

Vallianz Holdings Limited
Co Reg No. 199206945E
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PROPOSED DEBT RESTRUCTURING

1. INTRODUCTION

- 1.1 The board of directors ("**Board**" or "**Directors**") of Vallianz Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement dated 10 March 2017 in respect of a framework agreement ("**Framework Agreement**") entered into by the Company with DBS Bank Ltd. ("**DBS**") and Malayan Banking Berhad, Singapore Branch ("**Maybank**") (collectively, "**Lenders**") to refinance certain of the Group's borrowings with the Lenders ("**Existing Borrowings**"). The Framework Agreement sets out the terms of the debt restructuring exercise which is due to expire by 2022.
- 1.2 The Board is pleased to announce ("**Announcement**") that the Company has entered into a restructuring agreement with the Lenders dated 19 February 2021 ("**Restructuring Agreement**") which modifies and supplements certain of the terms of the Framework Agreement in relation to the debt restructuring exercise, including the proposed settlement terms with the Lenders for the outstanding amounts under the Existing Borrowings owed by certain subsidiaries of Group namely Vallianz Marine Pte. Ltd., Samson Marine Pte. Ltd., Holmen Arctic Pte. Ltd. ("**HAR**"), Holmen Atlantic Pte. Ltd. ("**HAT**") and Holmen Pacific LLC ("**HP**") (collectively, "**Borrowers**") ("**Proposed Restructuring**").
- 1.3 **The Board wishes to highlight that the following proposals are to ensure the successful Proposed Restructuring of the Company.** In connection with the Proposed Restructuring, the Company is proposing to undertake the following transactions ("**Proposed Transactions**") for which approval of shareholders of the Company ("**Shareholders**") is required:
- (a) of the outstanding principal amount under the Existing Borrowings, being US\$145,099,134 as at 30 November 2020 ("**Initial Outstanding Principal/Cost Price Amount**") owed by the Borrowers to the Lenders, US\$50,000,000 ("**Convertible Bond Portion**") will be novated from the Borrowers to the Company ("**Proposed Novation**"), and which will be dealt with as set out in points (b) and (c) below.

Of the Proposed Novation, a total amount of US\$30,725,116 involves the novation of borrowings from HAR, HAT and HP to the Company ("**Holmen Group Novation**"). HAR, HAT and HP are wholly-owned subsidiaries of Holmen Heavylift Offshore Pte. Ltd. ("**HOL**") ("**Holmen Group**"), which is in-turn 75% owned by the Group and 25% owned by Swiber Holdings Limited (Judicial Managers Appointed) ("**SHL**"). The Holmen Group Novation is considered as an interested person transaction ("**IPT**") as the Holmen Group is deemed an interested person ("**Interested Person**") under Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Listing Manual**"), and hence the Holmen Group Novation is subject to the approval of the independent Shareholders.

For the avoidance of doubt, the novation of the rest of the amount of the Proposed Novation is not subject to Shareholders' approval.

Shareholders shall note that without Shareholders' approval for the Proposed Novation, the Proposed Restructuring will not proceed;

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- (b) the proposed issue of US\$43,766,662 principal amount of Series A convertible bonds due 2029 ("**Series A Convertible Bonds**") by the Company to DBS which are convertible into up to 581,571,405 new ordinary shares in the capital of the Company ("**Shares**") based on the issue price of S\$0.10 for each Share and the agreed exchange rate of US\$1:S\$1.3288 as at 18 February 2021, with the interest rate fixed at USD LIBOR or such other benchmark rate to be agreed with the Lenders ("**Series A Conversion Shares**") ("**Proposed Issuance of Series A Convertible Bonds**");
- (c) the proposed issue of US\$6,233,338 principal amount of Series B convertible bonds due 2029 ("**Series B Convertible Bonds**") by the Company to Maybank which are convertible into up to 82,828,594 new Shares based on the issue price of S\$0.10 for each Share and the agreed exchange rate of US\$1:S\$1.3288 as at 18 February 2021, with the interest rate fixed at USD LIBOR or such other benchmark rate to be agreed with the Lenders ("**Series B Conversion Shares**") ("**Proposed Issuance of Series B Convertible Bonds**"); and
- (d) in conjunction with the Proposed Restructuring, the Company is also proposing the proposed issue of up to US\$125,000,000 principal amount of Series C which are convertible bonds due 2029 ("**Series C Convertible Bonds**") by the Company to Rawabi Holding Company Limited ("**RHC**") which are convertible into up to 1,661,000,000 new Shares based on the issue price of S\$0.10 for each Share and the agreed exchange rate of US\$1:S\$1.3288 as at 18 February 2021, with the interest rate fixed at USD LIBOR or such other benchmark rate to be agreed with the Lenders ("**Series C Conversion Shares**") ("**Proposed Issuance of Series C Convertible Bonds**"). These Proposed Issuance of Series C Convertible Bonds to RHC will be used to repay in whole or in part the outstanding advances from RHC ("**RHC Advances**"), which amounted to US\$90.2 million as at 30 September 2020.

The Proposed Issuance of Series C Convertible Bonds to RHC is an IPT as RHC is considered as an Interested Person under the Listing Manual.

In addition, Series A Convertible Bonds, Series B Convertible Bonds and Series C Convertible Bonds (collectively the "**Convertible Bonds**") may include potential issuance of additional Series A Convertible Bonds, Series B Convertible Bonds and Series C Convertible Bonds, to the extent that the accrued interests on these Convertible Bonds are not paid in cash on the due date and pursuant to the terms of these respective Convertible Bonds, these accrued interests are capitalized into additional Convertible Bonds on the same respective terms of these Convertible Bonds ("**Additional Convertible Bonds**"). These Additional Convertible Bonds will result in the issuance of additional Conversion Shares ("**Additional Conversion Shares**").

Application will be made to the SGX-ST for the listing and quotation of the Conversion Shares and Additional Conversion Shares. The agreed exchange rate of US\$1:S\$1.3288 for the Convertible Bonds above is the US\$1:S\$ rate published by Bloomberg at close of business on the day prior to the date of the Series A CB Subscription Agreement, Series B CB Subscription Agreement, and Series C CB Subscription Agreement.

- 1.4 The Company will be seeking the approval of the Shareholders at an extraordinary general meeting ("**EGM**") for the Proposed Transactions in compliance with Chapter 8 of the Listing Manual in respect of the proposed issuance of the Convertible Bonds to the Lenders, and Chapter 9 of the Listing Manual in respect of the Holmen Group Novation and the Proposed Issuance of Series C Convertible Bonds. The Proposed Transactions are inter-conditional upon each other. If any of the Proposed Transactions is not approved, no part of the Proposed Restructuring will be proceeded with.

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Further details on the Proposed Restructuring will be set out in a circular to Shareholders ("**Restructuring Circular**") in due course.

2. OVERVIEW AND RATIONALE OF THE PROPOSED RESTRUCTURING

2.1 Overview of the Proposed Restructuring

The Proposed Restructuring involves the Proposed Novation of US\$50,000,000 out of the Initial Outstanding Principal/Cost Price Amount of US\$145,099,134 as at 30 November 2020 which are owed by the Group to the Lenders. The above amount novated will be reconstituted as Series A Convertible Bonds and Series B Convertible Bonds. Accordingly, the Initial Outstanding Principal/Cost Price Amount under each facility with the Lenders shall be reduced *pro rata* between each Lender by the aggregate amount of US\$50,000,000.

A summary of the terms and conditions of Series A Convertible Bonds and Series B Convertible Bonds is set out in Section 3 and Section 4 below, respectively.

The balance of the Initial Outstanding Principal/Cost Price Amount of US\$95,099,134 ("**Remaining Principal Amount**") shall continue to be serviced by the Borrowers in accordance with the terms of the existing Facility Agreements and the Framework Agreement, except as amended by the Restructuring Agreement, and except that a total amount of US\$5,347,440 will be repaid by the Borrowers to the Lenders from funds to be advanced by RHC to the Company (by way of Shareholder's Advances or otherwise) in such agreed tranches during the period until 31 March 2022 ("**Rawabi Contribution Amount**") pursuant to the shareholder support agreement dated 19 February 2021 between RHC and the Lenders ("**Shareholder Support Agreement**"). Upon utilizing the full amount from the Rawabi Contribution Amount for the repayment to the Lenders, the Initial Outstanding Principal/Cost Price Amount would be reduced to US\$89,751,694.

The principal terms of the Restructuring Agreement are set out in Appendix 1 to this Announcement.

In brief, under the Restructuring Agreement, the Remaining Principal Amount will have a final maturity date of 96 months (or 8 years) from the effective date or such later date as may be agreed with the Lenders. Further, there shall be a principal moratorium period of 2 years for the period commencing retrospectively from 1 April 2020 (as some of the Existing Borrowings were due for repayment since 1 April 2020) and ending on 31 March 2022 ("**Moratorium Period**"). During the Moratorium Period, the Borrowers are not required to make any principal payment to the Lenders, except for the repayment using the Rawabi Contribution Amount. Commencing from 1 April 2022 and until the date on which the Remaining Principal Amount is repaid and discharged in full, the Borrowers shall repay such Surplus Cash generated from the Singapore Fleet to the Lenders as determined by the Independent Accountant (to be appointed and agreed with the Lenders) ("**Cash Sweep**"). The Independent Accountant has been identified and agreed with the Lenders to be Ernst & Young LLP.

Pursuant to the Proposed Restructuring, RHC has under the Shareholder Support Agreement undertaken to the Lenders to provide various financial support for so long as any of the Remaining Principal Amount is still outstanding.

The Company understands that RHC has also entered into a call option and right of first refusal agreement with the Lenders ("**RHC Call Option**") whereby RHC shall have the option to purchase all or part of the outstanding Series A Convertible Bonds and/or Series B Convertible Bonds at par at any time

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during the Conversion Period (as defined in Appendices 2 and 3 of this Announcement). Further, if any Lender wishes to sell or transfer any of its Series A Convertible Bonds and/or Series B Convertible Bonds, such Lender shall give RHC not less than 21 business days' prior written notice of its intention to sell and offer such Convertible Bonds ("**Proposed Sale**") to RHC on substantially the same terms as the Proposed Sale.

2.2 Rationale of the Proposed Restructuring

The Proposed Restructuring is to extend the Group's debt maturity profile by 8 years which will provide sufficient operational and financial flexibility to better enable the Group to ride out the challenging market conditions in the offshore sector, as well as the global economic uncertainty following the COVID-19 pandemic, both of which may persist on a prolonged basis, and to allow the Group to service its debts based on its expected future cash flows.

