

Swiber Holdings Limited
(Judicial Managers Appointed)
Co. Reg. No. 200414721N

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LETTER OF INTENT IN RELATION TO THE PROPOSED DISPOSAL OF VESSEL BY RESILIENT OFFSHORE PTE LTD

1. INTRODUCTION

- 1.1 Swiber Holdings Limited (Judicial Managers Appointed) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that it has entered into a letter of intent (the “**LOI**”) with Mermaid Subsea Services (Thailand) Ltd. (the “**Purchaser**”) on 29 October 2021 in relation to the proposed disposal by Resilient Offshore Pte Ltd (“**RSOPL**”), a wholly-owned subsidiary of the Company, of a vessel known as RESILIENT (formally known as SWIBER CONQUEST) (IMO No. 5610966) (the “**Vessel**”) to the Purchaser (“**Proposed Disposal**”).
- 1.2 Under the LOI, the Proposed Disposal is subject to the parties thereto entering into a mutually agreed formal sale and purchase agreement. Further details relating to the other salient terms of the LOI are set out under paragraph 4 below.

2. INFORMATION ON THE VESSEL

- 2.1 RSOPL, which is in the business of providing ship management services, engineering activities including offshore construction, installation, transportation and all ancillary services, is the owner of the Vessel, and the Vessel has been mortgaged in favour of a financial institution as security for the Company's obligations under certain banking facilities extended by the financial institution to the Company (the “**Loan Facilities**”).
- 2.2 The Vessel, registered under the flag of Panama, is a pipe lay and accommodation work barge and was built in 2005. The Vessel is currently chartered to Swiber Offshore Construction Pte Ltd, a wholly-owned subsidiary of the Company, and sub-chartered to a third party involved in an offshore construction project.
- 2.3 Based on the unaudited consolidated financial statements of the Group for the three (3) months ended 31 March 2016 (“**1Q2016**”) (being the latest announced consolidated accounts of the Group), the book value and the net tangible asset value of the Vessel are both approximately US\$53,703,491 (approximately S\$73,600,634 based on an illustrative exchange rate of US\$1.00 to S\$1.3705 (“**Illustrative Exchange Rate**”).

3. INFORMATION ON THE PURCHASER

The information on the Purchaser provided below was provided by the Purchaser to the Company and its representatives. Neither the board of directors of the Company nor the Judicial Managers have independently verified the accuracy and correctness of such information.

- 3.1 The Purchaser is a wholly-owned subsidiary of Mermaid Maritime Public Company Limited, a company headquartered in Thailand and listed on the mainboard of the Singapore Exchange Securities Trading Limited. The Purchaser is a provider of subsea engineering services throughout South East Asia.
- 3.2 As at the date of this announcement, none of the Purchaser, Mermaid Maritime Public Company Limited and their respective associates (i) holds, directly or indirectly, any shares in the capital of the Company; and (ii) is related to the Directors or controlling shareholders of the Company or any of their respective associates.

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4. THE PROPOSED DISPOSAL

4.1 Subject to the entry of a mutually agreed formal sale and purchase agreement, the salient terms of the Proposed Disposal set out in the LOI are as follows:-

