

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

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF NEW ORDINARY SHARES WITH FREE DETACHABLE WARRANTS OF VALLIANZ HOLDINGS LIMITED (“VHL”), AN ASSOCIATED COMPANY OF SWIBER HOLDINGS LIMITED (JUDICIAL MANAGERS APPOINTED)**

- **RECEIPT OF WAIVER FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) IN RELATION TO RULE 1015 OF THE LISTING MANUAL OF THE SGX-ST**

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**1. INTRODUCTION**

- 1.1 Swiber Holdings Limited (Judicial Managers Appointed) (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement dated 24 May 2017 (the “**24 May 2017 Announcement**”). Unless otherwise defined, all capitalised terms in this Announcement shall bear the same meanings ascribed to them in the 24 May 2017 Announcement.
- 1.2 As stated in paragraph 5.3 of the 24 May 2017 Announcement, under certain scenarios, the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion (collectively, the “**Proposed Transactions**”) could technically be classified as a “very substantial acquisition” under Rule 1015(1)(a) of the Listing Manual of the SGX-ST (the “**Listing Manual**”), to which the requirements of Rule 1015 of the Listing Manual would apply in respect of the Proposed Transactions (unless waived by the SGX-ST).

**2. RECEIPT OF SGX-ST’S WAIVER IN RELATION TO RULE 1015 OF THE LISTING MANUAL IN RESPECT OF THE PROPOSED TRANSACTIONS**

- 2.1 The Company had on 22 June 2017 submitted an application to the SGX-ST for the following waivers (the “**Waiver Application**”):
- (a) a waiver from complying with Rule 1015 of the Listing Manual in relation to the Proposed Subscription and the Proposed Warrants Exercise Arrangement (the “**Rule 1015 Waiver**”); and
  - (b) that the Rule 1015 Waiver will also apply to the Proposed Additional Debt to Equity Conversion such that the Proposed Subscription, the Proposed Warrants Exercise Arrangement and the Proposed Additional Debt to Equity Conversion will together be regarded as a “major transaction” under Rule 1014 of the Listing Manual.

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

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

### 2.3 **Grounds for seeking the Waiver**

The Company had sought the Rule 1015 Waiver on the following grounds:

- (a) The Proposed Subscription and the Proposed Warrants Exercise Arrangement are undertaken pursuant to a rights issue by VHL with a view to maintaining the Company's shareholding percentage in VHL

The Company currently holds approximately 20.17% of the issued VHL Shares and would be entitled to participate in the VHL Rights cum Warrants Issue to subscribe for its *pro-rata* entitlement of the Rights Shares with Warrants, and to exercise the Warrants issued to it. In undertaking the Proposed Subscription and the Proposed Warrants Exercise Arrangement, the Company is simply exercising its rights as a shareholder of VHL (just like any other VHL Shareholder) with a view to maintaining its shareholding percentage in VHL (assuming all Rights Shares are subscribed for and all Warrants are exercised).

If Rule 1015 were to apply in respect of the Proposed Subscription and the Proposed Warrants Exercise Arrangement, the Company would not be able to comply with the requirements of Rule 1015 for the reasons stated in paragraph 2.3(f) below. Consequently, to the extent that Rule 1015 applies (i.e. where the relative figures under Rule 1006 are 100% or more), the Company would not be able to fully undertake the Proposed Subscription and the Proposed Warrants Exercise Arrangement and in such event, the Company would face the risk of dilution of its shareholding percentage in VHL. As an illustration, assuming that (i) all the VHL Shareholders (including the Company) subscribe for their *pro-rata* entitlements of Rights Shares with Warrants, (ii) all of the VHL Shareholders (other

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than the Company) exercise all of their Warrants and (iii) the Company only exercises its Warrants partially to the extent that such exercise will not result in any of the relative figures under Rule 1006 for the Proposed Subscription and such exercise of Warrants being 100% or more, this could result in the Company's shareholding percentage in VHL being reduced from approximately 20.17% to 19.47%, which would not be in the interests of the Company.