The Group believes that the Proposed Restructuring is beneficial to the Group as it allows the Group to restructure part of its Existing Borrowings as Convertible Bonds which will, upon conversion into new Shares, reduce its borrowings and enhance its equity base; and interest savings as the interest rates on the Series A Convertible Bonds and Series B Convertible Bonds are lower than the current interest rates on the Existing Borrowings.

The Proposed Issuance of Series C Convertible Bonds is being proposed in conjunction with the Proposed Restructuring as it will provide an alternative option for the Company to settle the RHC Advances as RHC continues to be the major Shareholder. The key terms of the Series C Convertible Bonds are similar to those of Series A Convertible Bonds and Series B Convertible Bonds.

The Company is preparing an IPT circular (see paragraph 5.1 below) to obtain Shareholders' approval to, *inter alia*, enter into a loan agreement with RHC of up to US\$125 million at the interest rate of 5% per annum with retrospective effect from 1 April 2020, in compliance with the by-laws of the Kingdom of Saudi Arabia, as the RHC Advances were previously extended to the Company interest free. When the Series C Convertible Bonds are used to repay in whole or in part the RHC Advances, the Group will benefit from some interest savings as the interest rate on the Series C Convertible Bonds are lower than the interest rate on the proposed loan agreement with RHC.

2.3 Use of Proceeds

No fresh proceeds are raised from the Proposed Restructuring of the Existing Borrowings, and when the Proposed Issuance of Series C Convertible Bonds are being issued as settlement of any existing RHC Advances.

3. THE PROPOSED ISSUANCE OF SERIES A CONVERTIBLE BONDS TO DBS

3.1 Background

DBS and the Company have entered into the convertible bond subscription agreement dated 19 February 2021 ("**Series A CB Subscription Agreement**") setting out the terms of the Series A Convertible Bonds. The Borrowers are guarantors of the Series A Convertible Bonds pursuant to the Series A CB Subscription Agreement.

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3.2 Information on DBS

DBS is a financial institution headquartered in Singapore and listed on the Mainboard of the SGX-ST. DBS is a full licensed bank in Singapore providing a wide range of financial services including personal financial services, private banking, commercial and corporate banking, investment banking, corporate finance, capital market activities, treasury services, futures broking, asset management, venture capital management, insurance and stockbroking services.

As at the date of this Announcement, (i) DBS is not a Shareholder; (ii) DBS is not related to any of the Directors, substantial Shareholders, or their respective associates; and (iii) there is no connection (including business relationship other than its relationship as a financial institution) between DBS and the Directors or substantial Shareholders.

3.3 Key Terms and Conditions of the Series A Convertible Bonds

A summary of the key terms and conditions of the Series A Convertible Bonds to be issued to DBS is as follows:

Issue Size	: US\$43,766,662 in principal amount of the Series A Convertible Bonds due 2029
Issue Price	: 100.0% of the principal amount of the Series A Convertible Bonds
Issue Date	: To be determined
Maturity Date	: 96 months from the Issue Date
Status	: The Series A Convertible Bonds constitute senior, direct, unsubordinated, unconditional secured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and without any preference or priority among themselves. The payment obligations of the Company under the Series A Convertible Bonds will, at all times rank at least <i>pari passu</i> in right of payment with all of its other present and future senior, direct, unsubordinated, unconditional and secured obligations, except for obligations mandatorily preferred by law applying to companies generally.
Interest and Additional Convertible Bonds	: The Series A Convertible Bonds bear interest for each Interest Period at the rate equal to the six-month USD LIBOR rate per annum or such other replacement benchmark rate as agreed with DBS (" Series A Interest Rate "). Each interest payment date in respect of the Series A Convertible Bonds shall be 31 March and 30 September of each calendar year (" Interest Payment Date ").

To the extent that there is sufficient cashflow generated by the Singapore Fleet after full repayment of all the Outstanding Principal/Cost Price Amount under the facilities agreements with the Lenders (excluding, for the avoidance of doubt, the amount of US\$50,000,000 that has been converted into the Series A Convertible Bonds and Series B Convertible Bonds),

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interest in respect of the outstanding Series A Convertible Bonds will be payable in cash semi-annually in arrears on each Interest Payment Date.

If such cashflow is insufficient to pay such interest in cash, any interest not paid in cash will be capitalized and be paid in the form of additional Series A Convertible Bonds.

Where any interest is to be capitalized, the Company shall, on the relevant Interest Payment Date, issue Additional Convertible Bonds in an aggregate principal amount equal to the interest payable on such date to the relevant Series A Bondholder. Such Additional Convertible Bonds shall have the same terms and conditions as the Series A Convertible Bonds in all respects (or in all respects other than the Issue Date and the date for and amount of the first payment of interest) so as to form a single series with the Series A Convertible Bonds.

- Guarantee** : Vallianz Marine Pte. Ltd., Samson Marine Pte. Ltd., Holmen Arctic Pte. Ltd., Holmen Atlantic Pte. Ltd. and Holmen Pacific LLC (collectively, the “**Guarantors**”) have unconditionally guaranteed the due payment of all sums from time to time payable by the Company in respect of the Series A Convertible Bonds (“**Guarantee**”). The Guarantee constitutes senior, direct, unsubordinated, unconditional and secured obligations of the Guarantors, which will at all times rank at least pari passu in right of payment with all other present and future senior, direct, unsubordinated, unconditional and secured obligations of the Guarantors, except for obligations mandatorily preferred by law applying to companies generally.
- Conversion Price** : The price at which the Series A Conversion Shares are to be issued upon conversion of the Series A Convertible Bonds, will initially be S\$0.10 for each Series A Conversion Share, based on the agreed exchange rate of US\$1:S\$1.3288.
- Conversion Period** : At any time from Issue Date of the Series A Convertible Bonds up to 3 business days prior to the Maturity Date (“Expiration Date”) unless redeemed prior to the Expiration Date.
- Listing on the Catalist** : Application will be made for the listing and quotation of the Series A Conversion Shares and the additional Series A Conversion Shares on the Catalist.

The Series A Convertible Bonds will not be listed or tradable on the Catalist, but are transferable to Eligible Transferee.

As an illustration, in the event that the Company’s cashflow is insufficient to pay the interest due and payable on the Series A Convertible Bonds in cash, and such interest is capitalized for the entire 96 months duration up to the Maturity Date, the Company will issue additional Series A Convertible Bonds of up to approximately US\$5.8 million based on the estimated total interest payable in respect of Series A Convertible Bonds, and consequently an additional up to 77.1 million Series A Conversion Shares upon the conversion of these additional Series A Convertible Bonds.

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Further details of the principal terms and conditions of the Series A Convertible Bonds can be found in Appendix 2 to this Announcement.

3.4 Series A Conversion Shares

The Series A Conversion Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, and shall rank for any dividends, rights, allotments or other distributions, the record date for which is on or after the relevant registration date in respect of the Series A Conversion Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

4. THE PROPOSED ISSUANCE OF SERIES B CONVERTIBLE BONDS TO MAYBANK

4.1 Background

Maybank and the Company has entered into the convertible bond subscription agreement dated 19 February 2021 ("**Series B CB Subscription Agreement**") setting out the terms of the Series B Convertible Bonds.

4.2 Information on Maybank

Maybank is a financial institution headquartered in Malaysia, with key operations in Malaysia, Singapore and Indonesia. Maybank is a full licensed bank in Singapore providing a wide range of financial services including personal financial services, private banking, commercial and corporate banking, investment banking, corporate finance, capital market activities, treasury services, futures broking, asset management, venture capital management, insurance and stockbroking services.

As at the date of this Announcement, (i) Maybank is not a Shareholder; (ii) Maybank is not related to any of the Directors, substantial Shareholders, or their respective associates; and (iii) there is no connection (including business relationship other than its relationship as a financial institution) between Maybank and the Directors or substantial Shareholders.

4.3 Key Terms and Conditions of the Series B Convertible Bonds

A summary of the key terms and conditions of the Series B Convertible Bonds to be issued to Maybank is as follows:

Issue Size	:	US\$6,233,338 in principal amount of Series B convertible bonds due 2029
Issue Price	:	100.0% of the principal amount of the Series B Convertible Bonds
Issue Date	:	To be determined
Maturity Date	:	96 months from the Issue Date
Status	:	The Series B Convertible Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and without any preference or priority among themselves. The payment obligations of the Company under the Series B Convertible Bonds will,

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at all times rank at least *pari passu* in right of payment with all of its other present and future senior, direct, unsubordinated, unconditional and unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.

**Interest and
Additional
Convertible Bonds**

: The Series B Convertible Bonds bear interest for each Interest Period at the rate equal to the six-month USD LIBOR rate per annum or such other replacement benchmark rate as agreed with Maybank ("**Series B Interest Rate**"). Each interest payment date in respect of the Series B Convertible Bonds shall be 31 March and 30 September of each calendar year ("**Interest Payment Date**").

To the extent that there is sufficient cashflow generated by the Singapore Fleet after full repayment of all the Outstanding Principal/Cost Price Amount under the facilities agreements with the Lenders (excluding, for the avoidance of doubt, the amount of US\$50,000,000 that has been converted into the Series A Convertible Bonds and Series B Convertible Bonds), interest in respect of the outstanding Series B Convertible Bonds will be payable in cash semi-annually in arrears on each Interest Payment Date.

If such cashflow is insufficient to pay such interest in cash, any interest not paid in cash will be capitalized and be paid in the form of additional Series B Convertible Bonds.

Where any interest is to be capitalized, the Company shall, on the relevant Interest Payment Date, issue Additional Convertible Bonds in an aggregate principal amount equal to the interest payable on such date to the relevant Series B Bondholder. Such Additional Convertible Bonds shall have the same terms and conditions as the Series B Convertible Bonds in all respects (or in all respects other than the Issue Date and the date for and amount of the first payment of interest) so as to form a single series with the Series B Convertible Bonds.

Conversion Price

: The price at which the Series B Conversion Shares are to be issued upon conversion of the Series B Convertible Bonds, will initially be S\$0.10 for each Series B Conversion Share, based on the agreed exchange rate of US\$1:S\$1.3288.

Conversion Period

: At any time from Issue Date of the Series B Convertible Bonds up to 3 business days prior to the Maturity Date ("**Expiration Date**") unless redeemed prior to the Expiration Date.

Listing on the Catalist

: Application will be made for the listing and quotation of the Series B Conversion Shares and additional Series B Conversion Shares on the Catalist.

The Series B Convertible Bonds will not be listed or tradable on the Catalist, but are transferable to Eligible Transferee.

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As an illustration, in the event that the Company's cashflow is insufficient to pay the interest due and payable on the Series B Convertible Bonds in cash, and such interest is capitalized for the entire 96 months duration up to the maturity date, the Company may issue additional Series B Convertible Bonds of up to approximately US\$0.8 million based on the estimated total interest payable in respect of Series B Convertible Bonds, and consequently an additional up to 10.6 million Series B Conversion Shares upon the conversion of these additional Series B Convertible Bonds.

