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**THE PROPOSED DISPOSAL OF NEWCRUZ INTERNATIONAL PTE. LTD. AND PTSB HOLDINGS PTE. LTD.**

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**1. INTRODUCTION**

The Board of Directors (the “**Directors**”) of Swiber Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a sale and purchase agreement on 10 November 2014 (the “**SPA**”) with Vallianz Holdings Limited (“**Vallianz**”) and Vallianz International Pte. Ltd. (“**VIPL**”), pursuant to which the Company shall sell and VIPL shall acquire the entire issued and paid-up share capital of Newcruz International Pte. Ltd. (“**NIPL**”) and PTSB Holdings Pte. Ltd. (“**PTSB Holdings**”) (the “**Proposed Disposal**”).

**2. INFORMATION ON VALLIANZ AND VIPL**

Vallianz is a company incorporated in Singapore and listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Vallianz is in the business of primary business is the ownership and chartering of vessels to support exploration and production activities in the global offshore oil and gas industry. Vallianz also provides fleet management services for third-party vessels. The Company is currently a 23.36% shareholder of Vallianz. Upon completion of the Proposed Disposal, the Company will be a 27.02% shareholder of Vallianz.

VIPL is an investment holding company incorporated in Singapore and is a wholly-owned subsidiary of Vallianz.

Vallianz will be seeking the approval of its shareholders for its proposed acquisition of the entire issued and paid-up share capital of NIPL and and PTSB Holdings.

**3. INFORMATION ON NIPL AND PTSB HOLDINGS**

The Company is the legal and beneficial owner of the entire issued and paid-up share capital of NIPL and PTSB Holdings.

**NIPL**

NIPL, a company incorporated in Singapore in 2007, is an investment holding company, and is the legal and beneficial owner of the entire issued and paid-up shares in Newcruz Shipbuilding & Engineering Pte. Ltd. (“**NSE**”), a company incorporated in Singapore. NSE is operating a shipyard located at Tuas, Singapore which spans an area of 3.6 hectares with a 220-metre water frontage (“**Shipyard**”).

## PTSB Holdings and PTSB

PTSB Holdings, a company incorporated in Singapore in 2014, is an investment holding company. The Company is the legal owner of 49% of the issued and paid-up shares in PT Swiber Berjaya (“**PTSB**”), a company incorporated in Indonesia. As at the date of this announcement, the Company is in the process of transferring all its shareholding interest in the issued and paid-up shares in PTSB to PTSB Holdings. PTSB is a vessel owner engaged in chartering and ship management, and owns a fleet of 18 offshore support vessels comprising, amongst others, an accommodation barge, anchor handling tugs supply vessels and barges (“**Vessel Assets**”).

## 4. CONSIDERATION

The consideration for the Proposed Disposal (being the aggregate of the consideration for the shares in NIPL of US\$18.59 million and of PTSB Holdings of US\$17.5 million) is US\$36.09 million (“**Consideration**”), which shall be satisfied:

- (a) in part by the issuance of senior perpetual securities (“**Perpetual Securities**”) amounting to an aggregate principal amount of US\$22.50 million by Vallianz to the Company; and
- (b) in the other part by the allotment and issuance of 160,000,000 ordinary shares (“**Shares**”) in the capital of Vallianz (“**Consideration Shares**”) at an issue price of approximately S\$0.11 per Consideration Share (“**Issue Price**”), credited as fully-paid, for an aggregate consideration of approximately US\$13.59 million (at an agreed exchange rate of US\$1 : S\$1.295),

by Vallianz to the Company on the date of completion (“**Completion Date**”) of the Proposed Disposal (“**Completion**”). Please refer to Appendix 1 attached herein for details on the Perpetual Securities.

The Consideration was arrived at on a willing seller, willing buyer basis, after taking into account various factors such as the existing assets of NIPL, NSE, PTSB Holdings and PTSB (collectively, the “**Target Group**” and each a “**Target Group Company**”) including the Shipyard, the Vessel Assets and certain equipment and financial position of the Target Group.

The book value and net tangible asset value as at 30 September 2014 of the Target Group attributable to the Company is approximately US\$25.1 million.

The excess of the Consideration over the book value arising from the Proposed Disposal is approximately US\$11.0 million, and the Consideration will be used for investment purposes. The gain on disposal is approximately US\$11.0 million.

