

---

**NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED DISPOSAL  
OF THE PROPERTY LOCATED AT 12 INTERNATIONAL BUSINESS PARK, SINGAPORE 609920**

---

**1. INTRODUCTION**

- 1.1 Swiber Holdings Limited (Judicial Managers Appointed) (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that Swiber Corporate Pte. Ltd. (In Creditors' Voluntary Liquidation) ("**SCPL**"), a wholly-owned subsidiary of the Company, has on 12 May 2021 entered into a non-binding memorandum of understanding ("**MOU**") with an independent third-party purchaser (the "**Purchaser**", and together with SCPL, the "**Parties**") in respect of the proposed sale by SCPL of its property located at 12 International Business Park, Singapore 609920 (the "**Property**") for an aggregate consideration of S\$39,000,000 (the "**Consideration**"), excluding goods and services tax ("**GST**") (the "**Proposed Disposal**").
- 1.2 Under the MOU, neither Party will be under any obligation to proceed with the Proposed Disposal unless and until a binding sale and purchase agreement relating to the Proposed Disposal (the "**SPA**") is executed by the Parties, except that certain provisions relating to, amongst others, an exclusivity period granted by SCPL to the Purchaser in consideration for a fee paid to SCPL (further details of which are set out under Paragraph 2.5 of this announcement), confidentiality, governing law and third party rights, are intended to have legal and binding effect on the Parties.

**2. SALIENT TERMS OF THE MOU AND THE PROPOSED DISPOSAL**Information on the Property

- 2.1 The Property is a 5-storey business park development of a land area of approximately 8,000.30 square meters and a floor area of approximately 10,841.28 square meters. It is a leasehold property with a 60-year lease tenure granted by the Jurong Town Corporation ("**JTC**"), commencing from 1 December 1995. The Property has a remaining lease of about 35 years and is currently used as the Group's headquarters.
- 2.2 The Property has been mortgaged in favour of DBS Bank Ltd. ("**DBS**") pursuant to a first legal mortgage as security for SCPL's obligations under certain banking facilities extended by DBS to SCPL, and a second legal mortgage as security for the Company's obligations under certain banking facilities extended by DBS to the Company (the facilities extended to SCPL and the Company shall collectively be referred to as the "**Facilities**").

Consideration, Payment Terms and Exclusivity Period

- 2.3 The Consideration of S\$39,000,000 will be fully satisfied in cash and was arrived at on a willing-buyer and willing-seller basis after arms' length negotiations, taking into account, amongst others, the book value of the Property (as mentioned below), the market value of the Property based on the Valuation Report (as defined below) and prevailing market conditions. The Consideration is exclusive of GST and any upfront land premium, application fees or other fees payable to JTC and the relevant authorities (which shall be borne by the Purchaser).
- 2.4 Under the terms of the MOU, it is envisaged that:
- (a) on signing of the SPA, the Purchaser shall furnish SCPL's solicitors with a cashier's order for S\$4,143,000.00, being 10% of the Consideration less the Fee (as defined below)

(inclusive of GST), which shall be held by SCPL's solicitors as stakeholders pending completion of the SPA ("**Completion**"); and

(b) on Completion, the Purchaser shall pay to SCPL the balance 90% of the Consideration (together with GST thereon).

2.5 Under the existing lease agreement with JTC, JTC is entitled to a right of first refusal to purchase the Property at the prevailing market rate (the "**ROFR**"), which JTC has agreed not to exercise until 18 March 2022, after which SCPL will be required to offer the Property to JTC again before selling the Property to any purchaser. Under the terms of the MOU, in consideration of an amount of S\$30,000 (inclusive of GST) (the "**Fee**") paid by the Purchaser to SCPL on 27 April 2021, SCPL has agreed that for a period of four (4) weeks, or such longer period as the Parties may mutually agree in writing, commencing from the date of the MOU ("**Exclusivity Period**"), SCPL shall not enter into any agreement to sell the Property to any other person. In the event that the SPA is not signed by 18 March 2022 and JTC elects to exercise its ROFR to purchase the Property after 18 March 2022, the MOU shall be terminated and the Fee shall be refunded to the Purchaser. Apart from the foregoing, the Fee shall not be refundable to the Purchaser.

2.6 During the Exclusivity Period, SCPL shall permit the Purchaser to carry out due diligence in respect of the Property, and the Parties will enter into negotiations on the terms and conditions of the SPA.

#### Conditions Precedent

2.7 Completion of the Proposed Disposal is conditional upon and subject to, amongst others:

- (a) JTC's in principle approval to the assignment of the Property and JTC's final approval (collectively, "**JTC Approval**");
- (b) such other consent(s), approval(s) and/or waiver(s) as may be required by any of the Parties from any relevant authority (including the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or any third parties in connection with the Proposed Disposal; and
- (c) the approval of the shareholders of the Company ("**Shareholders**") for the Proposed Disposal (if required) being obtained at an extraordinary general meeting to be convened by the Company (unless the requirement for such Shareholders' approval is waived by the SGX-ST).

#### Completion and Long Stop Date

2.8 Subject to the fulfilment of the conditions precedent for the Proposed Disposal, Completion shall take place on the later of (i) the date falling 2 weeks from the date on which JTC Approval is obtained and (ii) the date falling 10 weeks from the date of the SPA. The parties shall use reasonable endeavours to obtain the JTC Approval by the date falling 8 weeks from the date of the SPA ("**Long Stop Date**"). If JTC Approval is not obtained by the Long Stop Date, SCPL shall be entitled (but not obliged) to extend the Long Stop Date further for a period of 6 weeks for the purpose of obtaining the JTC Approval.

#### Termination of MOU

2.9 The MOU shall automatically cease to have any effect (except for antecedent breaches and certain surviving provisions) upon the earliest of the following dates:

- (a) the date on which JTC notifies SCPL that it will be exercising its ROFR to purchase the Property;
- (b) the expiry of the Exclusivity Period; or
- (c) the date on which the Parties enter into the SPA prior to the expiry of the Exclusivity Period.

### 3. VALUATION OF THE PROPERTY AND USE OF PROCEEDS

- 3.1 The Company had commissioned Savills Valuation and Professional Services (S) Pte. Ltd. ("**Savills**"), an independent valuer, to perform a desktop valuation on the Property in accordance with the property valuation standards within the meaning of Rule 1003(2) of the Listing Manual of the SGX-ST (the "**Listing Manual**"). Savills is a holder of an appraiser's licence issued by the Inland Revenue Authority and a member of the Singapore Institute of Surveyors and Valuers and has more than five (5) years of experience in valuing real properties in a similar industry and area as the Property.
- 3.2 Based on the desktop valuation report (the "**Valuation Report**") issued by Savills on 9 October 2020, the market value of the Property as at 9 October 2020 is S\$33,500,000. The valuation of the Property was based on an as-is basis with vacant possession and free from all encumbrance and was arrived at using the direct comparison method, which was counter-checked by the income capitalisation method. The valuation was conducted in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers.
- 3.3 Based on the Group's latest announced unaudited consolidated financial statements for the three (3) months ended 31 March 2016 ("**1Q2016**"), the book value of the Property is approximately US\$20.72 million (approximately S\$28.40 million based on the Illustrative Exchange Rate (as defined below)). Based on the book value of the Property as at 31 March 2016, the Consideration represents an excess of approximately S\$10.6 million over the book value of the Property. The Proposed Disposal is expected to result in an estimated gain of approximately S\$10.6 million (before deducting related expenses).
- 3.4 As the Property is currently mortgaged to DBS, the proceeds from the Proposed Disposal will be used towards partial repayment of the amounts owing to DBS under the Facilities (having regard to the mortgages mentioned under Paragraph 2.2).

### 4. RATIONALE FOR THE PROPOSED DISPOSAL

Given that the Company is currently placed under judicial management and SCPL is currently undergoing a creditors' voluntary liquidation, the Company is of the view that the Proposed Disposal is in the interest of and will benefit SCPL and the Company for the following reasons:

- (a) Reducing liabilities: as stated under Paragraphs 2.2 and 3.4 of this announcement, as the Property has been mortgaged in favour of DBS as security for SCPL and the Company's respective obligations under the Facilities, the Proposed Disposal will enable SCPL and the Company to realise the value of the Property and use the proceeds from the Proposed Disposal towards partial repayment of the amounts owing to DBS under the Facilities, thereby reducing the liabilities of SCPL and the Company and interests accrued thereunder;
- (b) Under-utilisation: as a result of the ongoing efforts of the Judicial Managers of the Company to reorganise the corporate structure and streamline the operations of the Group

since their appointment in 2016, the Property has been and is currently under-utilised, with a significant area of the Property being vacant since September 2017 and only one storey (out of five storeys) of the Property being currently occupied by the Group as its headquarters. The continued under-utilisation of the Property has resulted in and will continue to result in substantially more costs incurred for the upkeep and maintenance of the Property, including compliance, utilities and security expenses, as compared to the benefits derived from the Property; and

- (c) No income potential: the Property has not been generating significant rental income since a past tenant in respect of about one storey of the Property vacated the premises in September 2017. Past efforts to secure new tenants for the Property have also been generally unsuccessful due to an oversupply of rental premises in International Business Park. As such, coupled with the under-utilisation of the Property by the Group, the lack of prospect of deriving significant income from the Property makes it more beneficial to SCPL and the Company to dispose of the Property to unlock its value and use the proceeds from the Proposed Disposal towards partial repayment of the amounts owing under the Facilities, as compared to continuing to hold the Property and incur maintenance and other expenses.

In view of the Proposed Disposal, the Company will be exploring other suitable premises (if required) to house the Group's operations at the appropriate time. The Company will make further announcements to update its Shareholders when there are material developments in this respect.