Further details of the principal terms and conditions of the Series B Convertible Bonds can be found in Appendix 3 to this Announcement.

4.4 Series B Conversion Shares

The Series B Conversion Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, and shall rank for any dividends, rights, allotments or other distributions, the record date for which is on or after the relevant registration date in respect of the Series B Conversion Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

5. THE PROPOSED ISSUANCE OF SERIES C CONVERTIBLE BONDS TO RHC

5.1 Background

RHC and the Company has entered into the convertible bond subscription agreement dated 19 February 2021 ("**Series C CB Subscription Agreement**") setting out the terms of the Series C Convertible Bonds which will be used to repay in whole or in part the outstanding RHC Advances.

The Company is currently in the midst of preparing a circular to Shareholders ("**IPT Circular**") for Shareholders' approval at an EGM to approve, *inter alia*, the entry into a loan agreement with RHC ("**RHC Loan Agreement**") with respect to the RHC Advances for up to US\$125 million which will bear interest at the rate of 5% per annum for an initial period of 5 years. In addition, the Company had announced on 29 June 2020, *inter alia*, the proposed RHCL Subscription and Set-off Arrangement ("**RHCL SOSA**") to set-off an amount of up to US\$26.3 million of the RHC Advances by the issuance of new Shares to RHC at S\$0.09 each, details of which will be set out in a separate circular to Shareholders in due course ("**SOSA Circular**").

As at 30 September 2020, the RHC Advances amounted to US\$90.2 million. The Proposed Issuance of Series C Convertible Bonds of up to US\$125 million provides an alternative funding option for the Company to settle the RHC Advances as RHC continues to be the major Shareholder. A portion of the RHC Advances will be reconstituted into Series C Convertible Bonds (the "**Initial Tranche**") and RHC may, from time to time, agree to subscribe for additional Series C Convertible Bonds in one or more tranches (each a "**Subsequent Tranche**" and together, the "**Subsequent Tranches**").

5.2 Information on RHC

RHC is a company incorporated in the Kingdom of Saudi Arabia with a focus on oilfield services, contracting, industrial services and offshore services. RHC is a Controlling Shareholder, holding 317,560,389 Shares as at the date of this Announcement, representing an interest of approximately 56.77% in the share capital of the Company. In addition, Sheikh Abdulaziz Ali Alturki ("**Sheikh Abdulaziz**"), who is the Non-Executive Chairman of the Company, is also the concurrent Chairman of the Rawabi Group.

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RHC and Sheikh Abdulaziz are deemed Interested Persons under Chapter 9 of the Listing Manual. Hence, the Proposed Issuance of Series C Convertible Bonds including the issuance of Series C Conversion Shares and the potential Additional Series C Convertible Bonds and Additional Series C Conversion Shares, is an IPT which is subject to Shareholders' approval at an EGM.

5.3 Key Terms and Conditions of the Series C Convertible Bonds

A summary of the key terms and conditions of the Series C Convertible Bonds to be issued to RHC is as follows:

- | | | |
|--|---|---|
| Issue Size | : | Up to US\$125,000,000 in principal amount of Series C convertible bonds due 2029. The Series C Convertible Bonds may be issued in one or more tranches identical in all respects (other than the Issue Date and the date for and amount of the first payment of interest). |
| Issue Price | : | 100.0% of the principal amount of the Series C Convertible Bonds. |
| Issue Date | : | To be determined. |
| Maturity Date | : | 96 months from the Issue Date. |
| Status | : | The Series C Convertible Bonds constitute senior, direct, subordinated, unconditional and unsecured obligations of the Company and will at all times rank pari passu and without any preference among themselves and with any Parity Obligations of the Company. |
| Interest and Additional Convertible Bonds | : | The Series C Convertible Bonds bear interest for each Interest Period at the rate equal to the six-month USD LIBOR rate per annum, or such other replacement benchmark rate as agreed with RHC, provided that if such rate is more than 5.00% per annum for any Interest Period, the interest borne by the Series C Convertible Bonds for such Interest Period shall be 5.00% per annum (the " Series C Interest Rate "). Each interest payment date in respect of the Series C Convertible Bonds shall be 31 March and 30 September of each calendar year (" Interest Payment Date "). |

The cap on the interest rate of 5% per annum is in line with the interest rate on the proposed RHC Loan Agreement to be set out in the IPT Circular which is subject to Shareholders' approval at an EGM to be convened.

To the extent there is sufficient cashflow generated by the Singapore Fleet after (a) full repayment of all the Outstanding Principal/Cost Price Amount under the facilities agreements with the Lenders, (excluding, for the avoidance of doubt, the amount of US\$50,000,000 that has been converted into the Series A Convertible Bonds and Series B Convertible Bonds) and (b) the payment of interest in cash with respect to Series A Convertible Bonds and Series B Convertible Bonds on each Interest Payment Date, interest in respect of the outstanding Series C Convertible Bonds will be payable in cash semi-annually in arrears on each Interest Payment Date unless the Company elects to capitalize such interest and be paid in the form of additional Series C Convertible Bonds.

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If the Company elects to capitalize such interest, the Company shall, on the relevant Interest Payment Date, issue additional bonds in an aggregate principal amount equal to the interest payable on such date to the relevant Series C bondholder. Such additional bonds shall have the same terms and conditions as the Series C Convertible Bonds in all respects (or in all respects other than the issue date and the date for and amount of the first payment of interest) so as to form a single series with Series C Convertible Bonds.

- Conversion Price** : The price at which the Series C Conversion Shares are to be issued upon conversion of the Series C Convertible Bonds, will initially be S\$0.10 for each Series C Conversion Share, based on the agreed exchange rate of US\$1:S\$1.3288.
- Conversion Period** : At any time from Issue Date of the Series C Convertible Bonds up to 3 business days prior to the Maturity Date ("**Expiration Date**") unless redeemed prior to the Expiration Date.
- Listing on the Catalyst** : Application will be made for the listing and quotation of the Series C Conversion Shares and additional Series C Conversion Shares on the Catalyst.

The Series C Convertible Bonds will not be listed or tradable on the Catalyst, but are transferable to Eligible Transferee.

As an illustration, in the event that the Company's cashflow is insufficient to pay the interest due and payable on the Series C Convertible Bonds in cash, and such interest is capitalized for the entire 96 months duration up to the maturity date, the Company may issue additional Series C Convertible Bonds of up to approximately US\$16.5 million based on the estimated total interest payable in respect of Series C Convertible Bonds, and consequently an additional up to 219.3 million Series C Conversion Shares upon the conversion of these additional Series C Convertible Bonds.

Further details of the principal terms and conditions of the Series C Convertible Bonds can be found in Appendix 4 to this Announcement.

5.4 Series C Conversion Shares

The Series C Conversion Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, and shall rank for any dividends, rights, allotments or other distributions, the record date for which is on or after the relevant registration date in respect of the Series C Conversion Shares and, subject as aforesaid, shall rank *pari passu* in all respects with the existing Shares.

6. MAXIMUM SHAREHOLDING INTERESTS IN THE COMPANY PURSUANT TO THE FULL CONVERSION OF THE CONVERTIBLE BONDS

Before taking into consideration the Additional Conversion Shares

The Series A Conversion Shares, Series B Conversion Shares and Series C Conversion Shares, totalling 2,325,399,999 Shares, represent in total 416% of the existing issued share capital of the Company of

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559,354,434 Shares, and 80.6% of the enlarged issued share capital of 2,884,754,433 Shares, before taking into consideration any of the Additional Conversion Shares.

As an illustration, a breakdown of shareholding interests of DBS, Maybank and RHC upon the full conversion of the Convertible Bonds based on the enlarged issued share capital of the Company is set out below:

Shareholder	Shareholding interest in the Company <u>before</u> conversion		Number of Conversion Shares	Shareholding interest in the Company <u>after</u> conversion	
	Number of Shares	% interest		Number of Shares	% interest
DBS	NIL	-	581,571,405	581,571,405	20.16
Maybank	NIL	-	82,828,594	82,828,594	2.87
RHC	317,560,389	56.77	1,661,000,000	1,978,560,389	68.59
Sub-total			2,325,399,999	2,642,960,388	91.62
Others	241,794,045	43.23	-	241,794,045	8.38
Total	559,354,434	100.00	2,325,399,999	2,884,754,433	100.00

After taking into consideration the Additional Conversion Shares

In the situation where all the interests on the Convertible Bonds due are capitalized into Additional Convertible Bonds, up to 77.1 million, 10.6 million and 219.3 million Additional Conversion Shares may be issued in respect of Series A Convertible Bonds, Series B Convertible Bonds and Series C Convertible Bonds respectively.

As an illustration, a breakdown of shareholding interests of DBS, Maybank and RHC upon the full conversion of the Convertible Bonds and Additional Convertible Bonds based on the enlarged issued share capital of the Company is set out below:

Shareholder	Shareholding interest in the Company <u>before</u> conversion		Number of Conversion Shares	Shareholding interest in the Company <u>after</u> conversion	
	Number of Shares	% interest		Number of Shares	% interest
DBS	NIL	-	658,641,805	658,641,805	20.64
Maybank	NIL	-	93,458,994	93,458,994	2.93
RHC	317,560,389	56.77	1,880,252,000	2,197,812,389	68.86
Sub-total			2,632,352,799	2,949,913,188	92.42*
Others	241,794,045	43.23	-	241,794,045	7.58
Total	559,354,434	100.00	2,632,352,799	3,191,707,233	100.00

* Does not add up due to rounding.

In view of the potential significant number of Shares being issued to the DBS, Maybank and RHC upon the full conversion of the Convertible Bonds and the Additional Convertible Bonds, there will be significant dilution impact on existing Shareholders and the public float of the Company. The Company's present intention is to maintain the Company's listing status and will, at the relevant juncture in the

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future, take into consideration the appropriate course of action necessary to maintain the minimal percentage of Shares held by the public as required under the Listing Manual.

In addition, under Rule 803 of the Listing Manual, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting. The Company will be seeking specific Shareholders' approval under Rule 803 of the Listing Manual for DBS to hold 15% or more of the issued share capital of the Company pursuant to the conversion of Series A Convertible Bonds.

7. CERTAIN ASPECTS OF THE PROPOSED RESTRUCTURING AS IPTs

As described in paragraph 1.3 of this Announcement, certain aspects of the Proposed Restructuring namely the Holmen Group Novation and the Proposed Issuance of Series C Convertible Bonds are considered as IPTs under the Listing Manual.

7.1 Holmen Group Novation

As disclosed in paragraph 1.3(a) of this Announcement, a total amount of US\$30,725,116 out of the Proposed Novation of US\$50 million involves the novation of borrowings from the Holmen Group to the Company and are reconstituted as part of the Series A Convertible Bonds to be issued to DBS. In addition, the subsidiaries in the Holmen Group, namely HAR, HAT and HP, are also guarantors to the Series A Convertible Bonds, as set out in Section 3.3 of this Announcement.

The Holmen Group is owned 75% by the Group and 25% by SHL. SHL is a controlling Shareholder and deemed an Interested Person.

In view of the above, the Holmen Group Novation is considered as an IPT and subject to the approval of the independent Shareholders.

For the purpose of the IPT, the amount at risk in relation to the Holmen Group Novation is US\$30,725,116, being the amount to be novated from the Holmen Group to the Company.

The Holmen Group Novation is part of the terms of the Proposed Restructuring to facilitate the proposed issuance of Convertible Bonds to the Lenders, the rationale of which is set out in paragraph 2.2 of this Announcement.

SHL is an Interested Person in relation to the Holmen Group Novation, and will abstain from, and procure that its associates abstain from, voting at the EGM in respect of the ordinary resolution for the Holmen Group Novation.

In addition, RHC is deemed interested in the Holmen Group Novation in view of the Shareholder Support Agreement and the RHC Call Option that RHC has entered into with the Lenders in relation to the Borrowings and the Convertible Bonds, as described in Section 2.1 of this Announcement. Hence, RHC will also need to abstain from, and procure that its associates abstain from, voting at the EGM in respect of the ordinary resolution for the Holmen Group Novation.

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7.2 Proposed Issuance of Series C Convertible Bonds

In conjunction with the Proposed Restructuring, the Company is also proposing the issuance of Series C Convertible Bonds to RHC, to provide an alternative option for the Company to settle the RHC Advances as RHC continues to be the major Shareholder.

As described in paragraph 2.1 of this Announcement, as part of the terms of the Proposed Restructuring, RHC has under the Shareholder Support Agreement undertaken to the Lenders to provide various financial support for so long as any of the Remaining Principal Amount is still outstanding. In addition, RHC has under the RHC Call Option the option to purchase all or part of the outstanding Series A Convertible Bonds and/or Series B Convertible Bonds during the Conversion Period, and also have the right of first refusal to buy these Convertible Bonds on substantially the same terms as any Proposed Sale by the Lenders.

RHC and Sheikh Abdulaziz are deemed Interested Persons under Chapter 9 of the Listing Manual. Hence, the Proposed Issuance of Series C Convertible Bonds including the issuance of Series C Conversion Shares and the potential Additional Series C Convertible Bonds and Additional Series C Conversion Shares, is an IPT which is subject to independent Shareholders' approval at an EGM.

For the purpose of the above IPT, the amount at risk pursuant to the Proposed Issuance of Series C Convertible Bonds is the sum of the principal amount of up to US\$125,000,000 and the interest on the Series C Convertible Bonds, which is determined to be at USD LIBOR subject to a cap of 5% per annum. Based on the estimated interest rate on the Series C Convertible Bonds for the entire tenor of 8 years, the amount at risk is estimated at US\$141.5 million.

In addition, in view of RHC's interest in the RHC Call Option in relation to the Series A Convertible Bonds and Series B Convertible Bonds, RHC will also need to abstain from, and procure that its associates abstain from, voting at the EGM in respect of the ordinary resolutions for the Proposed Issuance of Series A Convertible Bonds and Series B Convertible Bonds.

The Company through its Sponsor is seeking clarification from SGX-ST regarding whether RHC and SHL should abstain from the resolutions involving the other party.

7.3 Independent Shareholders' Approval on the IPTs and Independent Financial Adviser

In respect of the Holmen Group Novation and the Proposed Issuance of Series C Convertible Bonds as IPTs, as the aggregate amount at risk from each of the IPTs represents more than 5.0% of the Group's latest audited consolidated net tangible assets as at 31 March 2020, the Company will seek independent Shareholders' approval for the aforementioned IPTs at the EGM. In connection therewith, the Company will be appointing an independent financial adviser ("IFA") to advise the Directors in respect of these IPTs.

7.4 Views of the Audit Committee

The Audit Committee of the Company will seek the opinion from the IFA before forming its view regarding the IPTs which will be included in the Restructuring Circular to be despatched to Shareholders in due course.

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7.5 Total value of transactions entered into with SHL and RHC in the current financial year, from 1 April 2020 to 30 September 2020

The value of the proposed IPTs and the value of IPTs entered into with SHL and RHC during the current financial year ending 31 March 2021 ("FY2021"), commencing from 1 April 2020 and up to 30 September 2020 are set out below:

Value of IPTs with Interested Persons	From 1 April 2020 to 30 September 2020 (US\$)	Proposed IPTs in this Announcement (US\$)	Total (US\$)
SHL	2,318,592	30,725,116	33,043,708
RHC	1,204,274	141,500,000	142,704,274
Total value of all IPTs	3,522,866	172,225,116	175,747,982

8. CONDITIONS PRECEDENT, SHAREHOLDERS' APPROVAL AND ADDITIONAL LISTING APPLICATION

8.1 Conditions Precedent of the Proposed Restructuring

The Proposed Restructuring is subject to, amongst others, the following conditions precedent:

- the Company obtaining the necessary Shareholders' approvals for the Proposed Transactions;
- approval in-principle of the SGX-ST for the listing and quotation of the Series A Conversion Shares, Series B Conversion Shares and Series C Conversion Shares, and the Additional Conversion Shares;
- appointment of an independent accountant to monitor cashflows of the Singapore Fleet and determine the Surplus Cash for the Cash Sweep (as defined in Appendix 1 to this Announcement);
- all corporate authorisations required to effect the Proposed Restructuring;
- customary legal opinions to be issued by the Lenders' counsel;
- customary legal opinions to be issued by the Company's counsel; and
- payment of the first tranche of the Rawabi Contribution Amount i.e. US\$500,000, to the Lenders.

8.2 Shareholders' approval under Chapter 8 and Chapter 9 of the Listing Manual

Rule 812 of the Listing Manual

In relation to the Proposed Issuance of Series A Convertible Bonds and Series B Convertible Bonds, the Lenders are not persons whom the Company is prohibited from issuing securities to, as provided for by Rule 812 of the Listing Manual.

However, in relation to the Proposed Issuance of Series C Convertible Bonds, RHC is a substantial Shareholder and accordingly, RHC is a person who falls within the categories set out in Rule 812(1) of

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the Listing Manual. Pursuant to Rule 812(2) of the Listing Manual, the Company will be seeking specific Shareholders' approval for the Proposed Issuance of Series C Convertible Bonds at the EGM.

Rules 805 and 824 of the Listing Manual

Series A Conversion Shares, Series B Conversion Shares and Series C Conversion Shares will not be issued and allotted pursuant to the general share issue mandate passed by Shareholders at the Company's last annual general meeting on 29 September 2020. Instead, the Company will seek specific Shareholders' approval at the EGM for the proposed issuance of these Convertible Bonds pursuant to Rules 805 and 824 of the Listing Manual.

Rule 906 of the Listing Manual

The Holmen Group Novation and the Proposed Issuance of Series C Convertible Bonds are IPTs under Rule 906 of the Listing Manual. The Company will therefore seek Independent Shareholders' approval at the EGM in relation to the ordinary resolutions pertaining to these Proposed Transactions.

The Restructuring Circular containing further information on, *inter alia*, the Proposed Transactions, the IPTs and the opinion of the IFA on the IPTs, together with a notice of an EGM will be despatched to Shareholders in due course.

It is pertinent to note that the Proposed Transactions under the Proposed Restructuring are inter-conditional upon each other. Hence, if any of the ordinary resolutions pertaining to the Proposed Transactions is not approved, no part of the Proposed Restructuring will be proceeded with.

8.3 Additional Listing Application

The Company will, through its Sponsor, be making an application to the SGX-ST for the listing and quotation of the Conversion Shares and the Additional Conversion Shares on the Catalist. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Conversion Shares and the Additional Conversion Shares has been obtained from the SGX-ST.

8.4 No Placement Agents

The Proposed Issuance of Series A Convertible Bonds to DBS, Series B Convertible Bonds to Maybank, and Series C Convertible Bonds to RHC will be made pursuant to an exempted offer under Section 274 or 275 of the Securities and Futures Act. Hence, no prospectus or offer information statement will be issued in connection with the above proposed issuance of the Convertible Bonds.

9. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING

The *pro forma* financial effects of the Proposed Restructuring on the Company's share capital, the Group's net tangible assets ("**NTA**") per Share, loss per Share ("**LPS**") and gearing as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Proposed Restructuring.

As at the date of this Announcement, the share capital of the Company is US\$347,746,463 comprising 559,354,434 Shares. The *pro forma* financial effect of the Proposed Restructuring on the share capital of the Company is based on the above share capital as at the date of this Announcement. The *pro forma*

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financial effects of the Proposed Restructuring on the NTA per Share and gearing have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2020 ("FY2020") assuming the Convertible Bonds were issued on 31 March 2020. The *pro forma* financial effect of the Proposed Restructuring on the LPS has been prepared based on the audited consolidated financial statements of the Group for FY2020 assuming the Convertible Bonds were issued on 1 April 2019.

Upon completion of the Proposed Restructuring and the full conversion of all the Convertible Bonds into Conversion Shares, before taking into consideration Additional Convertible Bonds (and consequential conversion of these Additional Convertible Bonds into Additional Conversion Shares) arising from the capitalization of the due but unpaid interest on these Convertible Bonds, the Company will have an enlarged issued share capital of approximately 2,884,754,433 Shares. The *pro forma* financial effects are prepared based on this scenario.

As set out in paragraphs 3.3, 4.3 and 5.3 of this Announcement, as an illustration, the Additional Conversion Shares amounted to approximately up to 307.0 million Shares based on the estimated total interest payable on the Convertible Bonds.

9.1 Share Capital of the Company

	Number of Shares (excluding treasury shares)
As at the date of this Announcement	559,354,434
Immediately after completion of the Proposed Restructuring and <u>before</u> conversion of any of the Convertible Bonds	559,354,434
Upon the full conversion of the Convertible Bonds and allotment and issue of the Conversion Shares	2,884,754,433

9.2 NTA per Share

	Before the Proposed Restructuring as at 31 March 2020	After the Proposed Restructuring but <u>before</u> the full conversion of the Convertible Bonds as at 31 March 2020	After the Proposed Restructuring and <u>after</u> full conversion of the Convertible Bonds as at 31 March 2020
NTA of the Group (US\$'000)	63,178	113,755 ⁽¹⁾	158,169 ⁽¹⁾
Number of Shares	559,354,434	559,354,434	2,884,754,433
NTA per Share (US\$)	0.11	0.20	0.05

Notes:

- (1) Series A Convertible Bonds and Series B Convertible Bonds will be classified approximately US\$44.4 million as liabilities and approximately US\$5.6 million as equity of the Group in accordance with the accounting standard SFRS(I) 32 until such Convertible Bonds are converted into new Shares, which will then be classified as equity of the Group.

