SHL, such number of SHL Subscription Shares at the Agreed Issue Price for each SHL Subscription Share to the extent of the Agreed Settlement Amount, and the aggregate issue price payable by SHL for the SHL Subscription Shares shall be fully set-off and settled against the Novated VHL Net Owings arising from the Full Novation or Partial Novation (as the case may be) to the extent of the Agreed Settlement Amount on the date of issuance of the SHL Subscription Shares.

4.1.5 **ESE Owings Waiver.** In connection with the completion of the subscription of SHL Subscription Shares, the Company has agreed to procure the ESE Owings Waiver, to the extent such ESE Owings are not reasonably recoverable from such Excluded Swiber Entities.

4.1.6 **Netting Off Practice.** Nothing in the SHL 2020 SOSA nor its termination shall prejudice, affect or vary (a) the parties' respective legal positions regarding the Netting Off Practice (if any); or (b) the rights of the VHL Group entities and the SHL Group entities in respect of or arising under the Netting Off Practice (if any), which are expressly reserved by the VHL Group entities and the SHL Group entities, unless the settlement of all owings between the SHL Group and the VHL Group is fully effected by the SHL 2020 SOSA.

4.1.7 **SHL Undertakings.** The Company undertakes to SHL that:

- (1) for the period from (and including) the date of the SHL 2020 SOSA up to (and including) (i) the SHL Subscription Completion Date or (ii) the date of termination of the SHL 2020 SOSA pursuant to the terms therein (whichever is earlier), the Company shall not, and with respect of sub-paragraph (c) below shall procure that no other entity shall, without the prior written consent of SHL, do any of the following:
  - (a) allot or issue, or agree to allot or issue, any new Share(s), if the issue price per Share is less than the Agreed Issue Price;
  - (b) grant, or agree to grant, any rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any new Share(s), if the issue price per Share is less than the Agreed Issue Price;
  - (c) issue, sell or distribute, or agree to issue, sell or distribute, any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than the Agreed Issue Price, or effect or agree to effect any modification of rights of conversion, exchange or subscription attaching to any securities which carry rights of conversion into, or exchange or subscription for, Shares such that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Agreed Issue Price;
  - (d) issue, sell or distribute, or agree to issue, sell or distribute any securities (other than those mentioned in sub-paragraphs (a), (b) and (c) above), at a price which is less than the Agreed Issue Price; or
  - (e) effect, or agree to effect, any consolidation, subdivision or reclassification of any of its Shares; and
- (2) the Company shall not do anything or take any action(s) that will result in the Company ceasing to be an associated company (as defined in the Listing Manual) of SHL as at (i) the SHL Subscription Completion Date and (ii) the SHL Relevant Settlement Date.



## **4.2 Deed**

4.2.1 **ASOM Assignment.** To effect the absolute assignment by the ASOM Vallianz Creditors with amounts owing from ASOM, to SOC such that SOC assumes all the benefits, interests, rights and claims in and to such owings, for the ASOM Assignment Consideration, and such ASOM Assignment Consideration payable by SOC to such ASOM Vallianz Creditors shall form part of the Owings by SOC to the VHL Group in lieu of the owings which were (prior to such ASOM Assignments) owing by ASOM to such ASOM Vallianz Creditors.

4.2.2 **Novations and Assignments.** Subject to ASOM Assignments being effected, to effect the novations and/or assignments of the Owings of the Relevant Vallianz Entities to any Relevant Swiber Entity and the Owings of the Relevant Swiber Entities to any Relevant Vallianz Entity, such that:

- (a) the Company (i) assumes the liability for all the Novated VHL Group Owings, and (ii) assumes the benefit of all the Novated SHL Group Owings; and
- (b) SHL (i) assumes the liability for the Novated SHL Group Owings and (ii) assumes the benefit of the Novated VHL Group Owings,

on the terms and subject to the conditions set out in the Deed.

4.2.3 **GSO Conditions Precedent.** Each of (i) the ASOM Assignments, (ii) the Novations and Assignments and (iii) the Group Set-Off are conditional upon the GSO Conditions Precedent being satisfied, or waived in accordance with the Deed.

4.2.4 Further conditions for the ASOM Assignments and the Novations and Assignments are set out in Section 3.2.4 of the Circular.

## **4.3 SCPL SOSA**

4.3.1 **SCPL Conditions Precedent.** The SCPL Subscription And Set-Off and Settlement Arrangement is conditional upon the SCPL Conditions Precedent being satisfied, or waived in accordance with the SCPL SOSA. The SCPL Conditions Precedent are summarised in Column C of the table in Appendix II to the Circular. Subject to the fulfillment or waiver of the SCPL Conditions Precedent, SCPL shall subscribe for, and the Company shall issue to SCPL, such number of SCPL Subscription Shares at the Agreed Issue Price for each SCPL Subscription Share to the extent of the SCPL Debt Conversion Amount, and the aggregate issue price payable by SCPL for the SCPL Subscription Shares shall be fully set-off and settled against the SCPL Debt Conversion Amount on the SCPL Subscription Completion Date.

## **4.4 RHCL 2020 SOSA**

4.4.1 **RHCL Conditions Precedent.** The RHCL Subscription And Set-Off and Settlement Arrangement is conditional upon the RHCL Conditions Precedent being satisfied, or waived in accordance with the RHCL 2020 SOSA. The RHCL Conditions Precedent are summarised in Column D of the table in Appendix II to the Circular. Subject to the fulfillment or waiver of the RHCL Conditions Precedent, RHCL shall subscribe for, and the Company shall issue to RHCL, such number of RHCL Subscription Shares at the Agreed Issue Price for each RHCL Subscription Share to the extent of the RHCL Debt Conversion Amount, and the aggregate issue price payable by RHCL for the RHCL Subscription Shares shall be fully set-off and settled against the RHCL Debt Conversion Amount on the RHCL Subscription Completion Date.

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4.4.2 **RHCL Undertakings.** The Company undertakes to RHCL that:

- (1) for the period from (and including) the date of the RHCL 2020 SOSA up to (and including) (i) the RHCL Subscription Completion Date or (ii) the date of termination of the RHCL 2020 SOSA pursuant to the terms therein (whichever is earlier), the Company shall not, and with respect of sub-paragraph (c) below shall procure that no other entity shall, without the prior written consent of RHCL, do any of the following:
  - (a) allot or issue, or agree to allot or issue, any new Share(s), if the issue price per Share is less than the Agreed Issue Price;
  - (b) grant, or agree to grant, any rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any new Share(s), if the issue price per Share is less than the Agreed Issue Price;
  - (c) issue, sell or distribute, or agree to issue, sell or distribute, any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than the Agreed Issue Price, or effect or agree to effect any modification of rights of conversion, exchange or subscription attaching to any securities which carry rights of conversion into, or exchange or subscription for, Shares such that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Agreed Issue Price;
  - (d) issue, sell or distribute, or agree to issue, sell or distribute any securities (other than those mentioned in sub-paragraphs (a), (b) and (c) above), at a price which is less than the Agreed Issue Price; or
  - (e) effect, or agree to effect, any consolidation, subdivision or reclassification of any of its Shares.

### 5. **Agreed Issue Price and Exchange Rate for SOSA Share Issuances**

- 5.1 The Agreed Issue Price for each of the SHL Subscription Shares, RHCL Subscription Shares and SCPL Subscription Shares of S\$0.09, represents a premium of approximately 50% to the volume weighted average price of S\$0.06 for trades done on the Catalist on 18 June 2020 (the “**Last Trading Day**”), being the last full Market Day on which Shares were traded prior to the signing of the SHL 2020 SOSA, RHCL 2020 SOSA and SCPL SOSA.
- 5.2 The Agreed Exchange Rate of US\$1:S\$1.3878 tracks the agreed exchange rate under the SHL 2017 SOSA, and was agreed by parties under the respective Settlement Agreements for purposes of calculating the number of SOSA Subscription Shares to be issued thereunder. In this regard, we note that the exchange rate as at 29 June 2020 (being the date the Settlement Agreements were entered into and announced) (the “**Announcement Date**”) of US\$1:S\$1.3935 (as extracted from Bloomberg) is not significantly different from the Agreed Exchange Rate, being only 0.4% higher than the Agreed Exchange Rate.

### 6. **Evaluation of the Proposed Transactions**

In assessing the 2020 SOSA Arrangements (comprising the SHL 2020 SOSA, SCPL SOSA, and RHCL 2020 SOSA), and the ESE Owings Waiver as IPTs, we have given due consideration to, *inter alia*, the following pertinent factors:

- (i) Rationale for the 2020 SOSA Arrangements and the SOSA Share Issuances;
- (ii) Historical financial position/condition of the Group;
- (iii) Analysis of the 2020 SOSA Arrangements and the Agreed Issue Price having regard to:
  - (a) the Group's latest net tangible assets (“**NTA**”) per Share;
  - (b) the valuation statistics of comparable SGX-ST listed companies; and
  - (c) Historical trading performance of the Shares;
- (iv) Rationale for and impact of ESE Owings Waiver; and
- (v) Other relevant considerations in relation to the Proposed Transactions.

#### **6.1 Rationale for the 2020 SOSA Arrangements and the SOSA Share Issuances**

We note that the 2020 SOSA Arrangements are being proposed to be undertaken with a view to provide a holistic solution to the settlement of owings as between the SHL Group entities and the VHL Group entities not settled pursuant to the SHL 2017 SOSA, and of certain owings to RHCL that had arisen after the RHCL 2017 SOSA. As stated under Section 11.4 of the Circular, the Directors are of the opinion that, after taking into consideration the VHL Group's present banking facilities and the 2020 SOSA Arrangements, the working capital available to the VHL Group is sufficient to meet its present requirements, and that the 2020 SOSA Arrangements are in the best interests of the Company.

The rationale for the SOSA Share Issuances can be found in Section 6.5 of the Circular and have been extracted and set out in italics below:

*“The rationale of the issue of the SHL Subscription Shares and the SHL Subscription And Set-Off and Settlement Arrangement is to further the objectives of the SHL 2017 SOSA where owings as between the VHL Group (which for purposes of SHL 2017 SOSA had included OER Group Entities) and SHL Group would be settled via the issuance of Shares to SHL and, together with the SHL Debt Waiver, would comprise a holistic solution to the settlement of Owings as between the VHL Group (which for purposes of SHL 2017 SOSA had included OER Group Entities) and SHL Group.”*

*“The rationale of the issue of the SCPL Subscription Shares and SCPL Subscription And Set-Off and Settlement Arrangement is to set-off and settle the SCPL Debt Conversion Amount, whilst conserving cash reserves of the VHL Group.”*

*“The rationale of the issue of the RHCL Subscription Shares and RHCL Subscription And Set-Off and Settlement Arrangement is to fully set-off and settle the RHCL Debt Conversion Amount.”*

#### **6.2 Historical financial position/condition of the Group**

The following are extracts from the audited consolidated financial statements of the Group for the financial years ended 31 March 2019 (“**FY2019**”) and 31 March 2020 (“**FY2020**”), and the unaudited financial statements of the Group for the 6 months period ended 30 September 2020 (“**HY2021**”):

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**Summary of consolidated statement of financial position**

<b>Figures in US\$'000</b>	<b>Unaudited HY2021</b>	<b>Audited FY2020</b>	<b>Audited FY2019</b>
Non-current assets	848,992	858,117	320,057
Current assets	200,292	133,268	249,693
<b>Total Assets</b>	<b>1,049,284</b>	<b>991,385</b>	<b>569,750</b>
Non-current liabilities	621,441	527,984	162,318
Current liabilities	340,341	374,298	247,289
<b>Total Liabilities</b>	<b>961,782</b>	<b>902,282</b>	<b>409,607</b>
<b>Total Equity</b>	<b>87,502</b>	<b>89,103</b>	<b>160,143</b>
Equity attributable to owners of the Company and capital securities holders	62,498	63,178	172,385
Net current assets/(liabilities)	(140,049)	(241,030)	2,404
Total borrowings <sup>(1)</sup>	803,599	743,839	304,308
Gearing (times) – Total borrowings / Total Equity	9.2	8.3	1.9

Notes:

(1) *Total borrowings comprise current and non-current term loans and working capital lines. Shareholder's advances have been excluded from total borrowings, as they have been classified as equity in the Group's balance sheet.*

The following should be reviewed in conjunction with the table and notes above:

(i) Asset and liabilities of the Group

The Group's total assets increased from approximately US\$569.8 million as at 31 March 2019 to approximately US\$991.4 million as at 31 March 2020 and approximately US\$1.0 billion as at 30 September 2020, due mainly to the acquisition of vessels by RVOS from RVIC as part of a restructuring exercise during FY2020.

Non-current assets as at 30 September 2020 comprised property, plant and equipment of approximately US\$818.0 million, right-of-use assets of approximately US\$15.4 million, associate of approximately US\$14.8 million, and monies pledged with banks of approximately US\$0.7 million.

Current assets as at 30 September 2020 comprised cash and cash equivalents of approximately US\$34.1 million, trade receivables of approximately US\$61.6 million, other receivables of approximately US\$65.7 million, inventories of approximately US\$6.5 million, contract assets of approximately US\$0.7 million and financial assets at fair value through other comprehensive income of approximately US\$31.7 million.

The Group's total liabilities rose from approximately US\$409.6 million as at 31 March 2019 to approximately US\$902.3 million as at 31 March 2020 and approximately US\$961.8 million as at 30 September 2020. It is noted that the Group had reported a net current liabilities position as of 31 March 2020 and 30 September 2020.

Total borrowings increased substantially from approximately US\$304.3 million as at 31 March 2019 to approximately US\$743.8 million as at 31 March 2020 and approximately US\$803.6 million as at 30 September 2020. The increase in the Group's total borrowings was mainly due to new bank borrowings obtained by RVOS to partly fund the acquisition of all the vessels from RVIC as part of the restructuring exercise which were secured on these vessels and were fully guaranteed by RHCL at no cost to the Group.

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As at 30 September 2020, total borrowings accounted for approximately 83.6% of total liabilities of which approximately US\$210.7 million (or approximately 26.2% of total borrowings) are current and repayable within 12 months from 30 September 2020. The Group's gearing ratio has increased significantly from approximately 1.9 times as at 31 March 2019 to approximately 8.3 times and 9.2 times as at 31 March 2020 and 30 September 2020 respectively.

As reported in the Company's latest published annual report for FY2020, the Group has breached the financial covenants under the framework agreement with its lenders ("**Framework Agreement**") that it had entered into on 10 March 2017 in respect of minimum sum in the debt servicing reserve account and certain financial ratios. Subsequent to the financial year ended 31 March 2020, the Group has secured a waiver letter from one of the financial institutions for an extension of waiver till 30 December 2020 in respect of the breach of financial covenants and subsequently entered into the Restructuring Agreement dated 19 February 2021 to modify and supplement certain of the terms of the Framework Agreement in relation to the proposed debt restructuring exercise of the Group (the "**Proposed Restructuring**").

In this regard and as set out in the Company's announcement dated 19 February 2021 in relation to the Proposed Restructuring, the Group is in the process of restructuring its existing borrowings, which involves, *inter alia*, reconstituting portions of such bank borrowings into the Series A and Series B Convertible Bonds.

(ii) Equity attributable to owners of the Company and capital securities holders

Equity attributable to owners of the Company and capital securities holders decreased substantially from approximately US\$172.5 million as at 31 March 2019 to approximately US\$63.2 million as at 31 March 2020 and approximately US\$62.5 million as at 30 September 2020. This was due mainly to an increase in accumulated losses arising from the losses incurred for the respective periods, which was partially offset by an increase in shareholders' advances over the same period which are classified as equity.

### 6.3 Analysis of the 2020 SOSA Arrangements and the Agreed Issue Price having regard to:

(A) Group's latest net tangible assets ("NTA") per Share

The Group's NTA attributable to owners of the Company and capital securities holders as at 30 September 2020 amounted to approximately US\$62.5 million (or approximately S\$0.1526 on a per Share basis, based on the Company's current issued Share capital of 559,354,434 Shares and the exchange rate as of 30 September 2020 of US\$1.00:S\$1.3654). Accordingly, the Agreed Issue Price represents a discount of approximately 41.0% to the Group's NTA per Share attributable to owners of the Company and capital securities holders as at 30 September 2020.

It is further noted that the Company currently has US\$22.5 million of perpetual capital securities that was issued in 2014 that are outstanding and has not been redeemed. The perpetual capital securities have no fixed maturity and are redeemable in whole, or in part, at the Company's option on or after 30 December 2017 at their principal amount together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company, will not declare, pay dividends or make similar periodic payments in respects of, or repurchase, redeem or otherwise acquire any securities of lower rank. The Company's perpetual capital securities are senior in nature and shall at all times rank *pari passu* with all other present and future unsecured obligations. In this regard, Group's NTA attributable to owners of the Company as at 30 September 2020 (after deducting the principal amount of the perpetual capital securities of US\$22.5 million) amounted to approximately US\$40.0 million (or approximately S\$0.0976 on a per Share basis,

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based on the Company's current issued Share capital of 559,354,434 Shares and the exchange rate as of 30 September 2020 of US\$1.00:S\$1.3654). Accordingly, the Agreed Issue Price represents a discount of approximately 7.8% from the Group's NTA per Share attributable to owners of the Company as at 30 September 2020.

In addition, the total equity of the Company as at 30 September 2020 includes shareholder's advances of approximately US\$97.6 million ("**Shareholder's Advances**") which have been treated as equity. For illustration purposes, if the Shareholder's Advances were excluded from the Group's NTA attributable to owners of the Company, the Group would have been in a net liabilities position. Accordingly, the Agreed Issue Price is favourable when considered in the context of the Group's adjusted net liabilities per Share as at 30 September 2020, if the Shareholder's Advances were to be excluded from equity of the Company.

**The above computation and analysis are for illustration purpose only and it does not purport to imply that the net realizable value of the Company is as stated above or that the assets of the Company can be disposed at the stated book value indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated by the NTA is realizable or distributable to the Shareholders.**

### (B) Valuation statistics of comparable SGX-ST listed companies

In assessing the fairness of the Agreed Issue Price, we have considered the valuation statistics in relation to selected SGX-ST listed companies ("**Selected Comparable Companies**") that may be broadly comparable to the core businesses of the Group as at the Latest Practicable Date, which is in vessel chartering and brokerage services and vessel management services. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. Shareholders should note that the Selected Comparable Companies may not be directly comparable to the Group in terms of composition of business activities, asset base, scale and location of operations, clientele base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected by differences in the accounting policies adopted by the respective Selected Comparable Companies.

Selected Comparable Companies, listed on SGX-ST	Market Capitalisation (\$' million) as at LPD	Principal Activities
Kim Heng Offshore & Marine Holdings Limited (" <b>Kim Heng</b> ")	25.2	The Group is engaged in offshore rig services and supply chain management and vessel sales and newbuild.
CH Offshore Limited (" <b>CH Offshore</b> ")	32.4	The Group is engaged in the business of owning and chartering of vessels.
ASL Marine Holdings Limited (" <b>ASL Marine</b> ")	27.1	The Group is engaged in shipbuilding, ship chartering, ship repair and dredging engineering services.

*Source: SGX-ST and respective annual reports*

Selected Comparable Companies	LTM PER <sup>(1)</sup>	P/NTA <sup>(3)</sup>	Premium / (discount) over/(to) NTA <sup>(6)</sup> (%)	Total borrowings <sup>(7)</sup> / Total equity (times)
Kim Heng	n.m. <sup>(2)</sup>	0.46	(54.0)	0.8
CH Offshore	n.m. <sup>(2)</sup>	0.43	(56.8)	0.2
ASL Marine	n.m. <sup>(2)</sup>	0.18	(82.1)	2.4

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<b>MAXIMUM</b>	n.m.	<b>0.46</b>	<b>(54.0)</b>	2.4
<b>MINIMUM</b>	n.m.	<b>0.18</b>	<b>(82.1)</b>	0.2
<b>MEDIAN</b>	n.m.	<b>0.43</b>	<b>(56.8)</b>	0.8
<b>MEAN</b>	n.m.	<b>0.36</b>	<b>(64.3)</b>	1.1
<b>The Group (implied by Agreed Issue Price)</b>	n.m <sup>(2)</sup>	<b>0.59<sup>(4)</sup></b> <b>0.92<sup>(5)</sup></b>	<b>(41.0) /</b> <b>(7.8)</b>	<b>9.2</b>

*Source: The latest annual reports or the latest announced financial statements of the respective companies.*

Notes:

- (1) The last twelve months (“LTM”) price-earnings ratio (“PER”) for the Selected Comparable Companies are based on their respective last traded price as at the LPD and the most recent twelve months earnings after tax as reported by the respective companies.
- (2) “n.m” denotes not meaningful, as these valuation multiples are negative as the respective companies are loss-making.
- (3) The P/NTA ratios for the Selected Comparable Companies are based on their respective last traded price as at LPD and their NTA values as set out in their respective latest announced financial statements.
- (4) P/NTA as implied by the Agreed Issue Price and the Group’s NTA per Share attributable to owners of the Company and capital securities holders as at 30 September 2020 of approximately S\$0.1526, based on the Company’s current issued Share capital of 559,354,434 Shares.
- (5) P/NTA as implied by the Agreed Issue Price and the Group’s NTA per Share attributable to owners of the Company (after deducting the principal amount of the perpetual capital securities of US\$22.5 million) as at 30 September 2020 of approximately S\$0.0976, based on the Company’s current issued Share capital of 559,354,434 Shares.
- (6) Premium/(discount) of the last traded price as at LPD over/(to) latest announced NTA (in the case of the Selected Comparable Companies) and discount of the Agreed Issue Price to Group’s NTA per Share (in the case of the Group).
- (7) Total borrowings include all bank loans and borrowings as well as finance leases, where applicable.

In respect of the above, we note that:

- (i) The Group recorded a loss after tax attributable to owners of the Company of approximately US\$146.3 million for the LTM ended 30 September 2020. Therefore, the Group’s LTM PER is negative. Similarly, all the Selected Comparable Companies incurred losses for their respective LTM periods. Therefore, the LTM PER comparison will not be meaningful;
- (ii) The valuation of the Group in terms of P/NTA of (i) 0.59 times (as implied by the Agreed Issue Price and the Group’s NTA per Share attributable to owners of the Company and capital securities holders); and (ii) 0.92 times (as implied by the Agreed Issue Price and the Group’s NTA per Share attributable to owners of the Company (excluding the capital securities holders)) respectively, as at 30 September 2020, are above the range and more favourable as compared to any of the Selected Comparable Companies; and
- (iii) The Group’s gearing ratio based on its total borrowings to total equity of 9.2 time is above the range and significantly higher and less favourable than any of the Selected Comparable Companies.

**(C) Historical trading performance of the Shares**

We have tabulated selected statistical information on the historical Share price performance and trading liquidity of the Shares for the period commencing from 1 July 2019 (being the market day 12 months prior to the Announcement Date) to the Latest Practicable Date below:

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	VWAP per Share <sup>(1)</sup> (S\$)	Premium/ (Discount) of the Agreed Issue Price over/(to) the VWAP per Share (%)	Lowest transacted price (S\$)	Highest transacted price (S\$)	Average daily trading volume <sup>(2)</sup> (Shares)	Average daily trading volume as % of free-float <sup>(3)</sup> (%)
<b>For the period prior to and including the Announcement Date</b>						
Last 12 months	0.092	(2.2)	0.044	0.190	19,701	0.0161
Last 6 months	0.074	21.6	0.044	0.118	14,574	0.0119
Last 3 months	0.056	60.7	0.044	0.074	12,203	0.0099
Last 1 month	0.063	42.9	0.060	0.074	13,714	0.0112
VWAP on 18 June 2020 <sup>(4)</sup>	0.060	50.0	0.060	0.060	500	0.0004
<b>For the period commencing on the Market Day immediately after the Announcement and up to the Latest Practicable Date being 24 May 2021</b>						
After Announcement Date and up till the LPD	0.048	87.5	0.038	0.072	74,480	0.0607
VWAP on 18 May 2021 <sup>(5)</sup>	0.052	72.4	0.050	0.058	2,600	0.0021

Source: Bloomberg L.P.

Notes:

- (1) The VWAP had been weighted based on the average prices of the Shares and traded volumes for the relevant trading days for each of the periods.
- (2) The average daily trading volume of the Shares is calculated based on the total number of Shares traded during the period divided by the number of Market Days during that period.
- (3) Free float refers to 122,394,729 Shares or approximately 21.9% of issued Share capital, other than the Substantial Shareholders and Directors as at the LPD.
- (4) This represents the VWAP for the Shares on 18 June 2020, being the Last Trading Day prior to the Announcement Date. The trading for the Shares was halted on the Announcement Date.
- (5) This represents the VWAP for the Shares on 18 May 2021, being the last full Market Day on which the Shares were traded as at the LPD.

Based on the summary of the transacted prices for the Shares in the table above, we note that the Agreed Issue Price represents:

- (i) a premium of 50% to the VWAP for the Shares on 18 June 2020, being the last full Market Day on which Shares were traded prior to the Announcement Date;
- (ii) a discount of approximately 2.2% from the VWAP for the Shares for 12 months period prior to the Announcement Date;
- (iii) premium of approximately 21.6%, 60.7% and 42.9% over the VWAP for the Shares for the 6-months, 3-months and 1-month periods prior to the Announcement Date respectively;
- (iv) a premium of approximately 87.5% over the VWAP for the Shares for the period commencing from the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date. In this regard, this implies a premium of approximately S\$27.4 million in Singapore dollars term from the SOSA Share Issuances at the Agreed Issue Price as compared to the event that such Shares are to be issued based on the VWAP of the Shares over the same period; and



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- (v) a premium of approximately 72.4% over the VWAP of the Shares of S\$0.052 on 18 May 2021, being the last full Market Day on which the Shares were traded as at the Latest Practicable Date.

Based on the number of Shares traded on a daily basis during the period commencing from 1 July 2019 and ending on the Latest Practicable Date, we note that the Shares are relatively illiquid and that:

- (i) although the Shares were traded on 127 days out of 251 market days for the 12 months prior to Announcement Date, the total number of Shares traded being approximately 4.9 million and an average daily trading volume of 19,780 Shares which represent approximately 0.004% of the total issued share capital as at the Latest Practicable Date, with the average daily trading volume as a percentage of the free float which is held by Public Shareholders over the same period being approximately 0.016%;
- (ii) following the release of the Announcement up to the Latest Practicable Date, the Shares have been traded on 88 days out of 227 market days, with the total number of Shares traded being approximately 16.9 million Shares and an average daily trading volume of 74,480 Shares which represents approximately 0.013% of the total issued share capital as at the Latest Practicable Date and average daily trading volume as a percentage of free float which is held by Public Shareholders over the same period being approximately 0.061%. In this regard, we also noted that most of the traded volume during this period were attributable to a single married trade done on 8 December 2020 for approximately 11.7 million Shares. Excluding the married trade, the average daily trading volume would have been 23,085 Shares which represent approximately 0.019% of the free float.

**Shareholders should note that the market price performance of the Shares may be due to various market factors, the individual factors of which may not be easily isolated and identified with certainty. As such, Shareholders should note that the past trading performance of the Shares should not be relied upon as an indication of future trading performance.**

### 6.4 Rationale for and impact of ESE Owings Waiver

6.4.1 The ESE Owings were initially intended for settlement under the SHL 2017 SOSA. In connection with the proposed subscription of SHL Subscription Shares and in view that the Excluded Swiber Entities have been dissolved or have ceased to be under SHL's control, due to, for instance such Excluded Swiber Entities being in liquidation or under judicial management of which the judicial managers differ from the judicial managers of SHL, the Company has agreed to procure the ESE Owings Waiver to the extent such ESE Owings are not reasonably recoverable from such Excluded Swiber Entities.

6.4.2 The impact of the ESE Owings Waiver of an aggregate amount of approximately US\$27.0 million to be waived by the Company should be considered in the context of the entirety of the SHL 2020 SOSA, including, *inter alia*, the following:

- (i) SHL Debt Waiver which, based on a Full Novation scenario, would amount to a waiver of approximately US\$18.2 million;
- (ii) the Agreed Issue Price being at a premium of 50.0% over the VWAP for the Shares on the Last Trading Day prior to the Announcement Date; and
- (iii) the Agreed Issue Price being at a premium of approximately 87.5% over the VWAP for the Shares for the period commencing from the market day immediately after the Announcement Date and ending on the Latest Practicable Date. In this regard, this implies a premium of approximately S\$27.4 million in Singapore dollars term from the SOSA Share Issuances at the Agreed Issue Price as compared to the event that such Shares are to be issued based on the VWAP of the Shares over the same period.

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6.4.3 Shareholders should also note that ESE Owings Waiver is a pre-requisite to the completion of the 2020 SOSA Arrangements involving SHL and therefore, should the ESE Owings Waiver not be approved at the EGM, the SHL Subscription and Set-Off and Settlement Arrangement under the SHL 2020 SOSA will not be completed, even if the SHL Subscription and Set-Off and Settlement Arrangement be approved at the EGM.

### 6.5 Other relevant considerations in relation to the Proposed Transactions

#### 6.5.1 Reliance on shareholder's advances from RHCL

Given the Group's current weak financial position and financial performance, as evidenced by its high gearing ratio and the net current liabilities position as at 30 September 2020 and the net losses recorded for FY2019, FY2020 and HY2021, Shareholders should note that the Company had been reliant on shareholder's advances from RHCL as a key source of funding amidst the current challenging times faced by the oil & gas industry.

#### 6.5.2 Inter-conditionality of the Resolutions proposed at the EGM

It should be noted that the ESE Owings Waiver is a pre-requisite to the completion of the 2020 SOSA Arrangements involving SHL. Accordingly, Shareholders should note that Ordinary Resolution 1 (relating to the SHL Subscription and Set-Off and Settlement Arrangement) is conditional upon Ordinary Resolution 2 (relating to the ESE Owings Waiver) being passed. This means that if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 will not be considered passed even if Shareholders vote in favour of Ordinary Resolution 1.

Further, the subscription of the SHL Subscription Shares is also a condition precedent to the subscription of the SCPL Subscription Shares and the RHCL Subscription Shares respectively. Therefore, should the SHL Subscription and Set-Off and Settlement Arrangement under the SHL 2020 SOSA not be approved at the EGM, this could impact the ability of the SCPL Subscription and Set-Off and Settlement Arrangement and RHCL Subscription and Set-Off and Settlement Arrangement to proceed to completion under the SCPL SOSA and the RHCL 2020 SOSA respectively, even if the same were approved at the EGM.

#### 6.5.3 Dilutive impact on shareholdings of Public Shareholders

Upon completion of the SOSA Share Issuances, the shareholdings of existing Public Shareholders will be diluted as illustrated below (assuming the Maximum Subscription Scenario):

	As at the Latest Practicable Date		Upon completion of the SOSA Share Issuances	
	Total Shareholdings	Total Percentage Interest (%) <sup>(1)</sup>	Total Shareholdings	Total Percentage Interest (%) <sup>(2)</sup>
<b>Directors</b>				
Mr. Ling Yong Wah	1,526,146	0.3	1,526,146	0.1
Mr. Yeo Chee Neng	2,297,493	0.4	2,297,493	0.2
Mr. Yeo Jeu Nam	336,666	0.1	336,666	0.03
Mr. Bote De Vires	136,666	0.02	136,666	0.01
Sheikh Abdulaziz Ali AITurki	317,560,389 <sup>(3)</sup>	56.8	723,106,389 <sup>(3)</sup>	59.7
<b>Substantial Shareholders (other than Directors)</b>				
Rawabi Holdings Company Limited	317,560,389	56.8	723,106,389	59.7
Swiber Holdings Limited	115,102,345	20.6	361,822,345	29.9
<b>Other Shareholders</b>				
<b>SCPL</b>	-	-	8,382,620	0.7

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<b>Public Shareholders <sup>(4)</sup></b>	122,394,729	21.9	122,394,729	10.1
<b>Total</b>	<b>559,354,434</b>	<b>100.0</b>	<b>1,211,620,434</b>	<b>100.0</b>

Notes:

- (1) Based on the existing Share capital of 559,354,434 Shares.
- (2) Based on enlarged share capital of 1,211,620,434 Shares, assuming inter-alia: (i) novation and assignments occurs on a Full Novation basis; (ii) Group Set-Off and 2020 SOSA Arrangements have been completed; and (iii) SHL Subscription Shares, SCPL Subscription Shares and RHCL Subscription Shares have been issued on a Maximum Subscription Scenario.
- (3) Sheikh Abdulaziz Ali AlTurki is deemed to be interested in the Shares held by RHCL.
- (4) "Public Shareholders" refer to Shareholders other than (a) Directors, CEO, substantial shareholders or controlling shareholders of the Company or its subsidiaries, and associates of the persons mentioned in (a).

Assuming the Maximum Subscription Scenario, following the issuance of 652,266,000 SOSA Subscription Shares comprising of 238,337,380 SHL Subscription Shares, 8,382,620 SCPL Subscription Shares and 405,546,000 RHCL Subscription Shares, the number of Shares in issue will increase from 559,354,434 Shares as at the Latest Practicable Date to 1,211,620,634 Shares.

We note that under the Maximum Subscription Scenario, (i) RHCL remains the single largest and controlling Shareholder and (ii) SHL remains the second largest controlling Shareholder, as it was prior to the Proposed Transactions.

The percentage of the shareholdings held by the existing Public Shareholders will decline from approximately 21.9% to approximately 10.1% under the Maximum Subscription Scenario and will thus be still in compliance with the minimum public float requirements for Catalist-listed companies of 10%.

### 6.5.4 Pro-forma financial effects of the 2020 SOSA Arrangements

The pro-forma financial effects of the 2020 SOSA Arrangements and its underlying assumptions can be found in Section 7 of the Circular and have been prepared based on the Maximum Subscription Scenario.

In summary, we note the following in respect of the pro-forma financial effects:

- (i) There is no material impact on the NTA, loss after tax attributable to Shareholders or the gearing ratio of the Company as: (a) the net amounts owing to SHL and RHCL are already classified as equity in the Group's consolidated statement of financial position as at 30 September 2020; and (b) the net waivers of owings of US\$8.8 million (being the difference in (i) ESE Owings Waiver of approximately US\$27 million by VHL, and (ii) the SHL Debt Waiver of approximately US\$18.2 million by SHL by the Company is expected to be set-off against the issuance of SHL Subscription Shares to SHL under the SHL 2020 SOSA under a Full Novation Scenario; and
- (ii) The increase in the number of Shares arising from the SOSA Share Issuances under the Maximum Subscription Scenario would accordingly reduce the NTA per Share and the loss per Share.

### 6.5.5 Risk of non-recoverability of amounts due from SHL Group

As set out in Section 3.1.5 of the Circular, unless the settlement of all owings between the SHL Group and the VHL Group is fully effected by the SHL 2020 SOSA, (a) the parties' respective legal positions regarding the Netting Off Practice (if any), and (b) the rights of the VHL Group entities and the SHL Group entities in respect of or arising under the Netting Off Practice (if any) are reserved.

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To-date, the SHL Group has not made any admission or concurrence as to the Netting Off Practice. Therefore, should the SHL Group contest, and succeed on contesting, VHL's position regarding the Netting Off Practice, the gross outstanding owings to the SHL Group from the VHL Group amounting to approximately US\$101.3 million will remain outstanding and payable, regardless of the recovery (if any) of owings from the SHL Group to the VHL Group. In such a circumstance and unless such outstanding owings be capable of being resolved other than by the SHL 2020 SOSA, such outstanding owings will remain owing by the VHL Group to the SHL Group, and the VHL Group may also not be able to recover and may be required to write-off up to approximately US\$94.7 million of owings from the SHL Group. This may result in negative repercussions on the Group's cash flows, and may also potentially result in events of default under the Group's existing banking facilities should certain Group entities default on any of their payment obligations.

It should be noted that Shares of SHL has been suspended since 28 July 2016 and SHL was subsequently put under judicial management on 6 October 2016 and by 7 October 2016, at which point the total claims against SHL has ballooned to US\$246.1 million. As at the Latest Practicable Date, SHL is still under judicial management and the shares of SHL are still currently suspended.

### 7. OUR OPINION

In arriving at our opinion in relation to the Proposed Transactions, we have considered and evaluated all factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in more details in Section 6 of this Letter (which should be read in conjunction with, and in the full context of, the Circular and this Letter), including, *inter alia*, the following:

- (i) **Rationale for the 2020 SOSA Arrangements and the SOSA Share Issuances**, as set out in further details in Section 6.1 of this Letter. In particular, we noted that the 2020 SOSA Arrangements are being proposed to be undertaken with a view to provide a holistic solution to the settlement of owings as between the SHL Group entities and the VHL Group entities not settled pursuant to the SHL 2017 SOSA, and of certain owings to RHCL that had arisen after the RHCL 2017 SOSA;
- (ii) **Analysis of the 2020 SOSA Arrangements and the Agreed Issue Price** (as set out in further details in Section 6.3 of this Letter) having regard to:
  - (a) **Group's latest NTA per share** – In this regard, we noted, *inter alia*, that the Agreed Issue Price represents a discount of approximately 41.0% to the Group's NTA per Share attributable to owners of the Company and capital securities holders as at 30 September 2020 and discount of approximately 7.8% to the Group's NTA per Share attributable to owners of the Company (excluding capital securities holders) as at 30 September 2020. In addition, the Agreed Issue Price is regarded to be favourable when considered in the context of the Group's adjusted net liabilities per Share as at 30 September 2020, if the Shareholder's Advances were to be excluded from equity of the Company;
  - (b) **Valuation statistics of the Selected Comparable Companies** – In this regard, we noted, *inter alia*, that whilst the Group's gearing ratio is significantly higher than any of the Selected Comparable Companies, the valuation of the Group in terms of P/NTA of (i) 0.59 times (as implied by the Agreed Issue Price and the Group's NTA per Share attributable to owners of the Company and capital securities holders); and (ii) 0.92 times (as implied by the Agreed Issue Price and the Group's NTA per Share attributable to owners of the Company (excluding the capital securities holders)) respectively, as at 30 September 2020, is above the range and more favourable as compared to any of the Selected Comparable Companies;

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- (c) **Historical trading performance of the Shares** – In this regard, we noted, *inter alia*, that the Agreed issue price represents:
- (i) a premium of 50% to the VWAP for the Shares on 18 June 2020, being the last full Market Day on which Shares were traded prior to the Announcement Date;
  - (ii) a discount of approximately 2.2% from the VWAP for the Shares for 12 months period prior to the Announcement Date and a premium of approximately 21.6%, 60.7% and 42.9% over the VWAP for the Shares for the 6-months, 3-months and 1-month periods prior to the Announcement Date respectively; and
  - (iii) a premium of approximately 87.5% over the VWAP for the Shares for the period commencing from the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date.
- (iii) **Rationale for and impact of the ESE Owings Waiver**, as set out in further details in Section 6.4 of this Letter. In this regard, we noted, *inter alia*, that:
- (c) as the Excluded Swiber Entities have been dissolved or have ceased to be under SHL's control, due to, for instance, such Excluded Swiber Entities being in liquidation or under judicial management of which the judicial managers differ from the judicial managers of SHL, the Company has agreed to procure the ESE Owings Waiver to the extent such ESE Owings are not reasonably recoverable from such Excluded Swiber Entities;
  - (d) the impact of the ESE Owings Waiver, amounting to an aggregate amount approximately US\$27.0 million, should be considered in the context of the entirety of the SHL 2020 SOSA, including: (i) the SHL Debt Waiver which, based on a Full Novation scenario, would amount to a waiver of approximately US\$18.2 million; (ii) the Agreed Issue Price being at a premium of 50.0% over the VWAP for the Shares on the Last Trading Day prior to the Announcement Date; and (iii) the Agreed Issue Price being at a premium of approximately 87.5% over the VWAP for the Shares for the period commencing from the market day immediately after the Announcement Date and ending on the Latest Practicable Date. In this regard, this implies a premium of approximately S\$27.4 million in Singapore dollars term from the SOSA Share Issuances at the Agreed Issue Price as compared to the event that such Shares are to be issued based on the VWAP of the Shares over the same period; and (iv) the ESE Owings Waiver is a pre-requisite to the completion of the 2020 SOSA Arrangements.
- (iv) **Other relevant considerations in relation to the Proposed Transaction**, as set out in further details in Section 6.5 of this Letter, which includes: (i) the Company's reliance on shareholder's advances from RHCL, (ii) Inter-conditionality of the Resolutions proposed, (iii) the dilutive impact of the SOSA Share Issuances, (iv) pro forma financial effects of the 2020 SOSA Arrangements, and (v) considerations in relation to the risk of non-recoverability of the amounts due from the SHL Group.

**Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.**

Our opinion is prepared as required under Chapter 9 of the Catalist Rules as well as addressed to the Non-Interested Directors for their benefit and for the purpose of their consideration of the Proposed Transactions. The recommendation to be made by the Non-Interested Directors to the Minority Shareholders shall remain the responsibility of the Non-Interested Directors.

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## APPENDIX III – IFA LETTER

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Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of any matter relating to the Proposed Transactions.

This Letter is governed by and construed in accordance with the Laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours Sincerely  
For and on behalf of  
**W Capital Markets Pte. Ltd.**

**Foo Say Nam**  
Partner  
Head of Advisory

**Sheila Ong**  
Senior Vice President  
Corporate Finance

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### VALLIANZ HOLDINGS LIMITED

(Company Registration No.: 199206945E)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “**EGM**”) of the shareholders of Vallianz Holdings Limited (the “**Company**”) will be held by way of electronic means on 29 July 2021 at 4.00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions:

*All capitalised terms in this Notice of EGM which are not defined herein shall have the same meaning as ascribed to them in the Company’s circular dated 25 May 2021 (the “**Circular**”).*

#### **ORDINARY RESOLUTION 1 – SWIBER HOLDINGS LIMITED (JUDICIAL MANAGERS APPOINTED) (“SHL”) SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT**

**THAT** subject to and contingent upon the passing of Ordinary Resolution 2 herein:

- (a) approval be and is hereby given for the Company to undertake the SHL Subscription and Set-Off and Settlement Arrangement in accordance with the terms of the SHL 2020 SOSA, and the transactions contemplated thereunder which constitute interested person transactions under Chapter 9 of the Catalist Rules;
- (b) approval be and is hereby granted for the purpose of Rules 805 and 812 of the Catalist Rules and pursuant to Section 161 of the Companies Act, for the allotment and issuance of up to 238,337,380 SHL Subscription Shares at the Agreed Issue Price of S\$0.09 for each SHL Subscription Share to SHL, in accordance with the terms and conditions of the SHL 2020 SOSA;
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution (including without limitation, determining whether to proceed with the Partial Novation and the extent thereof, signing, executing and delivering any such documents, and negotiating, reviewing, finalising and approving amendments, alterations, modifications to any such documents as may be required or desirable in connection with this resolution); and
- (d) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by a Director in connection with the transactions contemplated by this resolution be and are hereby approved, confirmed and ratified.

#### **ORDINARY RESOLUTION 2 – EXCLUDED SWIBER ENTITIES (EXCLUDING ALAM SWIBER DLB 1 (L) INC.) (“ASDLB”) (“ESE”) OWINGS WAIVER**

**THAT:**

- (a) approval be and is hereby granted for the VHL Group to undertake the waiver of ESE Owings to the extent that the Directors determine the ESE Owings are not reasonably recoverable from the Excluded Swiber Entities (excluding ASDLB), which constitutes an interested person transaction under Chapter 9 of the Catalist Rules;

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## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution (including without limitation, signing, executing and delivering any such documents, and negotiating, reviewing, finalising and approving amendments, alterations, modifications to any such documents as may be required or desirable in connection with this resolution); and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by a Director in connection with the transactions contemplated by this resolution be and are hereby approved, confirmed and ratified.

### **ORDINARY RESOLUTION 3 – SWIBER CORPORATE PTE. LTD. (IN CREDITORS’ VOLUNTARY LIQUIDATION) (“SCPL”) SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT**

**THAT:**

- (a) approval be and is hereby given for the Company to undertake the SCPL Subscription and Set-Off and Settlement Arrangement in accordance with the terms of the SCPL SOSA, and the transactions contemplated thereunder which constitute interested person transactions under Chapter 9 of the Catalist Rules;
- (b) approval be and is hereby granted for the purpose of Rules 805 and 812 of the Catalist Rules and pursuant to Section 161 of the Companies Act, for the allotment and issuance of up to 8,382,620 SCPL Subscription Shares at the Agreed Issue Price of S\$0.09 for each SCPL Subscription Share to SCPL, in accordance with the terms and conditions of the SCPL SOSA;
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution (including without limitation, signing, executing and delivering any such documents, and negotiating, reviewing, finalising and approving amendments, alterations, modifications to any such documents as may be required or desirable in connection with this resolution); and
- (d) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by a Director in connection with the transactions contemplated by this resolution be and are hereby approved, confirmed and ratified.

### **ORDINARY RESOLUTION 4 – RAWABI HOLDING COMPANY LIMITED (“RHCL”) SUBSCRIPTION AND SET-OFF AND SETTLEMENT ARRANGEMENT**

**THAT:**

- (a) approval be and is hereby given for the Company to undertake the RHCL Subscription and Set-Off and Settlement Arrangement in accordance with the terms of the RHCL 2020 SOSA, and the transactions contemplated thereunder which constitute interested person transactions under Chapter 9 of the Catalist Rules;



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## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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- (b) approval be and is hereby granted for the purpose of Rules 805 and 812 of the Catalist Rules and pursuant to Section 161 of the Companies Act, for the allotment and issuance of 405,546,000 RHCL Subscription Shares at the Agreed Issue Price of S\$0.09 for each RHCL Subscription Share to RHCL, in accordance with the terms and conditions of the RHCL 2020 SOSA;
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution (including without limitation, signing, executing and delivering any such documents, and negotiating, reviewing, finalising and approving amendments, alterations, modifications to any such documents as may be required or desirable in connection with this resolution); and
- (d) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by a Director in connection with the transactions contemplated by this resolution be and are hereby approved, confirmed and ratified.

**SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTION 1 IS CONDITIONAL UPON ORDINARY RESOLUTION 2 BEING PASSED. THIS MEANS THAT IF ORDINARY RESOLUTION 2 IS NOT PASSED, ORDINARY RESOLUTION 1 WOULD NOT BE PASSED.**

### **BY ORDER OF THE BOARD**

Ling Yong Wah  
Executive Director and Chief Executive Officer

25 May 2021

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### NOTES:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM of the Company will be convened and held by way of electronic means through a “live” webcast (“**Live EGM Webcast**”). **NO PHYSICAL ATTENDANCE TO THE EGM IS PERMITTED.**
2. The Circular, Notice of EGM and proxy form will be sent to the members solely by electronic means via publication on the Company’s website at the URL <http://www.vallianzholdings.com/newsroom.html> and SGXNet. Printed copies of these documents will **NOT** be despatched to members.
3. **Registration of members**
  - (i) All members who wish to watch or listen to Live EGM Webcast proceedings must pre-register online by 4.00 p.m. on 26 July 2021, at the URL <https://conveneagm.sg/vallianzegm2> for verification purposes.
  - (ii) Members who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Members and SRS investors) and wish to follow the proceedings of EGM through the Live EGM Webcast must inform their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) that they have registered for the Live EGM Webcast and provide their respective relevant intermediaries with their registration details.
  - (iii) Following authentication of the shareholders’ status as members, authenticated members will receive an email notification, and would be able to access the Live EGM Webcast proceedings using the account credentials created upon completion of registration.
  - (iv) Members who do not receive an email by 4.00 p.m. on 28 July 2021, but who have registered by the Registration Deadline should contact the Company at the email address at [sg.is.enquiry@sg.tricorglobal.com](mailto:sg.is.enquiry@sg.tricorglobal.com).
4. **Submission of questions in advance**
  - (i) Please note that members will not be able to ask questions at the Live EGM Webcast, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the EGM.
  - (ii) Members who pre-register to watch or listen to the Live EGM Webcast may also submit questions related to the resolutions to be tabled for approval at the EGM. All questions must be submitted by 4.00 p.m. on 22 July 2021 at the URL <https://conveneagm.sg/vallianzegm2>.
  - (iii) The Company will address substantial and relevant questions received from the members relating to the agenda of the EGM prior to the EGM via SGXNet and the Company’s website.
  - (iv) The Company will publish the minutes of the EGM on SGXNet and on the Company’s website within one month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from members which were addressed prior to the EGM.
5. **Completion of the proxy form**
  - (i) Members will not be able to vote online on the resolutions to be tabled for approval at the EGM. Instead, if members (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the meeting to vote on their behalf.
  - (ii) Members (whether individual or corporate) appointing the Chairman of the meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
  - (iii) The Chairman of the meeting, as proxy, need not be a member of the Company. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
  - (iv) The instrument appointing the Chairman of the meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be received by the Company via the following means:
    - (a) post to the Share Registrar’s office at 80 Robinson Road, #11-02, Singapore 068898; or
    - (b) electronic mail to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com);

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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not later than 48 hours before the time set for the EGM. In view of the current COVID-19 situation and the related precautionary measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms via electronic mail.

- (v) For CPFIS Members or SRS investors who wish to exercise their votes by appointing the Chairman of the EGM as their proxy should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 16 July 2021).

The Company shall be entitled to reject the instrument appointing the Chairman of the meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).

- (vi) In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register no later than 72 hours before the time set for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

### 6. **Reminder**

Members who wish to attend the Live EGM Webcast are reminded that the EGM is private. Invitations to attend the EGM shall not be forwarded to anyone who is not a member of the Company or who is not authorized to attend the Live EGM Webcast. Recording of the Live EGM Webcast in whatever form is also strictly prohibited.

The Company asks for members' indulgence as the EGM progresses in the event of any technical disruptions. The Company may be required to change its EGM arrangements at short notice. Members are advised to regularly check the Company's announcements on SGXNet or the Company's website for any changes or updates on the EGM.

### **Personal Data Privacy:**

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM 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) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) 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

### VALLIANZ HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199206945E)

### PROXY FORM

(Please see Notes overleaf before  
completing this Proxy Form)

#### IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Circular dated 25 May 2021.
2. This Proxy Form is not valid for use by such CPF Investors or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operations if they have any queries regarding their appointment as proxies.
3. 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 EGM dated 25 May 2021.

I/We\* \_\_\_\_\_ (Name) \_\_\_\_\_  
(NRIC/Passport No.) of \_\_\_\_\_  
(Address) being a member/members\* of VALLIANZ HOLDINGS LIMITED (the "Company") appoint:

the Chairman of the Extraordinary General Meeting of the Company ("EGM") as my/our\* proxy/proxies\* to vote for me/us\* on my/our\* behalf at the EGM of the Company to be held by way of electronic means on 29 July 2021 at 4.00 p.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes for or against a resolution to be proposed at the EGM, please indicate with a "√" in the box provided under "No. of votes for" or "No. of votes against" respectively. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote under "No. of votes for" or "No. of votes against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.)

Ordinary Resolution	No. of votes for**	No. of votes against**	Abstain
1. To approve the SHL Subscription and Set-Off and Settlement Arrangement			
2. To approve the ESE Owings Waiver			
3. To approve the SCPL Subscription and Set-Off and Settlement Arrangement			
4. To approve the RHCL Subscription and Set-Off and Settlement Arrangement			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

\*Delete accordingly

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

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## PROXY FORM

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### Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he 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 the member of the Company.
2. In accordance with the alternative arrangements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, a member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by members who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPFIS members and/or SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such members (including CPFIS members and/or SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. **CPFIS members and SRS investors should approach their respective CPF and/or SRS Approved Nominees at least seven working days before the EGM to specify voting instructions.**
4. The Chairman of the EGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
6. The instrument appointing proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be submitted to the Company via either the following means: (a) post to the Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898; or (b) electronic mail to sg.is.proxy@sg.tricorglobal.com, by no later than 48 hours before the time set for the EGM, and in default the instrument of proxy shall not be treated as valid. In view of the current COVID-19 situation and the related precautionary measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms via electronic mail.
7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
8. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as 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 instrument appointing the Chairman of the EGM as proxy.
9. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register no later than 72 hours before the time set for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:** By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM 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) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) 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.