- (a) The Vessel will be sold to the Purchaser on an "as-is-where-is" basis and the sale shall be outright and definite and will not be subject to inspection on the condition that the Vessel's class certificates remain valid.
- (b) The consideration for the Proposed Disposal will be US\$7,000,000 ("**Sale Price**") (equivalent to S\$9,593,500, based on the Illustrative Exchange Rate), to be satisfied in cash. The Sale Price was arrived at on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the age and existing conditions of the Vessel, the current and future market conditions in the oil and gas sector and (taking into consideration, *inter alia*, the current market conditions and that the Company (being the borrower under the Loan Facilities) is placed under judicial management) the orderly liquidation value of the Vessel based on the Valuation (as defined below). Based on the valuation of the Vessel conducted by an independent valuer, Maersk Broker Advisory Services A/S, on 21 September 2021, which was commissioned by the Company (on behalf of RSOPL) ("**Valuation**"), the open market value of the Vessel (which is based on a "willing seller and willing buyer" scenario) is approximately US\$15 million to S\$17 million, and the orderly liquidation value of the Vessel (which is an estimation of the proceeds that could be obtained for a private sale of the Vessel where the seller is under financial pressure to sell, but a reasonable period of time is available to market the Vessel to potential buyers) is approximately US\$5 million to US\$8 million. The Valuation was arrived at based on certain assumptions, including assumptions that the Vessel is in good order and in a condition in hull and machinery which is to be expected of a vessel of its age, size and type.
- (c) A deposit of 10% of the Sale Price shall be paid by the Purchaser within fourteen (14) banking days after the signing of the formal sale and purchase agreement, which deposit will be dealt with in the manner to be set out in the formal sale and purchase agreement. The remaining 90% of the Sale Price shall be paid no later than fourteen (14) banking days after the notice of readiness to be given to the Purchaser indicating that the Vessel is ready for delivery.

4.2 As the Vessel is currently mortgaged to a financial institution, the net proceeds (after deducting any transaction costs) from the Proposed Disposal will be used towards partial repayment of the amounts owing to the financial institution under the Loan Facilities.

5. RATIONALE FOR THE PROPOSED DISPOSAL

As the Vessel has been mortgaged in favour of a financial institution under the Loan Facilities as security for the Company's obligations thereunder, the Proposed Disposal will enable the Group to realise the value of the Vessel and use the net proceeds from the Proposed Disposal towards partial repayment of the amounts owing to the financial institution under the Loan Facilities, thereby reducing the liabilities of the Group as part of the Group's ongoing restructuring efforts.

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 IN RELATION TO THE PROPOSED DISPOSAL

6.1 Based on the Sale Price of US\$7,000,000, the relative figures for the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are as follows:

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Rule	Bases of computation	Proposed Disposal (S\$' million)	Group (S\$' million)	Relative figure
1006(a)	Net asset value of assets being disposed of, compared with the Group's net asset value ⁽¹⁾	73.60	666.28	11.05%
1006(b)	Net profits/(loss) attributable to the assets disposed of, compared with the Group's net profits/(loss) ⁽²⁾⁽³⁾	-	11.68	Not applicable ⁽²⁾
1006(c)	Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾	9.59	51.10	18.77%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	-	-	Not applicable, as this is not an acquisition and there is no issuance of equity securities by the Company.
1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	-	-	Not applicable, as the Company is not a mineral, oil or gas company.

Notes:

- (1) Based on the unaudited net asset value ("**NAV**") of the Vessel of approximately US\$53.70 million (which is equivalent to approximately S\$73.60 million based on the Illustrative Exchange Rate), and the unaudited net asset value of the Group of approximately S\$666.28 million, as at 31 March 2016.
- (2) Based on profit or loss before income tax, minority interest and extraordinary items.
- (3) The Vessel has historically been utilised for various projects and is one among other vessels and equipment used by the Group to complete such projects. For the review and analysis of their financials, the Group calculates profitability on an overall project basis and it would not be feasible to assign a profit value to any particular assets, including vessels, of the Group, for 1Q2016. Further, the Vessel was not provided on a charter or hire basis to any third party outside the Group during 1Q2016. In view of the foregoing, it would not be possible to calculate the relative figure for Rule 1006(b).

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- (4) Based on the Sale Price of US\$7,000,000 (which is equivalent to approximately S\$9.59 million based on the Illustrative Exchange Rate) compared to the market capitalisation of the Company of approximately S\$51.10 million, which is determined by multiplying the 460,376,986 issued shares in the Company by S\$0.111, being the weighted average price of the Company's shares transacted on 26 July 2016, being the last full market day preceding the suspension of trading of the Company's shares on the Singapore Exchange Securities Trading Limited.

- 6.2 As each of the relative figures under Rules 1006(a) and 1006(c) exceeds 5% but does not exceed 20%, the Proposed Disposal would constitute a discloseable transaction under Chapter 10 of the Listing Manual and is therefore not subject to the approval of the shareholders of the Company.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

7.1 Net tangible assets ("NTA") per share and earnings per share ("EPS")

The proforma financial effects of the Proposed Disposal on the NTA per share and the EPS set out below are for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Group following the Proposed Disposal, nor a projection of the future financial performance or position of the Group after completion of the Proposed Disposal.

The proforma financial effects of the Proposed Disposal are based on the Company's consolidated audited financial statements for the financial year ended 31 December 2015 ("FY2015").

(a) NTA per share

Assuming that the Proposed Disposal had been completed on 31 December 2015, the NTA per share of the Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$)⁽²⁾	575,136,000	527,897,256 ⁽¹⁾
Number of issued shares⁽²⁾	459,469,490	459,469,490
NTA per share (US\$)	1.25	1.15

Notes:

- (1) This is computed based on the net book value of the Vessel as at 31 December 2015 of approximately US\$54,238,744 and the Sale Price of US\$7,000,000.

- (2) Based on the Company's annual report for FY2015.

(b) EPS

Assuming that the Proposed Disposal had been effected on 1 January 2015, the EPS for FY2015 of the Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit/(loss) after tax (US\$)⁽¹⁾⁽³⁾	(27,375,000)	(74,613,744) ⁽²⁾
Weighted average number of	453,215,000	453,215,000

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issued shares⁽³⁾

EPS (US cents) (0.06) (0.16)

Notes:

- (1) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (2) This is computed based on the net book value of the Vessel as at 31 December 2015 of approximately US\$54,238,744 and the Sale Price of US\$7,000,000.
- (3) Based on the Company's annual report for FY2015.

7.2 Loss on Disposal

Based on the book value of the Vessel as at 31 March 2016 of approximately US\$53,703,491 and the Sale Price of US\$7,000,000, the Sale Price represents a deficit of approximately US\$46,703,491 (approximately S\$64,007,134 based on the Illustrative Exchange Rate) over such book value of the Vessel, and the Proposed Disposal is expected to result in an estimated loss of approximately US\$46,703,491 (approximately S\$64,007,134 based on the Illustrative Exchange Rate) (before deducting related expenses).

8. INTERESTS OF THE JUDICIAL MANAGERS, DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Judicial Managers and Directors of the Company and, to the best of the knowledge of the Judicial Managers and Directors of the Company, none of the controlling shareholders of the Company have any direct or indirect interest in the Proposed Disposal, other than through their respective directorships and shareholdings in the Company and/or options in the shares of the Company, if any.

9. SERVICE CONTRACT

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

10. INSPECTION OF DOCUMENTS

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the LOI and the valuation report in respect of the Valuation will be made available for inspection during normal business hours at the Company's registered office at 12 International Business Park, #01-05 Swiber@IBP, Singapore 609920 for a period of three (3) months from the date of this announcement.

11. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Disposal is subject to the execution of a mutually agreed formal sale and purchase agreement relating to the Proposed Disposal. There is no certainty or assurance that such sale and purchase agreement will be entered into, or that the terms and conditions of such sale and purchase agreement will not differ from those set out in the LOI, or that the Proposed Disposal will be undertaken at all.

The Company will make further announcements, in compliance with the requirements of the Listing Manual, when there are material developments in respect of the Proposed Disposal. Shareholders

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are advised to read this announcement and any further announcements by the Company carefully.
Persons who are in doubt as to the action they should take should consult their financial, tax, legal
or other professional adviser(s).

By Order of the Judicial Managers
Bob Yap Cheng Ghee
Joint and Several Judicial Manager
29 October 2021

By Order of the Board
Raymond Kim Goh
Chairman
29 October 2021