RHC Advances of US\$80.0 million as at 31 March 2020 are currently classified as equity and will continue to be classified as equity on the basis that the issuance of Series C Convertible Bonds to RHC are used to repay RHC Advances under SFRS(I) 32 as there is no obligation for the Company to repay RHC in cash on the Maturity Date.

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Hence, the NTA of the Group will increase by approximately US\$50.6 million to US\$113.8 million after the Proposed Restructuring but before the full conversion of the Convertible Bonds due to approximately US\$5.6 million from Series A Convertible Bonds and Series B Convertible Bonds being reclassified from liabilities to equity, and additional Series C Convertible Bonds issued to RHC of US\$45.0 million.

The NTA of the Group will increase further by US\$44.4 million to US\$158.2 million upon the conversion of the Series A Convertible Bonds and Series B Convertible Bonds into Conversion Shares.

9.3 LPS

	Before the Proposed Transactions for FY2020	After the Proposed Restructuring but before the full conversion of the Convertible Bonds for FY2020
Loss after income tax (US\$'000)	(134,937)	(135,716) ⁽¹⁾
Weighted average number of Shares	559,354,434	559,354,434
LPS (US\$)	(0.24)	(0.24)

Note:

- (1) Loss after income tax increase from US\$134.9 million to US\$135.7 million by approximately US\$0.8 million due to the interest on the Series C Convertible Bonds compared to the interest-free RHC Advances for FY2020, and offset partially by the lower interest rates of the Series A Convertible Bonds and Series B Convertible Bonds compared with the current interest rates on the Existing Borrowings.

9.4 Gearing

	Before the Proposed Restructuring as at 31 March 2020	After the Proposed Restructuring but before the full conversion of the Convertible Bonds as at 31 March 2020	After the Proposed Restructuring and after full conversion of the Convertible Bonds as at 31 March 2020
Net borrowings (US\$'000) ⁽¹⁾	739,796	689,219 ⁽²⁾	644,805 ⁽²⁾
Total Equity (US\$'000)	89,103	139,680 ⁽³⁾	184,094 ⁽³⁾
Gearing (times)	8.30	4.93	3.50

Notes:

- (1) Total bank borrowings net of cash balances; and
- (2) Series A Convertible Bonds and Series B Convertible Bonds will be classified approximately US\$44.4 million as liabilities and approximately US\$5.6 million as equity of the Group in accordance with the accounting standard SFRS(I) 32 until such Convertible Bonds are converted into new Shares, which will then be classified as equity of the Group.

RHC Advances are currently approximately US\$80.0 million as at 31 March 2020. On the assumption that the Company will issue US\$125.0 million Series C Convertible Bonds, part of which is used to repay the RHC Advances, there will be a further issuance of US\$45.0 million Series C Convertible Bonds for cash.

Hence, the net borrowings of the Group will decrease by approximately US\$50.6 million to US\$689.2 million after the Proposed Restructuring but before the full conversion of the Convertible Bonds due to reclassification of approximately US\$5.6 million from Series A Convertible Bonds and Series B Convertible Bonds from liabilities to equity, and further issuance of Series C Convertible Bonds of US\$45.0 million in cash.

The net borrowings of the Group will decrease further by US\$44.4 million to US\$644.8 million upon the conversion of the Series A Convertible Bonds and Series B Convertible Bonds into Conversion Shares.

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- (3) Correspondingly, the total equity of the Group will increase by approximately US\$50.6 million to US\$139.7 million after the Proposed Restructuring but before the full conversion of the Convertible Bonds due to approximately US\$5.6 million from Series A Convertible Bonds and Series B Convertible Bonds being reclassified from liabilities to equity, and additional Series C Convertible Bonds issued to RHC of US\$45.0 million.

The total equity of the Group will increase further by US\$44.4 million to US\$184.1 million upon the conversion of the Series A Convertible Bonds and Series B Convertible Bonds into Conversion Shares

10. DIRECTORS' OPINION

The Directors are of the opinion that, after taking into consideration the Group's present banking facilities, the Proposed Restructuring and the continued financial support from RHC, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Restructuring is in the best interests of the Company.

11. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Restructuring, save for their interests (if any) by way of their shareholdings and/or directorships, as the case may be, in the Company. In addition, the Lenders are not under the control or influence of any of the Directors or substantial Shareholders.

Accordingly, RHC shall abstain from, and will procure that its associates abstain from, voting at the EGM, whether by representative or proxy, in respect of all the ordinary resolutions for the Proposed Restructuring. Further, Sheikh Abdulaziz Ali Alturki will abstain from making any recommendation in respect of the Proposed Restructuring in light of his concurrent position as Chairman of the Rawabi Group.

SHL shall abstain from, and will procure that its associates abstain from, voting at the EGM, whether by representative or proxy, in respect of the ordinary resolution for the Proposed Holmen Group Novation.

As set out in Section 7.2 of this Announcement, the Company through its Sponsor is seeking clarification from SGX-ST regarding whether RHC and SHL should abstain from the resolutions involving the other party.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Restructuring, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement 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 Announcement in its proper form and context.

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13. FURTHER ANNOUNCEMENTS

The Company will make further announcements if and when there are any material developments regarding the Proposed Restructuring as and when appropriate.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Series A CB Subscription Agreement, Series B CB Subscription Agreement, and Series C CB Subscription Agreement are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at #06-08, Keppel Bay Tower, Singapore 098632 for a period of three (3) months commencing from the date of this Announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at (65) 6911-6200 prior to making any visits to arrange for a suitable time slot for the inspection.

15. TRADING CAUTION

Shareholders are advised to exercise caution when trading in the Shares. There is no certainty or assurance as at the date of this Announcement that the Proposed Restructuring will be completed or that no changes will be made to the terms thereof. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
19 February 2021

*This document has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**") for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Ms. Wong Bee Eng, Chief Executive Officer, at 96 Robinson Road, #13-01, SIF Building, Singapore 068899. Telephone: (65) 6227 1580 Email: wongbe@provenancecapital.com

APPENDIX 1

Principal Terms of the Restructuring Agreement

Borrowers	:	Vallianz Marine Pte. Ltd.; Samson Marine Pte. Ltd.; Holmen Arctic Pte. Ltd.; Holmen Atlantic Pte. Ltd.; and Holmen Pacific LLC.
Security Providers	:	Vallianz Offshore Marine Pte. Ltd.; PT United Sindo Perkasa; Vallianz International Pte. Ltd.; Newcruz International Pte. Ltd.; OER Holdings Pte. Ltd.; Vallianz Shipbuilding & Engineering Pte. Ltd.; and Vallianz Holdings Limited
Obligors	:	Each Borrower, Security Provider, and Guarantor.
Guarantor	:	The Company.
Lenders	:	DBS and Maybank.
Initial Outstanding Principal/Cost Price Amount	:	means, on any date: <ul style="list-style-type: none">(i) in relation to DBS, the aggregate principal amount outstanding under all the DBS Facilities which comprise term loan facilities and overdraft facilities as at that date; and(ii) in relation to Maybank, the aggregate as at that date of:<ul style="list-style-type: none">(a) the principal amount outstanding under the term loan facility made by Maybank to Samson Marine Pte. Ltd. under the Conventional Facility Agreement entered into between them documenting the Maybank Facilities; and(b) the outstanding amount of the cost price component of the commodities purchased by Samson Marine Pte. Ltd. under each of the CM Facility Agreements.
Principal Payments	:	<p>The Outstanding Principal/Cost Price Amount under each Facility shall be reduced <i>pro rata</i> between each Lender such that the aggregate Outstanding Principal/Cost Price Amount under all Facility Agreements shall be reduced by US\$50,000,000.</p> <p>On the Final Maturity Date, each Borrower shall make a bullet repayment/payment of the Outstanding Principal/Cost Price Amount under each Facility after deducting all amounts previously repaid/paid through the Cash Sweep.</p>
Final Maturity Date	:	96 months from the Effective Date or such later date as may be agreed.
Cash Sweep	:	Commencing from April 1, 2022 and until the date on which the balance of the Outstanding Principal/Cost Price Amount are repaid and discharged in full, the Independent Accountant will determine the cash generated by the

Singapore Fleet (as defined below), for the six month period ending on each Determination Date (March 31 and September 30 of each financial year) after deducting (i) operational costs incurred by the Singapore Fleet (which includes vessel drydocking costs and necessary expenses of up-gradings, if incurred), (ii) sales and general administrative expenses incurred by or allocated to the Singapore Fleet, (iii) professional fees and expenses incurred by or allocated to the Singapore Fleet, (iv) taxes incurred by or allocated to the Singapore Fleet, (v) interest payments incurred by the Singapore Fleet, and (vi) US\$1m (“**Surplus Cash**”). The Obligors shall pay such Surplus Cash to the Lenders *pro rata* based on their then participation in the aggregate Outstanding Principal/Cost Price Amount (“**Cash Sweep**”).

Singapore Fleet	:	Vessels owned by the Borrowers.
Principal Moratorium	:	No principal repayments and/or payment of any Outstanding Principal/Cost Price Amount shall be required to be made during the Moratorium Period, whether out of the Borrowers’ own cashflows or the Cash Sweep, except for the Repayment using the Rawabi Contribution Amount.
Moratorium Period	:	The period commencing from 1 April 2020 and ending on 31 March 2022.
Voluntary Prepayment	:	The Borrowers shall have the right to prepay at any time all or any part of the Outstanding Principal/Cost Price Amount, without prepayment fee or premium, upon giving not less than five (5) business days’ prior written notice.
Events of Default	:	<p>Apart from certain modifications, the events of default as prescribed under the Framework Agreement shall be maintained for the Facilities. In addition, each of the following events shall also constitute an Event of Default:</p> <ul style="list-style-type: none"> • the failure of RHC to comply with any of its obligations under the Restructuring Agreement and/or the Shareholder Support Agreement; and • any of the documents listed under Clause 10.2 of the Restructuring Agreement is not provided by the timelines stipulated therein.
Independent Accountant	:	Ernst & Young LLP.
Governing Law	:	Singapore law.

APPENDIX 2

Principal Terms of Series A Convertible Bonds

Issue Size	: US\$43,766,662 in principal amount of the Series A Convertible Bonds due 2029
Issue Price	: 100.0% of the principal amount of the Series A Convertible Bonds
Issue Date	: To be determined
Maturity Date	: 96 months from the Issue Date
Status	: The Series A Convertible Bonds constitute senior, direct, unsubordinated, unconditional secured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and without any preference or priority among themselves. The payment obligations of the Company under the Series A Convertible Bonds will, at all times rank at least <i>pari passu</i> in right of payment with all of its other present and future senior, direct, unsubordinated, unconditional and secured obligations, except for obligations mandatorily preferred by law applying to companies generally.
Interest and Additional Convertible Bonds	<p>: The Series A Convertible Bonds bear interest for each Interest Period at the rate equal to the six-month USD LIBOR rate per annum or such other replacement benchmark rate as agreed with DBS ("Series A Interest Rate"). Each interest payment date in respect of the Series A Convertible Bonds shall be 31 March and 30 September of each calendar year ("Interest Payment Date").</p> <p>To the extent that there is sufficient cashflow generated by the Singapore Fleet after full repayment of all the Outstanding Principal/Cost Price Amount under the facilities agreements with the Lenders (excluding, for the avoidance of doubt, the amount of US\$50,000,000 that has been converted into the Series A Convertible Bonds and Series B Convertible Bonds), interest in respect of the outstanding Series A Convertible Bonds will be payable in cash semi-annually in arrears on each Interest Payment Date.</p> <p>If such cashflow is insufficient to pay such interest in cash, any interest not paid in cash will be capitalized and be paid in the form of additional Series A Convertible Bonds.</p> <p>Where any interest is to be capitalized, the Company shall, on the relevant Interest Payment Date, issue Additional Convertible Bonds in an aggregate principal amount equal to the interest payable on such date to the relevant Series A Bondholder. Such Additional Convertible Bonds shall have the same terms and conditions as the Series A Convertible Bonds in all respects (or in all respects other than the Issue Date and the date for and amount of the first payment of interest) so as to form a single series with the Series A Convertible Bonds.</p>
Guarantee	: Vallianz Marine Pte. Ltd., Samson Marine Pte. Ltd., Holmen Arctic Pte. Ltd., Holmen Atlantic Pte. Ltd. and Holmen Pacific LLC (collectively, the " Guarantors ") have unconditionally guaranteed the due payment of all sums from time to time payable by the Company in respect of the Series A Convertible Bonds (" Guarantee "). The Guarantee constitutes senior, direct, unsubordinated, unconditional and secured obligations of the Guarantors,

which will at all times rank at least pari passu in right of payment with all other present and future senior, direct, unsubordinated, unconditional and secured obligations of the Guarantors, except for obligations mandatorily preferred by law applying to companies generally.

Conversion Price : The price at which the Series A Conversion Shares are to be issued upon conversion of the Series A Convertible Bonds, will initially be S\$0.10 for each Series A Conversion Share, based on the agreed exchange rate of US\$1:S\$1.3288.

Conversion Period : At any time from Issue Date of the Series A Convertible Bonds up to 3 business days prior to the Maturity Date ("**Expiration Date**") unless redeemed prior to the Expiration Date.

Listing on the Catalist : Application will be made for the listing and quotation of the Series A Conversion Shares and the additional Series A Conversion Shares on the Catalist.

The Series A Convertible Bonds will not be listed or tradable on the Catalist, but are transferable to Eligible Transferee.

Alteration to Terms : Any material modification to the terms of the Series A Convertible Bonds which is to the advantage of the holders of Series A Convertible Bonds but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Series A Convertible Bonds.

Transfer : The Series A Convertible Bonds may be transferred only to:

- (i) a person other than Swiber Holdings Limited who is mutually acceptable to the Company, the holder of Series A Convertible Bonds who intends to transfer such Series A Convertible Bonds, and RHC; and/or
- (ii) RHC;

("Eligible Transferee").

The Series A Convertible Bonds may be transferred only to an Eligible Transferee by delivery of the certificate issued in respect of those Series A Convertible Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder of the Series A Convertible Bonds or his attorney duly authorized in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Company. No transfer of title to Series A Convertible Bonds will be valid unless and until entered on the register of bondholders.

Conversion Period : Subject to certain closed conversion period, at any time from the Issue Date of Series A Convertible Bonds up to the close of business on the date falling three Business Days prior to the Maturity Date (the "**Expiration Date**"), or if such Series A Convertible Bonds have been called for redemption prior to the Expiration Date, then up to the close of business on a date no later than seven Business Days prior to the date fixed for redemption thereof.

Conversion Price : The price at which the Series A Conversion Shares will be issued upon conversion (the “**Series A Conversion Price**”) of the Series A Convertible Bonds will initially be S\$0.10 per Series A Conversion Share (which represents a 108% upside to the volume weighted average price (“**VWAP**”) for trades of Shares done on the Catalist on 18 February 2021 being the last full Market Day on which Shares were traded prior to the signing of the Proposed Transactions documents), subject to adjustment in accordance with the terms and conditions of the Series A Convertible Bonds.

Adjustment to Conversion Price : The Series A Conversion Price is subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Series A Convertible Bonds. Such circumstances relate to, *inter alia*:

- (i) any consolidation, subdivision or reclassification of the Shares;
- (ii) any capitalisation of profits or reserve;
- (iii) any capital distribution made by the Company to Shareholders;
- (iv) issue by the Company of Shares by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
- (v) issue by the Company to all or substantially all Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (vi) issue by the Company of Shares at less than the current market price;
- (vii) modification of the rights of conversion, exchange or subscription attaching to any such securities;
- (viii) the Company or any other person issues, sells or distributes any securities in connection with an offer where the Shareholders are entitled to participate in arrangements where securities may be acquired; and
- (ix) the occurrence of other events.

Redemption on Maturity : Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Series A Convertible Bonds on the Series A Maturity Date at 100.0% of their principal amount together with interest accrued (if any).

If the Company believes it will be unable to redeem the outstanding Series A Convertible Bonds in full on the Maturity Date, the Company will notify the Series A Bondholder one month in advance of the Maturity Date, whereupon the Company and the Series A Bondholder shall enter into negotiations with a view towards reprofiling the outstanding balance into term loans on such terms as may be agreed between the Company and the Series A Bondholder. If the Company and the Series A Bondholder are unable to come to an agreement within 90 days after the Maturity Date, the Series A Convertible

Bonds shall be redeemed in full at 100.0 per cent. of their principal amount, together with interest accrued, if any, on the 90th day after the Maturity Date. For the avoidance of doubt, any such reprofiling shall not entitle the Series A Bondholder to the benefit of any additional security in respect of such outstanding balance.

Redemption at the Option of the Company : The Company may, having given not less than five Business Days' notice to the holders of Series A Convertible Bonds redeem all or some of the Series A Convertible Bonds at 100.0 % of their principal amount to be redeemed plus interest accrued, if any, to but excluding the date for redemption.

Redemption for Taxation Reasons : At any time the Company may, having given not less than 30 nor more than 60 days' notice to the holders of Series A Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Series A Convertible Bonds at 100.0% of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, if (i) as a result of certain events the Company has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of any taxes, or the payment of such additional amounts is increased, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it.

Conversion into Loan upon Delisting : The Company shall within 7 days after (a) it notifies the SGX-ST that it intends to delist the Shares (in the event of a voluntary delisting) or (b) after the Company receives a delisting notice from the SGX-ST (in the case of an involuntary delisting), give notice to the bondholders of the occurrence of such notification or receipt of delisting notice. Upon the notice to the bondholders being given, the Company and the bondholders shall enter into good faith negotiations to negotiate and agree upon terms other than the Pre-Agreed Terms ("**Negotiated Terms**") for the bonds to be converted into a term loan (including, without limitation, such term loan sharing the Existing Security granted for the benefit of the lenders of the existing Facility Agreements).

Upon the Shares ceasing to be listed or permanently ceasing to be traded (the "**Delisting Event**"), and the Company and bondholders having signed a loan agreement and security documents containing such Negotiated Terms and the Pre-Agreed Terms, the bonds shall be converted into such term loan. For the avoidance of doubt, any suspension of trading of the Shares on the SGX-ST shall not be deemed to be a Delisting Event.

If the Delisting Event has occurred and the Company and Bondholders fail to sign a loan agreement and security documents containing such Negotiated Terms and the Pre-Agreed Terms within six months from the date of the notice to the bondholders (the "**Negotiation Period**"), the Company shall, at the option of any bondholder, upon such bondholder giving not less than 15 nor more than 30 days' notice to the Company, redeem all of the Series A Convertible Bonds that such bondholder holds at 100 per cent. of the principal amount of the Series A Convertible Bonds to be redeemed plus interest accrued, if any, to but excluding the date for redemption. For the avoidance of doubt, if the Maturity Date falls within the Negotiation Period and if the Company and bondholders fail to sign a loan agreement and security documents containing such Negotiated Terms and the Pre-Agreed Terms by the Maturity Date, the Company shall redeem all of the outstanding Series A Bonds plus interest accrued, if any, on the Maturity Date.

“Existing Security” means all existing security established in favour of DBS under or pursuant to the existing Facility Agreements as security for all or part of the secured liabilities thereunder;

“Pre-Agreed Terms” means the following provisions in Schedule 3 of Series A CB Subscription Agreement:

- the interest provisions (other than the first interest payment date);
- the representations, warranties, and undertaking;
- the original maturity date;
- the events of default;
- the indemnities;
- the provisions of the Guarantee;

in each case as amended *mutatis mutandis* to reflect the new loan agreement and the security documents instead of the Series A Convertible Bonds and the Guarantee.

Notice of Expiration	:	The Company shall, no later than one month before the Expiration date, give notice to the holders of Series A Convertible Bonds of the Expiration Date and such notice shall be delivered by post to the addresses of the holders of Series A Convertible Bonds. Upon the occurrence of the Expiration Date, the Company shall notify the holders of Series A Convertible Bonds in writing of the expiration of the Conversion Right.
Rights on Liquidation of the Company	:	The Series A Convertible Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and without any preference or priority among themselves. The payment obligations of the Company under the Series A Convertible Bonds will, at all times rank at least <i>pari passu</i> in right of payment with all of its other present and future senior, direct, unsubordinated, unconditional and unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.
Governing law	:	Singapore law.
Listing and Trading of the Convertible Bonds	:	The Series A Convertible Bonds will not be listed or tradable on the SGX-ST.
Listing of the Conversion Shares	:	An application will be made for the Series A Conversion Shares (issuable upon conversion of the Series A Convertible Bonds) to be listed on the SGX-ST.

APPENDIX 3

Principal Terms of Series B Convertible Bonds

Issue Size	: US\$6,233,338 in principal amount of Series B convertible bonds due 2029
Issue Price	: 100.0% of the principal amount of the Series B Convertible Bonds
Issue Date	: To be determined
Maturity Date	: 96 months from the Issue Date
Status	: The Series B Convertible Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and without any preference or priority among themselves. The payment obligations of the Company under the Series B Convertible Bonds will, at all times rank at least <i>pari passu</i> in right of payment with all of its other present and future senior, direct, unsubordinated, unconditional and unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.
Interest and Additional Convertible Bonds	<p>: The Series B Convertible Bonds bear interest for each Interest Period at the rate equal to the six-month USD LIBOR rate per annum or such other replacement benchmark rate as agreed with Maybank ("Series B Interest Rate"). Each interest payment date in respect of the Series B Convertible Bonds shall be 31 March and 30 September of each calendar year ("Interest Payment Date").</p> <p>To the extent that there is sufficient cashflow generated by the Singapore Fleet after full repayment of all the Outstanding Principal/Cost Price Amount under the facilities agreements with the Lenders (excluding, for the avoidance of doubt, the amount of US\$50,000,000 that has been converted into the Series A Convertible Bonds and Series B Convertible Bonds), interest in respect of the outstanding Series B Convertible Bonds will be payable in cash semi-annually in arrears on each Interest Payment Date.</p> <p>If such cashflow is insufficient to pay such interest in cash, any interest not paid in cash will be capitalized and be paid in the form of additional Series B Convertible Bonds.</p> <p>Where any interest is to be capitalized, the Company shall, on the relevant Interest Payment Date, issue Additional Convertible Bonds in an aggregate principal amount equal to the interest payable on such date to the relevant Series B Bondholder. Such Additional Convertible Bonds shall have the same terms and conditions as the Series B Convertible Bonds in all respects (or in all respects other than the Issue Date and the date for and amount of the first payment of interest) so as to form a single series with the Series B Convertible Bonds.</p>
Conversion Price	: The price at which the Series B Conversion Shares are to be issued upon conversion of the Series B Convertible Bonds, will initially be S\$0.10 for each Series B Conversion Share, based on the agreed exchange rate of US\$1:S\$1.3288.

- Conversion Period** : At any time from Issue Date of the Series B Convertible Bonds up to 3 business days prior to the Maturity Date (“**Expiration Date**”) unless redeemed prior to the Expiration Date.
- Listing on the Catalist** : Application will be made for the listing and quotation of the Series B Conversion Shares and additional Series B Conversion Shares on the Catalist.
- The Series B Convertible Bonds will not be listed or tradable on the Catalist, but are transferable to Eligible Transferee.
- Alteration to Terms** : Any material modification to the terms of the Series B Convertible Bonds which is to the advantage of the holders of Series B Convertible Bonds but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Series B Convertible Bonds.
- Transfer** : The Series B Convertible Bonds may be transferred only to:
- (i) a person other than Swiber Holdings Limited who is mutually acceptable to the Company, the holder of Series B Convertible Bonds who intends to transfer such Series B Convertible Bonds, and RHC; and/or
 - (ii) RHC;
- (“**Eligible Transferee**”).
- The Series B Convertible Bonds may be transferred only to an Eligible Transferee by delivery of the certificate issued in respect of those Series B Convertible Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder of the Series B Convertible Bonds or his attorney duly authorized in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Company. No transfer of title to Series B Convertible Bonds will be valid unless and until entered on the register of bondholders.
- Conversion Period** : Subject to certain closed conversion period, at any time from the Issue Date of Series B Convertible Bonds up to the close of business on the date falling three Business Days prior to the Maturity Date (the “**Expiration Date**”), or if such Series B Convertible Bonds have been called for redemption prior to the Expiration Date, then up to the close of business on a date no later than seven Business Days prior to the date fixed for redemption thereof.
- Conversion Price** : The price at which the Series B Conversion Shares will be issued upon conversion (the “**Series B Conversion Price**”) of the Series B Convertible Bonds will initially be S\$0.10 per Series B Conversion Share (which represents a 108% upside to the VWAP for trades of Shares done on the Catalist on 18 February 2021 being the last full Market Day on which Shares were traded prior to the signing of the Proposed Transactions documents), subject to adjustment in accordance with the terms and conditions of the Series B Convertible Bonds.

**Adjustment to
Conversion Price**

- : The Series B Conversion Price is subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Series B Convertible Bonds. Such circumstances relate to, *inter alia*:
- (i) any consolidation, subdivision or reclassification of the Shares;
 - (ii) any capitalisation of profits or reserve;
 - (iii) any capital distribution made by the Company to Shareholders;
 - (iv) issue by the Company of Shares by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
 - (v) issue by the Company to all or substantially all Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
 - (vi) issue by the Company of Shares at less than the current market price;
 - (vii) modification of the rights of conversion, exchange or subscription attaching to any such securities;
 - (viii) the Company or any other person issues, sells or distributes any securities in connection with an offer where the Shareholders are entitled to participate in arrangements where securities may be acquired; and
 - (ix) the occurrence of other events.

Redemption on Maturity

- : Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Series B Convertible Bonds on the Series B Maturity Date at 100.0% of their principal amount together with interest accrued (if any).

If the Company believes it will be unable to redeem the outstanding Series B Convertible Bonds in full on the Maturity Date, the Company will notify the Series B Bondholder one month in advance of the Maturity Date, whereupon the Company and the Series B Bondholder shall enter into negotiations with a view towards reprofiling the outstanding balance into term loans on such terms as may be agreed between the Company and the Series B Bondholder. If the Company and the Series B Bondholder are unable to come to an agreement within 90 days after the Maturity Date, the Series B Convertible Bonds shall be redeemed in full at 100.0 per cent. of their principal amount, together with interest accrued, if any, on the 90th day after the Maturity Date. For the avoidance of doubt, any such reprofiling shall not entitle the Series B bondholder to the benefit of any security in respect of such outstanding balance.

**Redemption at the
Option of the Company**

- : The Company may, having given not less than five Business Days' notice to the holders of Series B Convertible Bonds redeem all or some of the Series B Convertible Bonds at 100.0 % of their principal amount to be

redeemed plus interest accrued, if any, to but excluding the date for redemption.

**Redemption For
Taxation Reasons**

- : At any time the Company may, having given not less than 30 nor more than 60 days' notice to the holders of Series B Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Series B Convertible Bonds at 100.0% of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, if (i) as a result of certain events the Company has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of any taxes, or the payment of such additional amounts is increased, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it.

**Conversion into Loan
upon Delisting**

- : The Company shall within 7 days after (a) it notifies the SGX-ST that it intends to delist the Shares (in the event of a voluntary delisting) or (b) after the Company receives a delisting notice from the SGX-ST (in the case of an involuntary delisting), give notice to the bondholders of the occurrence of such notification or receipt of delisting notice. Upon the notice to the bondholders being given, the Company and the bondholders shall enter into good faith negotiations to negotiate and agree upon terms other than the Pre-Agreed Terms ("**Negotiated Terms**") for the bonds to be converted into a term loan (including, without limitation, such term loan sharing the Existing Security granted for the benefit of the lenders of the existing Facility Agreements).

Upon the Shares ceasing to be listed or permanently ceasing to be traded (the "**Delisting Event**"), and the Company and bondholders having signed a loan agreement and security documents containing such Negotiated Terms and the Pre-Agreed Terms, the bonds shall be converted into such term loan. For the avoidance of doubt, any suspension of trading of the Shares on the SGX-ST shall not be deemed to be a Delisting Event.

If the Delisting Event has occurred and the Company and bondholders fail to sign a loan agreement and security documents containing such Negotiated Terms and the Pre-Agreed Terms within six months from the date of the notice to the bondholders (the "**Negotiation Period**"), the Company shall, at the option of any bondholder, upon such bondholder giving not less than 15 nor more than 30 days' notice to the Company, redeem all of the Series B Convertible Bonds that such bondholder holds at 100 per cent. of the principal amount of the Series B Convertible Bonds to be redeemed plus interest accrued, if any, to but excluding the date for redemption. For the avoidance of doubt, if the Maturity Date falls within the Negotiation Period and if the Company and bondholders fail to sign a loan agreement and security documents containing such Negotiated Terms and the Pre-Agreed Terms by the Maturity Date, the Company shall redeem all of the outstanding Series B Convertible Bonds plus interest accrued, if any, on the Maturity Date.

"**Existing Security**" means all existing security established in favour of Maybank under or pursuant to the existing Facility Agreements as security for all or part of the secured liabilities thereunder.

"**Pre-Agreed Terms**" means the following provisions in Schedule 3 of Series B CB Subscription Agreement:

- the interest provisions;
- the representations, warranties, and undertaking;
- the original maturity date;
- the events of default;
- the indemnities;

in each case as amended *mutatis mutandis* to reflect the new loan agreement and the security documents instead of the Series B Convertible Bonds.

Notice of Expiration	:	The Company shall, no later than one month before the Expiration date, give notice to the holders of Series B Convertible Bonds of the Expiration Date and such notice shall be delivered by post to the addresses of the holders of Series B Convertible Bonds. Upon the occurrence of the Expiration Date, the Company shall notify the holders of Series B Convertible Bonds in writing of the expiration of the Conversion Right.
Rights on Liquidation of the Company	:	The Series B Convertible Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and without any preference or priority among themselves. The payment obligations of the Company under the Series B Convertible Bonds will, at all times rank at least <i>pari passu</i> in right of payment with all of its other present and future senior, direct, unsubordinated, unconditional and unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.
Governing law	:	Singapore law.
Listing and Trading of the Convertible Bonds	:	The Series B Convertible Bonds will not be listed or tradable on the SGX-ST.
Listing of the Conversion Shares	:	An application will be made for the Series B Conversion Shares (issuable upon conversion of the Series B Convertible Bonds) to be listed on the SGX-ST.

APPENDIX 4

Principal Terms of Series C Convertible Bonds

Issue Size	:	Up to US\$125,000,000 in principal amount of Series C convertible bonds due 2029. The Series C Convertible Bonds may be issued in one or more tranches identical in all respects (other than the Issue Date and the date for and amount of the first payment of interest).
Issue Price	:	100.0% of the principal amount of the Series C Convertible Bonds.
Issue Date	:	To be determined.
Maturity Date	:	96 months from the Issue Date.
Status	:	The Series C Convertible Bonds constitute senior, direct, subordinated, unconditional and unsecured obligations of the Company and will at all times rank pari passu and without any preference among themselves and with any Parity Obligations of the Company.
Interest and Additional Convertible Bonds	:	The Series C Convertible Bonds bear interest for each Interest Period at the rate equal to the six-month USD LIBOR rate per annum, or such other replacement benchmark rate as agreed with RHC, provided that if such rate is more than 5.00% per annum for any Interest Period, the interest borne by the Series C Convertible Bonds for such Interest Period shall be 5.00% per annum (the “ Series C Interest Rate ”). Each interest payment date in respect of the Series C Convertible Bonds shall be 31 March and 30 September of each calendar year (“ Interest Payment Date ”).

The cap on the interest rate of 5% per annum is in line with the interest rate on the proposed RHC Loan Agreement to be set out in the IPT Circular which is subject to Shareholders’ approval at an EGM to be convened.

To the extent there is sufficient cashflow generated by the Singapore Fleet after (a) full repayment of all the Outstanding Principal/Cost Price Amount under the facilities agreements with the Lenders, (excluding, for the avoidance of doubt, the amount of US\$50,000,000 that has been converted into the Series A Convertible Bonds and Series B Convertible Bonds) and (b) the payment of interest in cash with respect to Series A Convertible Bonds and Series B Convertible Bonds on each Interest Payment Date, interest in respect of the outstanding Series C Convertible Bonds will be payable in cash semi-annually in arrears on each Interest Payment Date unless the Company elects to capitalize such interest and be paid in the form of additional Series C Convertible Bonds.

If the Company elects to capitalize such interest, the Company shall, on the relevant Interest Payment Date, issue additional bonds in an aggregate principal amount equal to the interest payable on such date to the relevant Series C bondholder. Such additional bonds shall have the same terms and conditions as the Series C Convertible Bonds in all respects (or in all respects other than the issue date and the date for and amount of the first payment of interest) so as to form a single series with Series C Convertible Bonds.

Conversion Price	:	The price at which the Series C Conversion Shares are to be issued upon conversion of the Series C Convertible Bonds, will initially be S\$0.10 for each
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Series C Conversion Share, based on the agreed exchange rate of US\$1:S\$1.3288.

Conversion Period : At any time from Issue Date of the Series C Convertible Bonds up to 3 business days prior to the Maturity Date (“**Expiration Date**”) unless redeemed prior to the Expiration Date.

Listing on the Catalist : Application will be made for the listing and quotation of the Series C Conversion Shares and additional Series C Conversion Shares on the Catalist.

The Series C Convertible Bonds will not be listed or tradable on the Catalist, but are transferable to Eligible Transferee.

Alteration to Terms : Any material modification to the terms of the Series C Convertible Bonds which is to the advantage of the holders of Series C Convertible Bonds but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Series C Convertible Bonds.

Transfer : The Series C Convertible Bonds may be transferred only to:

- (i) a person other than Swiber Holdings Limited who is mutually acceptable to the Company and the holder of Series C Convertible Bonds who intends to transfer such Series C Convertible Bonds; and/or
- (ii) an affiliate of RHC;

(“**Eligible Transferee**”).

The Series C Convertible Bonds may be transferred only to an Eligible Transferee by delivery of the certificate issued in respect of those Series C Convertible Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder of the Series C Convertible Bonds or his attorney duly authorized in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Company. No transfer of title to Series C Convertible Bonds will be valid unless and until entered on the register of bondholders.

Conversion Period : Subject to certain closed conversion period, at any time from the Issue Date of Series C Convertible Bonds up to the close of business on the date falling three Business Days prior to the Maturity Date (the “**Expiration Date**”), or if such Series C Convertible Bonds have been called for redemption prior to the Expiration Date, then up to the close of business on a date no later than seven Business Days prior to the date fixed for redemption thereof.

Conversion Price : The price at which the Series C Conversion Shares will be issued upon conversion (the “**Series C Conversion Price**”) of the Series C Convertible Bonds will initially be S\$0.10 per Series A Conversion Share (which represents a 108% upside to the VWAP for trades of Shares done on the Catalist on 18 February 2021 being the last full Market Day on which Shares were traded prior to the signing of the Proposed Transactions documents),

subject to adjustment in accordance with the terms and conditions of the Series C Convertible Bonds.

**Adjustment to
Conversion Price**

- : The Series C Conversion Price is subject to anti-dilution adjustments under certain circumstances provided for in the terms and conditions of the Series C Convertible Bonds. Such circumstances relate to, *inter alia*:
- (i) any consolidation, subdivision or reclassification of the Shares;
 - (ii) any capitalisation of profits or reserve;
 - (iii) any capital distribution made by the Company to Shareholders;
 - (iv) issue by the Company of Shares by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
 - (v) issue by the Company to all or substantially all Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
 - (vi) issue by the Company of Shares at less than the current market price;
 - (vii) modification of the rights of conversion, exchange or subscription attaching to any such securities;
 - (viii) the Company or any other person issues, sells or distributes any securities in connection with an offer where the Shareholders are entitled to participate in arrangements where securities may be acquired; and
 - (ix) the occurrence of other events.

**Redemption on
Maturity**

- : Subject to the Loan Reversion Option described below, and unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Series C Convertible Bonds on the Series C Maturity Date at 100.0% of their principal amount together with interest accrued (if any).

If the Company believes it will be unable to, or elects not to, redeem the outstanding Series C Convertible Bonds in full on the Maturity Date, the Company shall have the right (the “**Loan Reversion Option**”), on the Maturity Date or (if the Company has given notice to the holders of the Series A Convertible Bonds and the Series B Convertible Bonds that it is unable to redeem such Series A Convertible Bonds and Series B Convertible Bonds on the original maturity dates of such Series A Convertible Bonds and Series B Convertible Bonds (the “**Extension Notices**”) and no agreement is reached to extend such original maturity dates within 90 days of such Extension Notices, on the 90th day after such Extension Notices), to reconstitute the outstanding principal amount of the Series C Convertible Bonds into an unsecured shareholder’s equity loan that is repayable on demand (i.e. no fixed repayment date) (“**Shareholder Loan**”) on the same terms as the loans advanced by Rawabi to the Issuer prior to the Original Issue Date of the Series C Bonds. . If the Company intends to exercise the

Loan Reversion Option, the Company must give notice in writing to the Series C Bondholders (the “**Loan Reversion Notice**”) at least one month prior to the Maturity Date that it intends to exercise the Loan Reversion Option, the aggregate principal amount of the Series C Convertible Bonds outstanding, and whether it has sent or will send the Extension Notices, whereupon on the Maturity Date (or, if applicable, on the 90th day after the Extension Notices), the outstanding principal amount of the Series C Bonds shall be reconstituted into such loan..

Redemption at the Option of the Company : The Company may, having given not less than five Business Days’ notice to the holders of Series C Convertible Bonds redeem all or some of the Series C Convertible Bonds at 100.0 % of their principal amount to be redeemed plus interest accrued, if any, to but excluding the date for redemption.

Redemption for Taxation Reasons : At any time the Company may, having given not less than 30 nor more than 60 days’ notice to the holders of Series C Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Series C Convertible Bonds at 100.0% of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, if (i) as a result of certain events the Company has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of any taxes, or the payment of such additional amounts is increased, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it.

Conversion into Loan upon Delisting : The Company shall within 7 days after (a) it notifies the SGX-ST that it intends to delist the Shares (in the event of a voluntary delisting) or (b) it receives a delisting notice from the SGX-ST (in the case of an involuntary delisting), give notice to the bondholders of the occurrence of such notification or receipt of delisting notice. Upon the notice to bondholders being given, the Company shall enter into good faith negotiations to negotiate and agree upon terms other than the Pre-Agreed Terms (the “**Negotiated Terms**”) for the bonds to be converted into a term loan. Upon the Shares ceasing to be listed or permanently ceasing to be traded on the SGX-ST (the “**Delisting Event**”) and the Company and bondholders having signed a loan agreement containing such Negotiated Terms and the Pre-Agreed Terms, the bonds shall be converted into such term loan. For the avoidance of doubt, any suspension of trading of the Shares on the SGX-ST shall not be deemed to be a Delisting Event.

If the Delisting Event has occurred and the Company and bondholders fail to sign a loan agreement containing such Negotiated Terms and the Pre-Agreed Terms within six months from the date of the notice to the bondholders (the “**Negotiation Period**”), the Company shall, at the option of any bondholder, upon such bondholder giving not less than 15 nor more than 30 days’ notice to the Company, redeem all of the Series C Convertible Bonds that such bondholder holds at 100 per cent. of the principal amount of the Series C Convertible Bonds to be redeemed plus interest accrued, if any, to but excluding the date for redemption. For the avoidance of doubt, if the Maturity Date falls within the Negotiation Period and if the Company and bondholders fail to sign a loan agreement containing such Negotiated Terms and the Pre-Agreed Terms by the Maturity Date, the Company shall redeem all of the outstanding Series C Convertible Bonds plus interest accrued, if any, on the Maturity Date.

“**Pre-Agreed Terms**” means the following provisions in Schedule 1 of the Series C CB Subscription Agreement:

- the status, ranking and set off provisions;
- the interest provisions;
- the representations, warranties, and undertaking;
- the original maturity date;
- the events of default;
- the indemnities;

in each case as amended *mutatis mutandis* to reflect the new loan agreement instead of the Series C Convertible Bonds.

Notice of Expiration : The Company shall, no later than one month before the Expiration date, give notice to the holders of Series C Convertible Bonds of the Expiration Date and such notice shall be delivered by post to the addresses of the holders of Series C Convertible Bonds. Upon the occurrence of the Expiration Date, the Company shall notify the holders of Series C Convertible Bonds in writing of the expiration of the Conversion Right.

Rights on Liquidation of the Company : The Series C Convertible Bonds constitute senior, direct, subordinated, unconditional and unsecured obligations of the Company and will at all times rank *pari passu* among themselves and with any Parity Obligations of the Company. Subject to the insolvency and other laws applicable to the Company, in the event of the Winding-Up of the Company, the rights of the holder of the Series C Convertible Bonds to payment of principal of and interest on the Series C Convertible Bonds are expressly subordinated and subject in right of payment to the prior payment in full of the Priority Obligations, but at least *pari passu* with all Parity Obligations and in priority to the Junior Obligations, where:

- **“Junior Obligations”** means (i) any ordinary shares of the Company and (ii) any class of the Company’s share capital and any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Company which ranks or is expressed to rank, by its terms or by operation of law, junior to the Series C Convertible Bonds.
- **“Parity Obligations”** means all claims of senior creditors of the Company (other than the Priority Obligations) and any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Company which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Series C Convertible Bonds.
- **“Priority Obligations”** means the claims of (i) the creditors of the Company under the DBS Facilities and the Maybank Facilities (as defined in the terms and conditions of the Series C Convertible Bonds), and (ii) the holders of the Series A Convertible Bonds and the holders of the Series B Convertible Bonds under the Series A Convertible Bonds and the Series B Convertible Bonds, respectively.

Governing law : Singapore law.

- Listing and Trading of the Convertible Bonds** : The Series C Convertible Bonds will not be listed or tradable on the SGX-ST.
- Listing of the Conversion Shares** : An application will be made for the Series C Conversion Shares (issuable upon conversion of the Series C Convertible Bonds) to be listed on the SGX-ST.