(b) The Set-Off and Settlement Arrangements are in the interests of the Company

As the SHL Rights Shares with SHL Warrants and the New VHL Shares to be issued pursuant to the exercise of the SHL Warrants will be listed and quoted on the Catalist following completion of the VHL Rights cum Warrants Issue, the Company would be provided with the opportunity to convert outstanding amounts owing by VHL to the Company (where there is no certainty that such outstanding amounts will be fully repaid, if at all) into more liquid and marketable assets in the form of the SHL Rights Shares with SHL Warrants and the New VHL Shares (as the case may be), which the Company may readily realise for the purpose of generating cash flow and alleviating financial pressures of the Group. This would assist in achieving the purposes of the judicial management of the Company, including a more advantageous realisation of the Company's assets than would be effected by a winding up of the Company.

(c) Shareholders' approval will be sought by SHL for, amongst others, the Proposed Subscription and the Proposed Warrants Exercise Arrangement

The Company will be seeking the approval of its Shareholders at the EGM for, amongst others, the Proposed Subscription and the Proposed Warrants Exercise Arrangement in any event under Rule 1014 of the Listing Manual. Under the Set-off and Settlement Agreement, each of the Proposed Subscription and the Proposed Warrants Exercise Arrangement is conditional upon the approval of the Shareholders of the same being obtained.

Accordingly, the Company is of the view that the Shareholders would not be prejudiced by the grant of the Rule 1015 Waiver, as they will be furnished with all pertinent information in relation to the Proposed Subscription and the Proposed Warrants Exercise Arrangement and will be given the due opportunity to vote on, as well as the opportunity to raise questions and express their views on, these matters at the EGM.

(d) No Material Change in the Risk Profile of the Group

In undertaking the Proposed Subscription and the Proposed Warrants Exercise Arrangement, the Company is not undertaking an investment in another business or entity, but rather, maintaining (or increasing) its shareholding interest in an

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existing investee company, being VHL, in which the Company already holds approximately 20.17% shareholding interest as at the date of this Announcement.

To the extent that the Proposed Warrants Exercise Arrangement results in an increase in the Company's shareholding percentage in VHL to above its current shareholding of approximately 20.17%:

- (i) the Proposed Subscription and the Proposed Warrants Exercise Arrangement will not result in any change to the business of the Group nor any material change to the Group's risk profile; and
- (ii) in view of the 29.9% Threshold Condition, the shareholding interests of the Company in VHL would be increased by at most approximately 9.7% only from its current shareholding in VHL of approximately 20.17% to 29.9%, and such increase in the Company's shareholding in VHL (if any) will not result in a material change in the risk profile of the Group.

(e) No change in control of the Company

The Proposed Subscription and the Proposed Warrants Exercise Arrangement will be undertaken pursuant to the Company's participation (as a shareholder of VHL) in the VHL Rights cum Warrants Issue, and the aggregate Issue Price and Exercise Price payable by the Company in respect of the Proposed Subscription and the Proposed Warrants Exercise Arrangement respectively will be satisfied in full by way of a set-off and settlement against outstanding amounts owing by VHL to the Company. Accordingly, the Proposed Subscription and the Proposed Warrants Exercise Arrangement will not result in a change of control of the Company and the Shareholders will not suffer a dilution to their shareholding in the Company as a result thereof.

(f) Not appropriate for certain provisions under Rule 1015 to apply with respect to the Proposed Subscription and the Proposed Warrants Exercise Arrangement

The following requirements under Rule 1015 of the Listing Manual are not appropriate in the context of the the Proposed Subscription and the Proposed Warrants Exercise Arrangement:

	Requirement	Remarks
(i)	<b>Rule 1015(1)(a)(ii)</b> Issuer must, after terms have been agreed, immediately announce the latest three years of pro forma financial	In undertaking the Proposed Subscription and the Proposed Warrants Exercise Arrangement, the Company is simply exercising its rights as a shareholder of VHL (just like any other VHL Shareholder) with a view to maintaining its shareholding