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

Based on the Consideration as set out above, the relative figures for the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual based on the unaudited consolidated financial statements of the Group for 1Q2016 (being the latest announced consolidated accounts of the Group) are as follows:

For purposes of the computations below, the exchange rate of US\$1.00 to S\$1.3705 (the "**Illustrative Exchange Rate**") is applied for illustrative purposes only.

Rule	Bases of computation	Proposed Disposal (S\$' million)	Group (S\$' million)	Relative figure
1006(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value <sup>(1)</sup>	28.40	666.28	4.26%
1006(b)	Net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(loss) <sup>(2) (3)</sup>	0.096	11.68	0.82%
1006(c)	Aggregate value of	39.00	51.10	76.32%

	consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares <sup>(4)</sup>			
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	-	-	Not applicable, as this is not an acquisition and there is no issuance of equity securities by the Company.
1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	-	-	Not applicable, as the Company is not a mineral, oil or gas company.

Notes:

- (1) Based on the book value or net asset value of the Property of approximately US\$20.72 million (approximately S\$28.40 million based on the Illustrative Exchange Rate) as of 31 March 2016, and the net asset value of the Group of US\$486.16 million (approximately S\$666.28 million based on the Illustrative Exchange Rate) as at 31 March 2016.
- (2) Based on profit or loss before income tax, minority interest and extraordinary items.
- (3) Based on the net profits attributable to the Property of approximately US\$70,354 (approximately S\$96,420 based on the Illustrative Exchange Rate), and the Group's net profits of approximately US\$8.52 million (approximately S\$11.68 million based on the Illustrative Exchange Rate), for 1Q2016.
- (4) Based on the Consideration of S\$39 million compared to the market capitalisation of the Company of approximately S\$51.10 million, which is determined by multiplying the 460,376,986 issued shares in the Company by S\$0.111, being the weighted average price of the Company's shares transacted on 26 July 2016, being the last full market day preceding the suspension of trading of the Company's shares on the SGX-ST.

As the relative figure under Rule 1006(c) exceeds 20%, the Proposed Disposal would constitute a major transaction under Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders, unless the requirement for such Shareholders' approval is waived by the SGX-ST.

As the Property is currently mortgaged to DBS, who has the right to enforce the mortgage over the Property upon the declaration of an event of default under the Facilities, the Company intends to

seek clarification from and will be applying to the SGX-ST for a waiver to hold an extraordinary general meeting to seek Shareholders' approval for the Proposed Disposal ("**Waiver**"). The Company will provide updates to Shareholders, where applicable. In the event that the Waiver is obtained, the Proposed Disposal will not be subject to Shareholders' approval.

## 6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

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

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

### (a) NTA per share

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

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
<b>NTA (US\$)<sup>(2)</sup></b>	575,136,000	582,336,000 <sup>(1)</sup>
<b>Number of issued shares<sup>(2)</sup></b>	459,469,490	459,469,490
<b>NTA per share (US\$)</b>	1.25	1.27

#### Notes:

- (1) This is computed based on the book value of the Property as at 31 December 2015 of approximately US\$21.26 million and the sale price of S\$39 million (approximately US\$28.46 million based on the Illustrative Exchange Rate).
- (2) Based on the Company's annual report for FY2015.

### (b) EPS

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

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
<b>Net profit/(loss) after tax (US\$)<sup>(1)(3)</sup></b>	(27,375,000)	(20,175,000) <sup>(2)</sup>

<b>Weighted average number of issued shares<sup>(3)</sup></b>	453,215,000	453,215,000
<b>EPS (US cents)</b>	(6.0)	(4.5)

Notes:

- (1) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (2) This is computed based on the book value of the Property as at 31 December 2015 of approximately US\$21.26 million and the sale price of S\$39 million (approximately US\$28.46 million based on the Illustrative Exchange Rate).
- (3) Based on the Company's annual report for FY2015.

## 7. INTERESTS OF THE JUDICIAL MANAGERS, DIRECTORS AND CONTROLLING SHAREHOLDERS

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

## 8. SERVICE CONTRACT

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

## 9. INSPECTION OF DOCUMENTS

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

## 10. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Disposal is subject to the Purchaser's due diligence on the Property and the negotiation and execution of the definitive agreement(s) relating to the Proposed Disposal, including the SPA. There is no certainty or assurance that the definitive agreement(s) relating to the Proposed Disposal (including the SPA) will be entered into, or that the terms and conditions of such definitive agreement(s) will not differ from those set out in the MOU, or that the Proposed Disposal will be undertaken at all.

The Company will make further announcements, in compliance with the requirements of the Listing Manual, when there are material developments in respect of the Proposed Disposal. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their financial, tax, legal or other professional adviser(s).

By Order of the Judicial Managers  
Bob Yap Cheng Ghee  
Joint and Several Judicial Manager  
12 May 2021

By Order of the Board  
Raymond Kim Goh  
Chairman  
12 May 2021