## 5. INFORMATION ON NIPL AND PTSB HOLDINGS

The Proposed Disposal is conditional upon the fulfillment of, *inter alia*, the following conditions precedent (“**Conditions Precedent**”), unless waived, on or prior to 31 January 2015 or such other earlier or later date as the Company, VIPL and Vallianz (each a “**Party**” and collectively the “**Parties**”) may agree in writing

- (a) all approvals, consents, waivers, registration, or statements of no objection that are required by VIPL by law, contract or practice, or by any governmental body or competent authorities having jurisdiction over the Proposed Disposal and the matters contemplated herein (including any approvals or consents required for the allotment and issuance of the Consideration Shares and Perpetual Securities), as are necessary or required (including, but not limited to, the SGX-ST, the Sponsor and shareholders of VIPL and/or the Vallianz, to the extent required under Chapters 8, 9 and 10 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST (“**Catalist Rules**”), or any other third party) to permit the Proposed Disposal and the matters contemplated herein to occur, being granted and where such grant be subject to terms and/or conditions, such terms and/or conditions being acceptable to the Company in the Company’s reasonable discretion, and being capable of being complied with by each Party to the extent that such terms and/or conditions apply to such Party;
- (b) all approvals, consents, waivers, registration, or statement of no objection that are required by the Company and any Target Group Company by Law, contract or practice, or by any governmental body or competent authorities having jurisdiction over the Proposed Disposal and the matters contemplated herein (including the resultant change in shareholders, directors and management of the Target Group, as the case may be), as are necessary or required (including, but not limited to, the SGX-ST, and shareholders of the Company, to the extent required under the Mainboard Rules, or any other third party) to permit the Proposed Disposal and the matters contemplated herein to occur, being granted and where such grant be subject to terms and/or conditions, such terms and/or conditions being acceptable to VIPL in VIPL’s reasonable discretion, and being capable of being complied with by each Party to the extent that such terms and/or conditions apply to such Party;
- (c) completion by VIPL and/or its professional advisers of legal, financial and commercial due diligence investigations on the Target Group, the Shipyard and the Vessel Assets, and the results of such due diligence being satisfactory to VIPL in VIPL’s sole and absolute discretion;
- (d) the business of the Target Group having at all times been carried on in the Ordinary Course of Business, and there having been no material adverse change in the business, assets and liabilities of each of the Target Group Companies since the Execution Date up to and including the Completion Date;
- (e) there being no investigations by any governmental body and competent authorities or adverse proceedings pending or threatened against any of the companies in the Target Group or the Parties, that might reasonably be expected to impair or prevent the completion of the Proposed Disposal and the matters contemplated herein (including the resultant change in shareholders, directors and management of the Target Group) or cause a material adverse change in the business operations, affairs, conditions (financial or otherwise) or prospects of the Target Group from the Execution Date up to and including Completion Date;
- (f) the obtaining and procurement of all licences, authorisations, orders, grants, confirmations, permissions, registrations, consents and other approvals under all applicable laws or as required for the purposes of the Proposed Disposal and the matters contemplated herein (including the resultant change in shareholders, directors and management of the Target Group Companies, to the extent applicable) on terms and conditions acceptable to the Parties;

- (g) the Target Group Companies not having received any written objections to the Proposed Disposal from any creditor of the Target Group Companies from the Execution Date up to and including Completion Date;
- (h) Vallianz having received a report from the independent financial adviser engaged to advise on the Proposed Disposal, confirming that such independent financial adviser is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interest of the Vallianz and its Shareholders;
- (i) where the terms of any contracts entered into by or in relation to the Target Group Companies (including but not limited to any policies of insurance or banking and finance facilities taken up by any of the Target Group Companies) contain any restrictions or prohibition on the change in control of the shareholdings, management (including the board of directors and commissioners of any of the Target Group Companies) or ownership of the Target Group Companies or include any right to terminate exercisable prior to or as a result of any matter contemplated by the SPA (including but not limited to the Proposed Disposal), delivery by the Company to VIPL of a written confirmation in a form and on terms (if any) satisfactory to VIPL by the counterparts thereto, of the waiver of such restriction or prohibition in relation to any such change arising from the any of the matters or transactions under the SPA or of any such right to terminate;
- (j) the submission of the additional listing confirmation by the Sponsor and the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Consideration Shares and the Perpetual Securities on the SGX-ST, and if any such approvals is granted on conditions, these conditions being reasonably accepted to the Parties and if required by SGX-ST, these conditions being satisfied before Completion;
- (k) the warranties remaining true and accurate in all respects and not misleading in any respect, as if repeated at any time before and on Completion, by reference to the facts and circumstances then existing; and
- (l) the completion of the transfer of all of the shareholding interests of the Company in the issued and paid-up shares in PTSB to PTSB Holdings with all necessary approvals, licences, authorisations, orders, grants, confirmations, permissions, registrations, consents and other approvals under all applicable Laws or as required having been obtained from the relevant Governmental Body or competent authorities, including, but not limited to the Investment Coordinating Board of the Republic of Indonesia (BKPM).

## 6. RATIONALE

The Company continues its focus to be a leading global Engineering, Procurement, Installation and Construction (“**EPIC**”) services provider delivering a full suite of fully integrated and innovative offshore construction services to a wide and diverse range of projects.

The business of the Target Group is complementary to EPIC but is not a core business of the Company. The Proposed Disposal represents an exit opportunity for the Company to realise its investment in Target Group.

The Company is a 23.36% shareholder of Vallianz and will continue enjoy the synergy from the Target Group’s business after the Proposed Disposal.

## 7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal, based on the audited consolidated financial statements of the Company and the Group for the financial year ended 31 December 2013, are set out below. The pro forma financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company and/or the Group after completion of the Proposed Transactions.

### 7.1 Net Tangible Assets

Assuming that the Proposed Disposal have been completed on 31 December 2013, the effect on the NTA per Share of the Group as at 31 December 2013 will be as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Consolidated NTA (US\$ '000)	741,255	757,800
Number of Shares ('000)	609,421	609,421
Consolidated NTA per Share (US cents)	121.63	124.35

### 7.2 Earnings per Share

Assuming that the Proposed Disposal have been completed on 1 January 2013 the effect on the earnings per Share ("EPS") of the Group for the financial year ended 31 December 2013 will be as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Consolidated profit attributable to the equity holders of the Company(US\$ '000)	62,115	78,615
Weighted average number of Shares ('000)	608,419	608,419
Consolidated EPS (US cents)	10.21	12.92

## 8. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the listing manual of the SGX-ST (the “Listing Manual”) are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	3.2%
(b)	Net profits <sup>(1)</sup> of approximately US\$ 2,800,000 attributable to the Target Group, compared with the Group’s net profits of US\$67,992,000, for the six (6) months financial ended 30 June 2014	4.1%
(c)	Aggregate consideration of approximately US\$36.09 million compared with the Company’s market capitalization <sup>(2)</sup> of approximately US\$187,937,000 based on the total number of issued shares excluding treasury shares as at 7 November 2014, being the latest traded market day preceding to the time the SPA was signed	19.2%
(d)	Number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in issue	Not applicable
(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

### Notes:

- (1) “Net profits” means profit or loss before income tax, minority interests, extraordinary items and discontinued operations.
- (2) “Market capitalisation” is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on 7 November 2014, being the latest traded full market day preceding the day on which the SPA was signed.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Disposal will constitute a discloseable transaction but not a major transaction, for the purposes of Chapter 10 of the Listing Manual.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA are 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.

## **10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam are directors of both the Company and Vallianz.

Save as disclosed above, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions, other than in their respective capacity as Directors or Shareholders of the Company.

### **By order of the Board**

Raymond Kim Goh  
Executive Chairman  
10 November 2014

## Appendix 1

### Summary of the indicative terms and conditions of the Perpetual Securities

<b>Issuer</b>	:	Vallianz Holdings Limited
<b>Subscriber</b>	:	Swiber Holdings Limited
<b>Instrument</b>	:	Senior Perpetual Securities (the “ <b>Securities</b> ”).  The Securities may be issued under the Issuer’s S\$500 million Multicurrency Debt Issuance Programme (the “ <b>Programme</b> ”).
<b>Status</b>	:	The Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
<b>Currency of Securities</b>	:	United States Dollar (“ <b>USD</b> ” or “ <b>US\$</b> ”)
<b>Form and Denomination</b>	:	Registered form and in the denomination of US\$200,000 each (and in integral multiples of US\$1,000 in excess thereof), to be represented by a global certificate.
<b>Issue Size</b>	:	US\$22.5 million
<b>Purpose</b>	:	To be issued to the Subscriber as satisfaction of the consideration for the purchase of 100% of the issued and paid-up shares in the shares of Newcruz International Pte. Ltd. and PTSB Holdings Pte. Ltd. by Vallianz International Pte. Ltd., a subsidiary of the Issuer.
<b>Issue Date</b>	:	Completion Date
<b>Maturity</b>	:	No maturity date
<b>First Call Date</b>	:	Three (3) years after Issue Date
<b>Step-Up Date</b>	:	Three (3) years after Issue Date
<b>Issue Price</b>	:	100%
<b>Distributions</b>	:	The Securities confer a right to receive distributions (each a “ <b>Distribution</b> ”) from the Issue Date at the applicable Distribution Rate (as referred to in the section “Distribution Rate” below).



		Distributions shall be payable on the Securities semi-annually in arrears, with each Distribution payable on the date falling six calendar months from the preceding date of Distribution (each, a “ <b>Distribution Payment Date</b> ”), with the first Distribution Payment Date falling six calendar months from the Issue Date.
<b>Initial Distribution Rate</b>	:	4 percent per annum
<b>Step-Up Margin</b>	:	300 bps
<b>Step-Up Rate</b>	:	Initial Distribution Rate plus the Step-Up Margin
<b>Distribution Rate</b>	:	<p>The Distribution Rate applicable to the Securities shall be:</p> <p>(i) in respect of the period from, and including, the Issue Date to, but excluding, the Step-Up Date, the Initial Distribution Rate;</p> <p>(ii) in respect of the period from, and including, the Step-Up Date, the Step-Up Rate</p>
<b>Optional Deferral of Distributions</b>	:	<p>The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date if, during the 12 months period ending on the day before that scheduled Distribution Payment Date:</p> <p>(A) no dividend, distribution or other payment has been paid or declared by the Issuer on or in respect of any of the Issuer’s Junior Obligations; and</p> <p>(B) none of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought-back or acquired for any consideration by the Issuer,</p> <p>in each case, other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Issuer and its subsidiaries.</p> <p>“<b>Junior Obligations</b>” means any class of the Issuer’s share capital and any other instruments or securities (including without limitation any preference shares or subordinated perpetual securities) issued or guaranteed by the Issuer that ranks or is expressed to rank, by its terms or by operation of law, junior to the Securities.</p>
<b>Arrears of Distribution/Cumulative Deferral</b>	:	Any Distribution deferred pursuant to the Optional Deferral of Distributions shall be cumulative and shall constitute “ <b>Arrears of Distribution</b> ”. Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate (“ <b>Additional Distribution Amount</b> ”).

		The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred.
<b>Restrictions in the case of a Deferral</b>	:	<p>If on any Distribution Payment Date, payment of all Distribution (including Arrears of Distribution and Additional Distribution Amount, if any) scheduled to be made on such date is not made in full the Issuer shall not:</p> <p>(a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of its Junior Obligations; or</p> <p>(b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations,</p> <p>in each case, unless and until the Issuer has satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amounts, if any.</p>
<b>Redemption at the Option of the Issuer</b>	:	The Issuer may redeem the Securities, in whole or in part, on (i) the First Call Date and (ii) each Distribution Payment Date occurring after the First Call Date. Any such redemption of Securities shall be at their “ <b>Early Redemption Amount</b> ” equal to the principal amount of the Securities to be redeemed, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), and provided always that any partial redemption shall be for a principal amount of at least US\$1 million (and in integral multiples of US\$200,000 in excess thereof).
<b>Early Redemption</b>	:	<p>Early redemption allowed, in whole but not in part at the Early Redemption Amount, for one or more of the following events to be elaborated in the definitive terms and conditions of the Securities Deed:</p> <p>a. Redemption for Taxation Reasons;</p> <p>b. Redemption for Accounting Reasons;</p> <p>c. Redemption in the case of Minimal Outstanding Amount; and</p> <p>d. Redemption for Tax Deductibility Reasons.</p>
<b>Limited right to institute proceedings</b>	:	The right to institute winding-up proceedings against the Issuer is limited to circumstances where payment has become due. In the case of any Distribution, Arrears of Distribution or Additional Distribution Amount, such amount will not be due if the Issuer has elected to defer that amount in accordance with the definitive terms and conditions of the Securities.
<b>Proceedings for Winding-Up</b>	:	If (i) an order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or (ii) the Issuer shall not make payment in respect of the Securities for a period of five business days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

<b>Business Day Convention</b>	:	Following Business Day Convention
<b>Day Count Fraction</b>	:	Actual / 365 (Fixed)
<b>Terms and Conditions/Pricing Supplement</b>	:	In addition to the terms set out herein, the Securities will be subject to the definitive terms and conditions.
<b>Listing</b>	:	Singapore Exchange Securities Trading Limited (subject to approval of listing application)
<b>Custody, Clearing and Settlement of Securities</b>	:	The Central Depository (Pte) Limited
<b>Governing Law</b>	:	Singapore Law
<b>Dealer for the Securities</b>	:	To be appointed