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	information of the assets to be acquired.	<p>percentage in VHL. Any increase in the Company's shareholding percentage in VHL is limited by the 29.9% Threshold Condition and VHL will remain an associated company of SHL.</p> <p>In such circumstances, it cannot be the intent of Rule 1015 to require a company which is simply participating in a rights issue undertaken by another entity with a view to maintaining its shareholding percentage in such entity, to prepare such pro forma financial information.</p>
(ii)	<p><b>Rule 1015(2)</b>          For very substantial acquisition, the target business to be acquired must be profitable and meet the requirement in Rule 210(4)(a), and the enlarged group must comply with the requirements in Rule 210(5) and (6). The issuer must appoint a competent and independent valuer to value the target business.</p>	<p>As explained above, VHL will only remain as an associated company of the Company following the completion of the Proposed Subscription and the Proposed Warrants Exercise Arrangement, and will not become a member of the Group. Accordingly, Rule 210(4)(a) will not apply, and Rule 210(6) would not be appropriate in the present case.</p> <p>Rule 210(5) is not appropriate, as there will be no change to the Company's board of directors or management as a result of the Proposed Subscription and the Proposed Warrants Exercise Arrangement.</p> <p>It cannot be the intent of Rule 1015 to require the Company to engage an independent valuer to value the business of VHL, which the Company has already invested in and where the VHL Shares have a market value. Imposing such a requirement would result in the Company incurring unnecessary costs.</p>
(iii)	<p><b>Rule 1015(3)</b>          For reverse takeover, the incoming business and enlarged group must comply with certain requirements.</p>	<p>Rule 1015(3) is not applicable as the Proposed Subscription and the Proposed Warrants Exercise Arrangement do not entail a reverse takeover.</p>

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(iv)	<p><b>Rule 1015(4)(a)</b>          Issuer must submit a compliance checklist for Rule 210 or Rule 222, whichever is applicable.</p>	<p>Rules 210 and 222 are not appropriate as each of the Company and VHL is already listed on the SGX-ST and the Catalist respectively, and the Proposed Subscription and the Proposed Warrants Exercise Arrangement do not envisage the backdoor listing of any other business.</p>
(v)	<p><b>Rule 1015(4)(b)</b>          Issuer must submit a compliance checklist for the information required in Rule 1015(5).</p>	<p>Rule 1015(5) is not appropriate for the reasons stated below.</p>
(vi)	<p><b>Rule 1015(4)(c)</b>          Issuer must submit declaration by each director, controlling shareholder and executive officer of the acquired company(ies), including officers occupying a managerial position and above who is a relative of any director or controlling shareholder. For very substantial acquisition, declaration by each new director, controlling shareholder and executive officer must be submitted.</p>	<p>Rule 1015(4)(c) is not appropriate as there will be no change to the Company's shareholding, board of directors or management as a result of the Proposed Subscription and the Proposed Warrants Exercise Arrangement. It should also be noted that VHL would have had to comply with Rule 704(6) of the Catalist Listing Rules in relation to the appointment of its directors and executive officers and the format of the announcement of the appointment in Appendix 7F of the Catalist Listing Rules requires the information in paragraph 8, Part VII of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 to be disclosed.</p>
(vii)	<p><b>Rule 1015(5)(a)</b>          Shareholders' circular must contain the information required by Rules 1010, 1011, 1012, 1013 and Part II of Chapter 6 of the Listing Manual, where applicable.</p>	<p>While the Company is able to and will comply with the requirement that the circular to Shareholders must contain the information required by Rules 1010, 1011, 1012 and 1013, the disclosure requirements under Part II of Chapter 6 of the Listing Manual are not appropriate as the Proposed Subscription and the Proposed Warrants Exercise Arrangement are more akin to a "Major Transaction" under Chapter 10 of the Listing Manual, and does not envisage the backdoor</p>

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		listing of any other business or any change to the Company's shareholding, board of directors or management.
(viii)	<b>Rule 1015(5)(b)</b> Shareholders' circular must contain an accountants' report on the assets to be acquired and the enlarged group. Rule 609 applies to the accountant's report.	<p>As VHL will only remain as an associated company of the Company, and will not become a member of the Group, following the completion of the Proposed Subscription and the Proposed Warrants Exercise Arrangement, Rule 1015(5)(b) should not apply.</p> <p>In any case, the audited financial statements of VHL for the latest three financial years were prepared on the same financial reporting standards (namely the Singapore Financial Reporting Standards), and (save for the change by VHL on their financial year end from 31 December to 31 March as announced by VHL on 6 September 2016) same December year-end, as that of the Company, and such financial statements of VHL are publicly available.</p> <p>Given that in undertaking the Proposed Subscription and the Proposed Warrants Exercise Arrangement, the Company is simply exercising its rights as a Shareholder of VHL (just like any other VHL Shareholder) with a view to maintaining its shareholding percentage in VHL, and the availability of the audited financial statements of VHL, it cannot be the intent of Rule 1015 to require the Company to engage accountants to prepare the accountants' report in the present case. Imposing such a requirement would result in the Company incurring unnecessary costs.</p>
(ix)	<b>Rule 1015(5)(c)</b> Shareholders' circular must contain a statement by the directors in the form set out in Rule 610(3).	Part II of Chapter 6 of the Listing Manual (including Rule 610(3)) is not appropriate as the Proposed Subscription and the Proposed Warrants Exercise Arrangement are more akin to a "Major Transaction" under Chapter 10 of the Listing Manual, and does not envisage the backdoor listing of any other

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		business or any change to the Company's shareholding, board of directors or management.
(x)	<b>Rule 1015(5)(d)</b> Shareholders' circular must contain a statement by the financial adviser(s) in the form set out in paragraph 3(d) of Appendix 8.2.	Given that the Proposed Subscription and the Proposed Warrants Exercise Arrangement will be undertaken by the Company pursuant to the VHL Rights cum Warrants Issue with a view to maintaining its shareholding percentage in VHL, and the price of the Rights Shares with Warrants and the terms of the VHL Rights cum Warrants Issue will be publicly available in VHL's circular to shareholders in relation to the VHL Rights cum Warrants Issue, it cannot be the intent of Rule 1015 to require the Company to appoint a financial adviser in this case. Imposing such a requirement would result in the Company incurring unnecessary costs.

For the reasons set out above, it was submitted by the Company that Rule 1015 should not apply to the Proposed Subscription and the Proposed Warrants Exercise Arrangement and that these transactions should be regarded as a "major transaction" under Rule 1014 of the Listing Manual.

The Company also requested SGX-ST to extend the Rule 1015 Waiver to apply to the Proposed Additional Debt to Equity Conversion, such that the Proposed Transactions together will be regarded as a "major transaction" under Rule 1014 of the Listing Manual for the same reasons set out in paragraphs 2.3 (b) to (f), in view of the following:

- (1) if the Proposed Subscription and the Proposed Warrants Exercise Arrangement are aggregated with the Proposed Additional Debt to Equity Conversion (if applicable), given that the relative figure in Rule 1006(c) for the Proposed Subscription and the Proposed Warrants Exercise Arrangement (taken together) already exceeds 100%, the Company will practically not be able to undertake the Proposed Additional Debt to Equity Conversion at all without triggering the requirements under Rule 1015 of the Listing Manual;
- (2) on that basis, as Rawabi would be able to convert all outstanding amounts owing by VHL to Rawabi into new VHL Shares pursuant to the Rawabi Debts Settlement, this could result in the Company's shareholding in VHL being diluted. As an illustration, assuming that the Rule 1015 Waiver is granted for the Proposed Subscription and the Proposed Warrants Exercise Arrangement, and that all VHL Shareholders (including the Company) subscribe for their full *pro-rata* entitlement



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of Rights Shares with Warrants and exercise all their Warrants, the Rawabi Debts Settlement could result in the Company's shareholding in VHL being reduced to 15.71%, which would not be in the interest of the Company;

- (3) if such aggregation is required, this would also not allow any Excess VHL Amounts owing by VHL to the Company to be settled pursuant to the Additional Subscription(s) under the Proposed Additional Debt to Equity Conversion; and
  - (4) the Company will be seeking the approval of its Shareholders at the EGM for the Proposed Additional Debt to Equity Conversion.
- 2.4 Pursuant to the condition for SGX-ST's waiver as set out in paragraph 2.2(b) above, the Company will be submitting to the SGX-ST the written confirmation from the Company that SGX-ST's waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company.

### 3. ADDITIONAL INFORMATION ON THE PROPOSED TRANSACTIONS

A circular setting out the relevant information on the Proposed Transactions, including the relative figures under Rule 1006 of the Listing Manual in respect thereof, will be despatched to Shareholders in due course.

By Order of the Judicial Managers  
Bob Yap Cheng Ghee  
Joint and Several Judicial Manager  
15 August 2017

By Order of the Board  
Raymond Kim Goh  
Chairman  
15 August 2017

OK FOR SUBMISSION TO SGX/ST

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DIRECTOR / AUTHORISED OFFICER  
DATE: