

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

12 International Business Park, Swiber@IBP #01-05, Singapore 609920
Tel: +65 6505 0800 Fax: +65 6505 0802
www.swiber.com

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- (1) LAPSE OF LONG STOP DATES UNDER THE SET-OFF AND SETTLEMENT AGREEMENT ENTERED INTO IN 2017
 - (2) EXECUTION OF SET-OFF AND SETTLEMENT AGREEMENT WITH VALLIANZ HOLDINGS LIMITED
 - (3) EXECUTION OF SET-OFF AND SETTLEMENT AGREEMENT BETWEEN SWIBER CORPORATE PTE. LTD. AND VALLIANZ HOLDINGS LIMITED
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1. LAPSE OF LONG STOP DATES UNDER THE SET-OFF AND SETTLEMENT AGREEMENT ENTERED INTO IN 2017

1.1 Swiber Holdings Limited (Judicial Managers Appointed) (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) its announcement dated 24 May 2017 in relation to, inter alia, the execution of a Set-Off and Settlement Agreement dated 24 May 2017 between the Company, Swiber Offshore Construction Pte. Ltd. (Judicial Managers Appointed) (“**SOC**”) and Vallianz Holdings Limited (“**VHL**”) (collectively, the “**Parties**”) (such Set-Off and Settlement Agreement, as amended and supplemented by a supplemental agreement dated 6 November 2017, being the “**2017 SOSA**”);
- (b) the circular dated 8 November 2017 (the “**Circular**”) issued by the Company to its shareholders in connection with the renounceable non-underwritten rights cum warrants issue of new ordinary shares with free detachable warrants of VHL;
- (c) its announcement dated 3 January 2018 in relation to the subscription by the Company of its entire pro-rata entitlement of VHL Rights Shares with VHL Warrants pursuant to the Proposed Subscription;
- (d) its announcement dated 25 January 2018 in relation to the exercise by the Company of the VHL Warrants pursuant to the First Warrants Exercise; and
- (e) its announcement dated 26 December 2019 in relation to, inter alia, the extension of the GSO Long Stop Date for the fulfilment of the Novation and Group Set-Off Conditions to 26 June 2020 (or such other date as the Parties may further mutually agree in writing), which was in line with the long stop date for the fulfilment of the conditions precedent applicable to the Proposed Additional Debt to Equity Conversion under the 2017 SOSA (being 26 June 2020 or such other date as the Parties may agree in writing) (the announcements referred to in paragraphs 1.1(a), (c), (d) and (e) collectively, the “**Earlier Announcements**”).

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All capitalised terms used in paragraph 1 of this announcement shall, unless otherwise defined herein, have the same meanings as used in the Circular and the Earlier Announcements.

- 1.2** The Company wishes to announce that as at 26 June 2020, the Novation and Group Set-Off Conditions and the conditions precedent applicable to the Proposed Additional Debt to Equity Conversion under the 2017 SOSA have not been fulfilled or waived. As no agreement was made between the Parties for a further extension of the GSO Long Stop Date nor an extension of the long stop date for the fulfilment of the conditions precedent applicable to the Proposed Additional Debt to Equity Conversion, the relevant provisions that are applicable to the Novations, the Group Set-Off and the Proposed Additional Debt to Equity Conversion under the 2017 SOSA have lapsed and ceased to have further effect and all obligations and liabilities of the Parties under those provisions have ceased.
- 1.3** With the lapsing of the provisions mentioned above, the Parties no longer have any outstanding obligations under the 2017 SOSA.

2. EXECUTION OF SET-OFF AND SETTLEMENT AGREEMENT AND SCPL SOSA

- 2.1** The Company wishes to announce that the Parties have on 29 June 2020 entered into a set-off and settlement agreement (the “**SHL SOSA**”) in respect of certain outstanding amounts owing by various entities within the VHL group (comprising VHL, its subsidiaries and associated companies (excluding the Company and its subsidiaries and associated companies) (the “**VHL Group**”) to various entities within the SHL group (comprising the Company, its subsidiaries and associated companies (excluding VHL and any other entities within the VHL Group) (the “**SHL Group**”) as at 31 December 2016 (the “**VHL Group Owings**”), and certain outstanding amounts owing by various entities within the SHL Group to various entities within the VHL Group as at 31 December 2016 (the “**SHL Group Owings**”), which were supposed to be settled in accordance with the terms of the 2017 SOSA but which have not been so settled (“**Owings**”). Pursuant to the SHL SOSA, the Company will, amongst others, undertake the Proposed SHL Subscription (as defined in paragraph 3.2(a) below) and (where applicable) effect the Proposed SHL Debt Waiver (as defined in paragraph 3.2(b) below) on the terms and subject to the conditions set out in the SHL SOSA to effect the set-off and settlement of the Owings.
- 2.2** For the purposes of effecting the transactions contemplated under the SHL SOSA, it is contemplated that certain entities within the SHL Group (the “**Relevant Novation Swiber Entities**”) and certain entities within the VHL Group (the “**Relevant Vallianz Entities**”), including VHL and the Company, will enter into a deed of novation and assignment (the “**Deed of Novation and Assignment**”), further details of which, as currently envisaged, are set out in paragraph 3.3.
- 2.3** The Company also wishes to announce that Swiber Corporate Pte. Ltd. (In Creditors’ Voluntary Liquidation) (“**SCPL**”), a wholly-owned subsidiary of the Company, and VHL have on 29 June 2020 entered into a set-off and settlement agreement (the “**SCPL**”

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SOSA) pursuant to which SCPL will undertake the Proposed SCPL Subscription (as defined in paragraph 4.1 below) on the terms and subject to the conditions set out in the SCPL SOSA, to effect the set-off and settlement of an amount of US\$543,620 owing by VHL to SCPL (the **“SCPL Debt Conversion Amount”**), which is part of certain amounts agreed to be settled under a settlement and release agreement dated 23 December 2019 entered into between the Company, SCPL and VHL (the **“2019 SRA”**), as amended by a supplemental agreement entered into between the Company, SCPL and VHL dated 29 June 2020 (the 2019 SRA, as amended and supplemented by such supplemental agreement and as may be further amended and supplemented from time to time, the **“SRA”**).

- 2.4 The Proposed SHL Subscription is subject to, and conditional upon, amongst others, the approval of the shareholders of the Company (the **“Shareholders”**) at an extraordinary general meeting of the Company to be convened (the **“EGM”**). A circular setting out the relevant information on, inter alia, the Proposed SHL Subscription will be despatched to Shareholders in due course.
- 2.5 The Proposed SHL Subscription, the Proposed SHL Debt Waiver and the Proposed SCPL Subscription shall be referred to collectively as the **“Proposed Transactions”** in this announcement.

3. PROPOSED SHL SUBSCRIPTION AND PROPOSED SHL DEBT WAIVER

- 3.1 As at the date of this announcement, the Company holds 115,102,344 ordinary shares in the capital of VHL (**“VHL Shares”**), representing approximately 20.58% of the total issued VHL Shares.
- 3.2 Subject to the terms and conditions of the SHL SOSA (including the fulfilment, or waiver by the relevant Party(ies), of the SSI Conditions Precedent (as defined in paragraph 3.3(f)) below):
 - (a) the Company shall subscribe for such number of new VHL Shares (the **“SHL Subscription Shares”**) at a price of S\$0.09 per VHL Share (the **“Agreed Issue Price”**) to be determined as follows:

Number of SHL Subscription Shares	=	S\$ equivalent of the Agreed Settlement Amount (based on the Agreed Exchange Rate) ÷ the Agreed Issue Price
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where the **“Agreed Settlement Amount”** means US\$15,456,380 (or such other amount as may be mutually agreed between the Parties in writing), and the **“Agreed Exchange Rate”** means US\$1.00:S\$1.3878 (or such other exchange rate

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as the Company and VHL may agree in writing), and the aggregate issue price payable by the Company to VHL in respect of the SHL Subscription Shares will be fully set-off and settled against the Novated VHL Net Owings (as defined in paragraph 3.3(c) below) to the extent of the Agreed Settlement Amount on the date of issuance of the SHL Subscription Shares to the Company (the “**Proposed SHL Subscription**”); and

- (b) following the issuance by VHL of the SHL Subscription Shares to the Company on the date of completion of the Proposed SHL Subscription (“**SHL Subscription Completion Date**”), in the event that there are any Novated VHL Net Owings arising from a Full Novation (as defined in paragraph 3.3(b)(i) below) or a Partial Novation (as defined in paragraph 3.3(b)(ii) below) (as the case may be) which are in excess of the Agreed Settlement Amount (such excess amount being the “**Excess Novated VHL Net Owings**”), the Excess Novated VHL Net Owings shall be waived by the Company on the date of the listing and quotation of the SHL Subscription Shares on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist**”) (the “**Relevant Settlement Date**”) (the “**Proposed SHL Debt Waiver**”).

The Agreed Issue Price and the Agreed Settlement Amount were commercially agreed between the Company and VHL after arm’s length negotiations and on a willing-buyer, willing-seller basis, upon taking into consideration, *inter alia*, the public float requirement under the rules of Catalist, which VHL would need to comply with following the completion of the Proposed SHL Subscription, the Proposed SCPL Subscription and the Rawabi Subscription, and the commercial terms of the Rawabi Settlement Exercise.

3.3 A summary of the other salient terms of the Proposed SHL Subscription and the Proposed SHL Debt Waiver is set out below:

- (a) Novations and Assignments: in connection with effecting the Proposed SHL Subscription, it is contemplated that pursuant to the Deed of Novation and Assignment and subject to the terms therein (including the satisfaction or waiver of the Novation and Group Set-Off Conditions (as defined in paragraph 3.3(d)):
- (i) there will be assignments by certain Relevant Vallianz Entities of certain Owings outstanding from an associated company of the Company, to SOC to be effected on the SHL Subscription Completion Date on the terms and subject to the conditions set out in the Deed of Novation and Assignment, such that following such assignments, the consideration payable by SOC to such Relevant Vallianz Entities for such assignments (being an amount equivalent to the amount of the Owings so assigned) (the “**Relevant Assignment Consideration**”) shall form part of the Owings in lieu of the Owings which were (prior to such assignments) owing by the abovementioned associated company of the Company to such Relevant

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- Vallianz Entities (the “**Relevant Assignments**”) and will be subject to the Novations and Assignments (as defined in paragraph 3.3(a)(ii) below); and
- (ii) subject to the Relevant Assignments (where applicable) being effected, immediately prior to the Group Set-Off (as defined in paragraph 3.3(c) below) and the completion of the Proposed SHL Subscription (the “**SHL Subscription Completion**”), there will be novations and/or assignments of the VHL Group Owings and the SHL Group Owings, in the event that a Full Novation or Partial Novation is effected on the SHL Subscription Completion Date, such that following such novations and/or assignments, the VHL Group Owings will be owing from VHL to the Company and the SHL Group Owings will be owing from the Company to VHL (collectively, the “**Novations and Assignments**” and each an “**Individual Novation and Assignment**”);
- (b) Full Novation and Partial Novation: the Novations and Assignments will only be effected in accordance with either of the following:
- (i) if all of the Owings can be fully novated and/or assigned in accordance with the terms of the Deed of Novation and Assignment, including without limitation the provisions relating to the Novation and Group Set-Off Conditions and those set out in paragraph 3.3(e) below on the SHL Subscription Completion Date (“**Full Novation**”), the Novations and Assignments shall be effected in respect of all Owings pursuant to the Full Novation on the SHL Subscription Completion Date in accordance with the terms of the Deed of Novation and Assignment; or
 - (ii) in the event that a Full Novation cannot be undertaken on the SHL Subscription Completion Date, or it becomes clear prior to the SHL Subscription Completion Date that it is not or will not be possible for a Full Novation to be undertaken on the SHL Subscription Completion Date, for any reason, the Company and VHL will discuss in good faith to determine whether the parties can proceed with the Novations and Assignments in respect of some (and not all) of the Owings on the SHL Subscription Completion Date in accordance with the terms of the Deed of Novation and Assignment, subject to:
 - (1) the Novation and Group Set-Off Conditions in respect of the Relevant Assignments (where applicable) and such Novations and Assignments being fulfilled, or waived in accordance with the Deed of Novation and Assignment, and the Relevant Assignments (where applicable) and such Novations and Assignments complying with the terms of the Deed of Novation and Assignment (including those set out in paragraph 3.3(e) below);

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- (2) such Novations and Assignments not resulting in there being Novated VHL Net Owings of less than the Agreed Settlement Amount; and
- (3) (where there are Excess Novated VHL Net Owings) the Excess Novated VHL Net Owings not exceeding the Relevant Limit, where “**Relevant Limit**” means the amount to be determined as follows:

$$\text{Relevant Limit} = A - S$$

where:

“**A**” means US\$36,000,000, which is an amount commercially agreed between the Company and VHL; and

“**S**” means:-

- (aa) the Agreed Settlement Amount; or
- (bb) (if the Agreed Settlement Amount is not what SGX-ST considers to be the aggregate amount for purposes of determining which transaction category under Rule 1004 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) the Proposed SHL Subscription would be classified as (“**Transaction Category**”)) such other amount as the SGX-ST may direct to be the applicable aggregate amount for purposes of determining the Transaction Category, provided that if the SGX-ST directs that the amount to be waived pursuant to the Proposed SHL Debt Waiver be included in such aggregate amount, “**S**” shall exclude the amount to be waived pursuant to the Proposed SHL Debt Waiver,

(“**Partial Novation**”). If the Company and VHL reach an agreement on or prior to the SHL Subscription Completion Date to proceed with a Partial Novation, the Novations and Assignments shall be effected in respect of those Owings which are to be included in the Partial Novation pursuant to the Partial Novation on the SHL Subscription Completion Date in accordance with the terms of the Deed of Novation and Assignment. All outstanding Owings which are not novated and/or assigned pursuant to such Partial Novation shall remain outstanding and payable.

If neither a Full Novation nor a Partial Novation can be effected in accordance with the terms of the Deed of Novation and Assignment, none of the Relevant

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Assignments and the Novations and Assignments will be effected and all SHL Group Owings and VHL Group Owings remain outstanding and payable.

- (c) Group Set-Off: following a Full Novation or a Partial Novation (as the case may be) being effected on the SHL Subscription Completion Date, and subject to the fulfilment or waiver of the Novation and Group Set-Off Conditions and provided that the SHL Subscription Completion can be undertaken in accordance with the SHL SOSA immediately after the Group Set-Off (as defined below), VHL and the Company will, immediately prior to the SHL Subscription Completion, effect a mutual set-off of the VHL Group Owings (as novated) against the SHL Group Owings (as novated) with effect from the SHL Subscription Completion Date, such that only the net amount (being the difference between the amount of the VHL Group Owings (as novated) and the amount of the SHL Group Owings (as novated)) remains owing between VHL and the Company (the “**Group Set-Off**”), following which only the balance amounts remaining therefrom shall be the net amounts owing by VHL to the Company (the “**Novated VHL Net Owings**”).
- (d) Novation and Group Set-Off Conditions: Each Relevant Assignment, each Individual Novation and Assignment and the Group Set-Off are conditional upon certain conditions precedent (the “**Novation and Group Set-Off Conditions**”) being fulfilled or waived, which include, amongst others:
- (i) all approvals, consents and/or waivers of any third parties for such Relevant Assignment, Individual Novation and Assignment or the Group Set-Off, which the Company, SOC and/or the relevant Relevant Novation Swiber Entities, in their sole and absolute discretion consider to be necessary or desirable, being obtained;
 - (ii) such Relevant Assignment, Individual Novation and Assignment or the Group Set-Off not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any statute, law, order, rule, regulation, ruling, directive, decision or request promulgated or made, whether or not having the force of law, by any court or legislative, executive or regulatory body or authority (including without limitation the SGX-ST);
 - (iii) in respect of any relevant entity within the SHL Group, there being no order of court and no legal proceedings commenced by or against such entity which has the effect or result of prohibiting or restricting in any manner such Relevant Assignment, Individual Novation and Assignment and/or the Group Set-Off;
 - (iv) in respect of (1) any Relevant Assignment or any Individual Novation and Assignment (as the case may be), there being no order made, petition presented, resolution passed or meeting convened for the winding-up, judicial management or dissolution of VHL and/or the Relevant Vallianz

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Entity (other than VHL) involved in such Relevant Assignment or Individual Novation and Assignment (as the case may be), and (2) the Group Set-Off, there being no order made, petition presented, resolution passed or meeting convened for the winding-up, judicial management or dissolution of VHL;

- (v) in respect of (1) any Relevant Assignment or any Individual Novation and Assignment (as the case may be), no person having been appointed as a receiver, liquidator, judicial manager, administrator, or similar officer in respect of the whole or any part of the business or assets of VHL and/or the Relevant Vallianz Entity (other than VHL) involved in such Relevant Assignment or Individual Novation and Assignment (as the case may be), and (2) the Group Set-Off, no person having been appointed as a receiver, liquidator, judicial manager, administrator, or similar officer in respect of the whole or any part of the business or assets of VHL;
- (vi) that, save to the extent contemplated under the SHL SOSA, the SCPL SOSA, the SRA and the Rawabi Second SOSA (as defined in paragraph 3.3(f)(vi)), in respect of (1) any Relevant Assignment or any Individual Novation and Assignment (as the case may be), no composition in satisfaction of the debts of VHL and/or the Relevant Vallianz Entity (other than VHL) involved in such Relevant Assignment or Individual Novation and Assignment (as the case may be), or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, (other than any such composition, scheme of arrangement, compromise or arrangement between such entity and its creditors or any class of its creditors which will not or will not reasonably be expected to affect such entity's performance of or compliance with its obligations under the SHL SOSA, the SCPL SOSA, the Deed of Novation and Assignment and the SRA (the "**Transaction Documents**") and the Rawabi Second SOSA (where applicable to it)) has been proposed, sanctioned or approved, and no court application for any moratorium (interim or otherwise) has been made in relation to any proposed scheme of arrangement, and (2) the Group Set-Off, no composition in satisfaction of the debts of VHL, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, (other than any such composition, scheme of arrangement, compromise or arrangement between VHL and its creditors or any class of its creditors which will not or will not reasonably be expected to affect VHL's performance of or compliance with its obligations under the Transaction Documents and the Rawabi Second SOSA) has been proposed, sanctioned or approved, and no court application for any moratorium (interim or otherwise) has been made in relation to any proposed scheme of arrangement;

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- (vii) in respect of (1) any Relevant Assignment or any Individual Novation and Assignment (as the case may be), no distress order, execution or other process having been levied or applied for in respect of the whole or any part of the assets of VHL or the Relevant Vallianz Entity (other than VHL) involved in such Relevant Assignment or Individual Novation and Assignment (as the case may be), and (2) the Group Set-Off, no distress order, execution or other process having been levied or applied for in respect of the whole or any part of the assets of VHL;
- (viii) the approval of the Shareholders for the transactions in connection with the Relevant Assignments, Novations and Assignments and/or the Group Set-Off (if required) being obtained at the EGM;
- (ix) in respect of any Individual Novation and Assignment by a Relevant Novation Swiber Entity, such Relevant Novation Swiber Entity having agreed with the Company in writing on the terms and conditions for the Company's assumption of the liability for the applicable SHL Group Owings of such Relevant Novation Swiber Entity and the benefit of the applicable VHL Group Owings of such Relevant Novation Swiber Entity as contemplated under the Deed of Novation and Assignment;
- (x) none of the relative figures in respect of (1) the Proposed SHL Subscription and/or (2) any other transactions contemplated or effected under or connection with the Transaction Documents, as computed on the bases set out in Rule 1006 of the Listing Manual pursuant to the rules set out in Chapter 10 of the Listing Manual, whether individually or on an aggregated basis as the SGX-ST may require, being 100% or more, from the perspective of the Company;
- (xi) in respect of any Individual Novation and Assignment by any Relevant Vallianz Entity (other than VHL), such Relevant Vallianz Entity having agreed with VHL in writing on the terms and conditions for VHL's assumption of the liability for the applicable VHL Group Owings of such Relevant Vallianz Entity and the benefit of the applicable SHL Group Owings of such Relevant Vallianz Entity as contemplated under the Deed of Novation and Assignment; and
- (xii) in respect of any Relevant Assignment, Individual Novation and Assignment or the Group Set-Off, certain warranties and representations given under the Deed of Novation and Assignment by the Relevant Novation Swiber Entity(ies) and Relevant Vallianz Entity(ies) which are parties to such Relevant Assignment, Individual Novation and Assignment or the Group Set-Off (as the case may be) being true and accurate as at the SHL Subscription Completion Date.

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Subject to applicable laws and regulations and the listing rules of the SGX-ST:

- (1) the Company may in its sole and absolute discretion waive (in whole or in part) any of the Novation and Group Set-Off Conditions (other than as set out in paragraphs 3.3(d)(ii), (iii) and (xi));
 - (2) VHL may in its sole and absolute discretion waive (in whole or in part) the Novation and Group Set-Off Condition set out in paragraph 3.3(d)(xi); and
 - (3) the Company and VHL may by way of written mutual agreement waive (in whole or in part) any of the Novation and Group Set-Off Conditions set out in paragraphs 3.3(d)(ii) and (iii).
- (e) Further Conditions for the Relevant Assignments and the Novations and Assignments: without prejudice to the Novation and Group Set-Off Conditions:
- (i) none of the Relevant Assignments and the Novations and Assignments shall be effected if such Relevant Assignments and Novations and Assignments will result in (1) there being Novated VHL Net Owings of less than the Agreed Settlement Amount or (2) (where there are Excess Novated VHL Net Owings) there being Excess Novated VHL Net Owings of more than the Relevant Limit;
 - (ii) none of the Relevant Assignments and the Novations and Assignments shall be effected if the Company is unable to subscribe for the SHL Subscription Shares on the SHL Subscription Completion Date or if, as at the SHL Subscription Completion Date, the Proposed SHL Debt Waiver cannot proceed in accordance with the provisions of the SHL SOSA; and
 - (iii) if the SHL Subscription Completion does not actually take place under the SHL SOSA for any reason, none of the Relevant Assignments and the Novations and Assignments would be effected.
- (f) SSI Conditions Precedent: the Proposed SHL Subscription and the Proposed SHL Debt Waiver are conditional upon certain conditions precedent (the “**SSI Conditions Precedent**”) being fulfilled or waived, which include, amongst others:
- (i) the approval of the Shareholders for the Proposed SHL Subscription, the Proposed SHL Debt Waiver and any other matters contemplated under or in connection with the SHL SOSA and the Deed of Novation and Assignment (if required) being obtained at the EGM;
 - (ii) the approval of the shareholders of VHL for the issuance of the SHL Subscription Shares to the Company pursuant to such Proposed SHL Subscription (if required) being obtained at an extraordinary general meeting to be convened by VHL;

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- (iii) all approvals, consents and/or waivers of any third parties for the Proposed SHL Subscription, the Proposed SHL Debt Waiver and any other matters contemplated under or in connection with the SHL SOSA and the Deed of Novation and Assignment, which the Company in its sole and absolute discretion considers to be necessary or desirable, being obtained;
- (iv) the Proposed SHL Subscription and/or the Proposed SHL Debt Waiver not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any statute, law, order, rule, regulation, ruling, directive, decision or request promulgated or made, whether or not having the force of law, by any court or legislative, executive or regulatory body or authority (including without limitation the SGX-ST and the SIC);
- (v) the approval by the SGX-ST for the listing and quotation of the SHL Subscription Shares on the Catalyst, being granted, and where such approval is subject to conditions, such conditions being acceptable to VHL and the Company and being fulfilled;
- (vi) the set-off and settlement agreement dated 29 June 2020 between VHL and Rawabi Holding Company Limited ("**Rawabi**"), a controlling shareholder of VHL, (the "**Rawabi Second SOSA**") not being amended, and remaining in full force and effect, and Rawabi and VHL complying with the terms of the Rawabi SOSA;
- (vii) the issuance of the new VHL Shares to Rawabi pursuant to the Rawabi Second SOSA (the "**Rawabi Subscription**") taking place concurrently with the issuance of the SHL Subscription Shares to the Company, and the settlement of an aggregate amount of US\$26,300,000 owing by VHL to Rawabi by way of the aforementioned issuance of new VHL Shares being fully effected in accordance with the terms of the Rawabi Second SOSA (the "**Rawabi Settlement Exercise**");
- (viii) none of the relative figures in respect of (1) the Proposed SHL Subscription and/or (2) any other transactions contemplated or effected under or connection with the Transaction Documents, as computed on the bases set out in Rule 1006 of the Listing Manual pursuant to the rules set out in Chapter 10 of the Listing Manual, whether individually or on an aggregated basis as the SGX-ST may require, being 100% or more, from the perspective of the Company;
- (ix) that no order has been made, petition presented, resolution passed or meeting convened for the winding-up, judicial management or dissolution of VHL or any other Relevant Vallianz Entity;

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- (x) that no person has been appointed as a receiver, liquidator, judicial manager, administrator, or similar officer in respect of the whole or any part of the business or the assets of VHL or any other Relevant Vallianz Entity;
- (xi) that, save to the extent contemplated under the SHL SOSA, the SCPL SOSA, the SRA and the Rawabi Second SOSA, no composition in satisfaction of the debts of VHL or any other Relevant Vallianz Entity, or scheme of arrangement of its affairs, or compromise or arrangement between such entity and its creditors and/or members or any class of its creditors and/or members, (other than any such composition, scheme of arrangement, compromise or arrangement between such entity and its creditors or any class of its creditors which will not or will not reasonably be expected to affect such entity's performance of or compliance with its obligations under the Transaction Documents and the Rawabi Second SOSA (where applicable to it)) has been proposed, sanctioned or approved, and no court application for any moratorium (interim or otherwise) has been made in relation to any proposed scheme of arrangement;
- (xii) that no distress order, execution or other process has been levied or applied for in respect of the whole or any part of the assets of VHL or any other Relevant Vallianz Entity;
- (xiii) that (1) VHL remains as an associated company (as defined in the Listing Manual) of the Company as at the SHL Subscription Completion Date, and (having regard to all the facts and circumstances prevailing as at the SHL Subscription Completion Date) will remain as an associated company of the Company as at the Relevant Settlement Date; and (2) VHL delivers to the Company immediately prior to the Proposed SHL Subscription Completion a written confirmation (in such form as may be reasonably acceptable to the Company) duly executed by VHL confirming that (aa) VHL is an associated company of the Company as at the SHL Subscription Completion Date and (bb) VHL has not done anything or taken any action(s) that will result in VHL ceasing to be an associated company of the Company as at the Relevant Settlement Date;
- (xiv) the Deed of Novation and Assignment having been entered into by all the parties thereto and remaining in full force and effect;
- (xv) a Full Novation or Partial Novation (as the case may be), and the Group Set-Off, being undertaken or effected in accordance with the terms of the Deed of Novation and Assignment and the SHL SOSA, on the SHL Subscription Completion Date;

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

12 International Business Park, Swiber@IBP #01-05, Singapore 609920
Tel: +65 6505 0800 Fax: +65 6505 0802
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- (xvi) each of the warranties and representations given by VHL under the SHL SOSA remaining true and accurate, and VHL complying with its obligations under the SHL SOSA as described in paragraph 3.3(h) below; and
- (xvii) the Proposed SHL Subscription not resulting in (a) the Company and persons acting in concert with it (including without limitation SCPL), or any sub group of which the Company is a member, together holding or acquiring VHL Shares exceeding the Specified Amount immediately following the Proposed SHL Subscription, where “**Specified Amount**” is the number of VHL Shares so held or acquired, carrying such minimum percentage of voting rights of VHL as would trigger an obligation to make an offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), less such number of VHL Shares carrying 0.1% of the voting rights of VHL; or (b) the Company and its subsidiaries and associated companies (including without limitation SCPL) together holding or acquiring VHL Shares carrying more than 29.9% of the voting rights of VHL immediately following the Proposed SHL Subscription, whichever is the lower.

Subject to applicable laws and regulations and the listing rules of the SGX-ST:

- (1) the Company may in its sole and absolute discretion waive (in whole or in part) any of the SSI Conditions Precedent (other than as set out in paragraphs 3.3(f)(ii) and (iv)); and
 - (2) the Company and VHL may by way of mutual agreement waive (in whole or in part) the SSI Conditions Precedent set out in paragraphs 3.3(f)(ii) and (iv).
- (g) Long stop dates under the SHL SOSA: in the event that:
- (i) any of the SSI Conditions Precedent (other than the SSI Conditions Precedent set out in paragraphs 3.3(f)(vii), (xiii) and (xv)) is not fulfilled or waived by the date falling six (6) months after the date of the SHL SOSA (or such other date as the Parties may mutually agree in writing) (the “**Long Stop Date**”); or
 - (ii) any of the SSI Conditions Precedent (other than the SSI Conditions Precedent set out in paragraphs 3.3(f)(vii), (xiii) and (xv)), having been so fulfilled earlier, does not continue to be fulfilled on the Subscription Completion Date, and/or any of the SSI Conditions Precedent set out in paragraphs 3.3(f)(vii), (xiii) and (xv) is not fulfilled or waived on the Subscription Completion Date,

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www.swiber.com

the SHL SOSA (other than certain surviving provisions) shall lapse and terminate and all obligations and liabilities of the Parties under the SHL SOSA shall cease and determine and no Party shall have any claim against the other Party(ies), save in respect of any antecedent breach of the SHL SOSA.

- (h) VHL's undertakings: VHL undertakes to the Company that:
- (i) from the date of the SHL SOSA up to the SHL Subscription Completion Date or the date of termination of the SHL SOSA pursuant to the terms therein, whichever is earlier, VHL shall not, and with respect of sub-paragraph (3) below shall procure that no other entity shall, without the prior written consent of the Company:
 - (1) allot or issue, or agree to allot or issue, any new share(s), if the issue price per share is less than the Agreed Issue Price;
 - (2) grant, or agree to grant, any rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any new share(s), if the issue price per share is less than the Agreed Issue Price;
 - (3) issue, sell or distribute, or agree to issue, sell or distribute, any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, shares at a consideration per share which is less than the Agreed Issue Price, or effect or agree to effect any modification of rights of conversion, exchange or subscription attaching to any securities which carry rights of conversion into, or exchange or subscription for, shares such that the consideration per share (for the number of shares available on conversion, exchange or subscription following the modification) is less than the Agreed Issue Price;
 - (4) issue, sell or distribute, or agree to issue, sell or distribute any securities (other than those mentioned in sub-paragraphs (1), (2) and (3) above), at a price which is less than the Agreed Issue Price; or
 - (5) effect, or agree to effect, any consolidation, subdivision or reclassification of any of its shares; and
 - (ii) VHL shall not do anything or take any action(s) that will result in VHL ceasing to be an associated company (as defined in the Listing Manual) of the Company as at (1) the SHL Subscription Completion Date and (2) the Relevant Settlement Date.

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12 International Business Park, Swiber@IBP #01-05, Singapore 609920
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www.swiber.com

- (i) Termination of SHL SOSA: prior to the allotment and issuance of the SHL Subscription Shares, the Company is entitled to terminate the SHL SOSA by written notice to VHL in any of the following events:
 - (i) where any of the events described in the SSI Conditions Precedent set out in paragraphs 3.3(f)(ix) to (xii) above has occurred in relation to VHL or any other Relevant Vallianz Entity;
 - (ii) where the SSI Condition Precedent set out in paragraph 3.3(f)(xvi) above becomes unfulfilled; or
 - (iii) where the Rawabi Second SOSA is terminated for any reason.

3.4 For illustrative purposes, certain scenarios for the Proposed SHL Subscription and the Proposed SHL Debt Waiver are as follows:

- (a) Full Novation Scenario: assuming that a Full Novation is effected and the Group Set-Off is effected between the VHL Group Owings (as novated) against the SHL Group Owings (as novated), this will result in the Novated VHL Net Owings being an amount of US\$34,210,406.31. In such a scenario, following the full set-off and settlement of the aggregate issue price for such Proposed SHL Subscription against the Novated VHL Net Owings to the extent of the Agreed Settlement Amount, the Excess Novated VHL Net Owings, being an amount of US\$18,754,026.31, will be waived by the Company on the Relevant Settlement Date in accordance with the Proposed SHL Debt Waiver.
- (b) Maximum SHL Debt Waiver Scenario: assuming that the Agreed Settlement Amount (being US\$15,456,380 as at the date of this announcement) is what SGX-ST considers to be the aggregate amount for purposes of determining the Transaction Category, and that a Partial Novation is effected such that it will result in such amount of Excess Novated VHL Net Owings being equal to the Relevant Limit, and the Group Set-Off is effected between the VHL Group Owings (as novated) against the SHL Group Owings (as novated), this will result in there being Novated VHL Net Owings of US\$36,000,000. In such a scenario, following the full set-off and settlement of the aggregate issue price for such Proposed SHL Subscription against the Novated VHL Net Owings to the extent of the Agreed Settlement Amount, the Excess Novated VHL Net Owings, being an amount of US\$20,543,620, will be waived by the Company on the Relevant Settlement Date in accordance with the Proposed SHL Debt Waiver (“**Maximum SHL Debt Waiver Scenario**”).

3.5 Based on the latest annual report of VHL for the financial year ended 31 March 2019, the VHL Group is a provider of offshore support vessels and integrated offshore marine solutions to the oil and gas industry. Based on the latest announced unaudited consolidated financial statements of the VHL Group for the half year ended 30 September

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 Co. Reg. No. 200414721N

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2019, the net asset value per VHL Share is 32.94 US cents as at 30 September 2019. The last traded price of the VHL Shares on the SGX-ST on 18 June 2020, being the last market day on which the VHL Shares were traded preceding the date of this announcement, was S\$0.06 per VHL Share.

4. PROPOSED SCPL SUBSCRIPTION

4.1 Subject to the terms and conditions of the SCPL SOSA (including, *inter alia*, the fulfilment or waiver of the conditions precedent referred to in paragraph 4.2(a) below), SCPL shall subscribe for, and VHL shall issue to SCPL, such number of new VHL Shares (“**SCPL Subscription Shares**”) at the Agreed Issue Price to be determined as follows:

Number of SCPL Subscription Shares	=	S\$ equivalent of the SCPL Debt Conversion Amount (based on the Agreed Exchange Rate) ÷ the Agreed Issue Price
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and the aggregate issue price payable by SCPL to VHL in respect thereof will be fully set-off and settled against the SCPL Debt Conversion Amount on the date of issuance of the SCPL Subscription Shares to SCPL (the “**Proposed SCPL Subscription**”).

4.2 A summary of the other salient terms of the Proposed SCPL Subscription is set out below:

- (a) Conditions precedent: the Proposed SCPL Subscription is subject to, amongst others, the following conditions precedent:
 - (i) the approval of the Shareholders for the Proposed SCPL Subscription (if required) being obtained at the EGM;
 - (ii) the approval of the shareholders of VHL for the issuance of the SCPL Subscription Shares to SCPL pursuant to such Proposed SCPL Subscription (if required) being obtained at an extraordinary general meeting to be convened by VHL;
 - (iii) all approval, consents and/or waivers of any third parties for the Proposed SCPL Subscription, which SCPL in its sole and absolute discretion considers to be necessary or desirable, being obtained;
 - (iv) the Proposed SCPL Subscription not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any statute, law, order, rule, regulation, ruling, directive, decision or request promulgated or made, whether or not having the force of law, by any court or legislative, executive or regulatory body or authority (including without limitation the SGX-ST and the SIC);

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12 International Business Park, Swiber@IBP #01-05, Singapore 609920
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- (v) the approval by the SGX-ST for the listing and quotation of the SCPL Subscription Shares, on the Catalist, being granted, and where such approval is subject to conditions, such conditions being acceptable to VHL and SCPL and being fulfilled;
- (vi) none of the relative figures in respect of (1) the Proposed SCPL Subscription and/or (2) any other transactions contemplated or effected under or in connection with the Transaction Documents, as computed on the bases set out in Rule 1006 of the Listing Manual pursuant to the rules set out in Chapter 10 of the Listing Manual, whether individually or on an aggregated basis as the SGX-ST may require, being 100% or more, from the perspective of the Company;
- (xviii) the SSI Conditions Precedent set out under paragraphs 3.3(f)(ix) to (xii) above, provided that references to “Relevant Vallianz Entity” shall be disregarded;
- (vii) the Proposed SCPL Subscription not resulting in (a) SCPL and persons acting in concert with it, or the Company and persons acting in concert with it (including without limitation SCPL), or any sub group of which the Company is a member, together holding or acquiring VHL Shares exceeding the Specified Amount immediately following the Proposed SCPL Subscription and the Proposed SHL Subscription, or (b) the Company and its subsidiaries and associated companies (including without limitation SCPL) together holding or acquiring VHL Shares carrying more than 29.9% of the voting rights of VHL immediately following the Proposed SCPL Subscription and the Proposed SHL Subscription, whichever is the lower;
- (viii) the receipt by SCPL of a written confirmation by a relevant secured creditor that it has no objections to the Proposed SCPL Subscription;
- (ix) the Proposed SHL Subscription taking place concurrently with the completion of the Proposed SCPL Subscription, or having taken place prior to the completion of the Proposed SCPL Subscription, as the case may be; and
- (x) each of the warranties and representations given by VHL under the SCPL SOSA remaining true and accurate.

Subject to applicable laws and regulations and the listing rules of the SGX-ST:

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- (1) SCPL may in its sole and absolute discretion waive (in whole or in part) any of the conditions precedent set out above for the Proposed SCPL Subscription (other than as set out in paragraphs 4.2(a)(ii) and (iv)); and
 - (2) SCPL and VHL may by way of mutual agreement waive (in whole or in part) the conditions precedent set out in paragraphs 4.2(a)(ii) and (iv).
- (b) Long stop date: in the event that:
- (i) any of the conditions precedent applicable to the Proposed SCPL Subscription (other than the condition precedent set out in paragraph 4.2(a)(ix)) is not fulfilled or waived by the Long Stop Date; or
 - (ii) any of the conditions precedent applicable to the Proposed SCPL Subscription (including the condition precedent set out in paragraph 4.2(a)(ix)) is not fulfilled or waived on the SHL Subscription Completion Date, or such other date as VHL and SCPL may agree in writing,
- the SCPL SOSA (other than certain surviving provisions) shall lapse and terminate automatically and all obligations and liabilities of the parties under the SCPL SOSA shall cease and determine and no party shall have any claim against the other party, save in respect of any antecedent breach of the SCPL SOSA.
- (c) Termination: prior to the allotment and issuance of the SCPL Subscription Shares, SCPL is entitled to terminate the SCPL SOSA by written notice to VHL in any of the following events:
- (i) where any of the events described in the conditions precedent set out in paragraph 4.2(a)(xviii) above has occurred;
 - (ii) where the SHL SOSA or the Rawabi Second SOSA is terminated for any reason; or
 - (iii) where the condition precedent set out in paragraph 4.2(a)(x) above becomes unfulfilled.

5. RATIONALE FOR THE PROPOSED TRANSACTIONS

- 5.1 In view 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 SHL Subscription and the Proposed SCPL Subscription are in the interests of and will benefit the Company and SCPL. It is contemplated under the SHL SOSA and the SCPL SOSA that the aggregate issue price payable by the Company and SCPL in respect of the Proposed SHL Subscription and the Proposed SCPL Subscription respectively will be satisfied in full by way of a set off and settlement against (in the case of the SHL SOSA)

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12 International Business Park, Swiber@IBP #01-05, Singapore 609920
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the Novated VHL Net Owings and (in the case of the SCPL SOSA) outstanding amounts owing by VHL to SCPL, respectively. As the SHL Subscription Shares and the SCPL Subscription Shares will be listed and quoted on the Catalist following completion of the Proposed SHL Subscription and the Proposed SCPL Subscription, the Company and SCPL would be provided with the opportunity to convert (in the case of the SHL SOSA) the SHL Group Owings (after taking into account the VHL Group Owings which will be set-off against the SHL Group Owings pursuant to the Group Set-Off) and (in the case of the SCPL SOSA) amounts owing by VHL to SCPL into more liquid and marketable assets in the form of the SHL Subscription Shares and the SCPL Subscription Shares (as the case may be), which the Company and SCPL may realise, if they so wish to do so. The Company believes that this would assist in achieving the purposes of the judicial management of the Company, including a more advantageous realization of the Company's assets than would be effected by a winding up of the Company. Similarly, the Proposed SCPL Subscription will benefit the creditors of SCPL as it will allow for a more expedient liquidation process through the realization of liquid and marketable assets of SCPL, being the SCPL Subscription Shares.

- 5.2 Another reason for the Company and SCPL undertaking the Proposed SHL Subscription and the Proposed SCPL Subscription respectively is that this would give the Company and SCPL an opportunity to increase the Group's shareholding percentage in VHL. Conversely, in view of the Rawabi Subscription, if the Company and SCPL do not undertake the Proposed SHL Subscription and the Proposed SCPL Subscription, respectively, the Group's shareholding percentage in VHL will consequently be diluted as a result of the Rawabi Subscription, which would not be in the interests of the Company. Assuming the Proposed SHL Subscription, the Proposed SCPL Subscription and the Rawabi Subscription are completed and assuming there is no further issuance of any VHL Shares, this would result in an increase in the Company's shareholding interest in VHL from approximately 20.58% to approximately 29.17%, and SCPL will hold approximately 0.69% of the total VHL Shares, immediately following such completion.
- 5.3 The Company is of the further view that undertaking the Proposed SHL Subscription (with the aggregate issue price of the SHL Subscription Shares to be fully set-off against the Novated VHL Net Owings to the extent of the Agreed Settlement Amount, which was an amount commercially agreed between the Parties) will yield a better recovery for the Company of the outstanding debts between the SHL Group and VHL Group as compared to the set-off and settlement arrangements contemplated under the 2017 SOSA, where the Company was only able to convert an aggregate net outstanding amount of about US\$7.17 million (assuming all the owings of the VHL Group to the SHL Group and all the owings of the SHL Group to the VHL Group, as at 31 December 2016 are fully novated and fully set-off against each other) into VHL Shares. In view of the benefits of the Proposed SHL Subscription as mentioned above, the Company is correspondingly of the view that it is in the interest of the Company to agree to the Proposed SHL Debt Waiver, which is required by VHL as a condition for the set-off and settlement arrangements in respect of the Owings, so as to reach a commercial agreement with VHL in relation to the

Swiber Holdings Limited
(Judicial Managers Appointed)
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12 International Business Park, Swiber@IBP #01-05, Singapore 609920
Tel: +65 6505 0800 Fax: +65 6505 0802
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Proposed SHL Subscription. In any event, the Excess Novated VHL Net Owings which the Company is obliged to waive under the Proposed SHL Debt Waiver is subject at all times to the Relevant Limit, and in any case would not exceed US\$20,543,620 in the Maximum SHL Debt Waiver Scenario. Taking into account the benefits of the Proposed SHL Subscription (as described above), the Company is of the view that the Proposed SHL Subscription and the Proposed SHL Debt Waiver, when viewed in totality, are in the interests of the Company, as they will yield a better recovery of the outstanding debts between the SHL Group and VHL Group than if both the Proposed SHL Subscription and the Proposed SHL Debt Waiver were not undertaken.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 Relative Figures for the Proposed SHL Subscription

The relative figures for the Proposed SHL Subscription 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 the three (3) months ended 31 March 2016 ("1Q2016") (being the latest announced consolidated accounts of the Group) are set out below:

Rule	Bases of computation	Proposed SHL Subscription (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	-	-	Not applicable, as this is not a disposal of assets.
1006(b)	Net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(loss) ⁽¹⁾⁽²⁾⁽³⁾	0.66	11.82	5.57%
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding	21.45 ⁽⁵⁾	51.10	41.98%

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12 International Business Park, Swiber@IBP #01-05, Singapore 609920
Tel: +65 6505 0800 Fax: +65 6505 0802
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	treasury shares ⁽⁴⁾			
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 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 profits or loss before income tax, minority interest and extraordinary items.
- (2) Based on VHL's issued share capital comprising 559,354,434 issued VHL Shares as at the date of this announcement and assuming that (a) each of the Company, SCPL and Rawabi undertakes the Proposed SHL Subscription, the Proposed SCPL Subscription and the Rawabi Subscription respectively, and (b) save for the issuance of new VHL Shares pursuant to the Proposed SHL Subscription, the Proposed SCPL Subscription and the Rawabi Subscription, there is no further issuance of any VHL Shares ("**Full Subscription Scenario**"), this would result in an increase in the Company's shareholding interest in VHL by 8.59%, from approximately 20.58% to approximately 29.17%, immediately following the issuance of the new VHL Shares pursuant to the Proposed SHL Subscription, the Proposed SCPL Subscription and the Rawabi Subscription.

In such case, the net profits attributable to the assets acquired would be the additional share of VHL's net profits that the Company would be required to account in its books of account, assuming that the Proposed SHL Subscription had taken place at the beginning of 1Q2016, being US\$474,168 (equivalent to S\$658,050 based on the Agreed Exchange Rate), which is equivalent to 8.59% (being the increase in the Company's shareholding level in VHL) of VHL's net profits for 1Q2016.

- (3) Based on the net profits attributable to the Proposed SHL Subscription set out at note (2) above, and the Group's net profit of US\$8,519,000 (equivalent to S\$11,822,668 based on the Agreed Exchange Rate).

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- (4) Based on the Agreed Settlement Amount of US\$15,456,380 (approximately S\$21.45 million, based on the Agreed Exchange Rate).
- (5) Based on 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 2017, being the last full market day preceding the suspension of trading of the Company's shares on the SGX-ST (the "**SHL Market Capitalisation**").

As the relative figure in Rule 1006(c) exceeds 20%, the Proposed SHL Subscription would constitute a major transaction under Chapter 10 of the Listing Manual. Accordingly, the Proposed SHL Subscription is subject to the approval of the Shareholders at the EGM.

6.2 Relative Figures for the Proposed SCPL Subscription

The relative figures for the Proposed SCPL Subscription 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 set out below:

Rule	Bases of computation	Proposed SCPL Subscription (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	-	-	Not applicable, as this is not a disposal of assets.
1006(b)	Net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(loss) ⁽¹⁾⁽²⁾⁽³⁾	0.05	11.82	0.42%
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding	0.75 ⁽⁵⁾	51.10	1.47%

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	treasury shares ⁽⁴⁾			
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 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 profits or loss before income tax, minority interest and extraordinary items.
- (2) Based on VHL's issued share capital comprising 559,354,434 issued VHL Shares as at the date of this announcement and assuming a Full Subscription Scenario occurs, this would result in SCPL having a shareholding interest in VHL of 0.69% immediately following the issuance of the new VHL Shares pursuant to the Proposed SHL Subscription, the Proposed SCPL Subscription and the Rawabi Subscription.

 In such case, the net profits attributable to the assets acquired would, assuming that the Proposed SCPL Subscription had taken place at the beginning of 1Q2016, be US\$38,088 (equivalent to S\$52,859 based on the Agreed Exchange Rate), which is equivalent to 0.69% (being SCPL's shareholding in VHL) of VHL's net profits for 1Q2016.
- (3) Based on the net profits attributable to the Proposed SCPL Subscription set out at note (2) above, and the Group's net profit of US\$8,519,000 (equivalent to S\$11,822,668 based on the Agreed Exchange Rate).
- (4) Based on the SCPL Debt Conversion Amount of US\$543,620 (approximately S\$754,436, based on the Agreed Exchange Rate).
- (5) Based on the SHL Market Capitalisation of approximately S\$51.10 million.

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As none of the relative figures under the applicable bases set out under Rule 1006 of the Listing Manual exceeds 5%, the Proposed SCPL Subscription is a non-discloseable transaction under Chapter 10 of the Listing Manual.

6.3 Proposed SHL Debt Waiver

The Proposed SHL Debt Waiver, being the forgiving of a debt by the Company in favour of VHL, constitutes financial assistance (as defined under the Listing Manual) for the purposes of Chapter 10 of the Listing Manual. Under Rule 1002(1) of the Listing Manual, the definition of “transaction” under Chapter 10 excludes the provision of financial assistance to an issuer’s associated company. As VHL is an associated company (as defined under the Listing Manual) of the Company, the Proposed SHL Debt Waiver falls under such exclusion and accordingly, the Proposed SHL Debt Waiver is not subject to the requirements of Chapter 10 of the Listing Manual.

6.4 Consultation with the SGX-ST

While the Company is of the view that the Proposed SHL Subscription and the Proposed SCPL Subscription would constitute a major transaction and a non-discloseable transaction under Chapter 10 of the Listing Manual respectively based on the relative figures as computed under Rule 1006 as set out in paragraphs 6.1 and 6.2 above, as various transactions are contemplated under or in connection with the Transaction Documents, as described above, the Company will be consulting the SGX-ST in relation to confirming the aggregate amount for purposes of determining which Transaction Category the Proposed SHL Subscription would be classified as.

It should be noted that if the SGX-ST is of the view that the Agreed Settlement Amount is not the aggregate amount for purposes of determining which Transaction Category the Proposed SHL Subscription would be classified as, the Relevant Limit, being the maximum amount of Excess Novated VHL Net Owings to be waived by the Company pursuant to the Proposed SHL Debt Waiver, may be adjusted accordingly, pursuant to the formula described in paragraph 3.3(b)(ii)(3) above, and consequently, the amount of Excess Novated VHL Net Owings to be waived by the Company pursuant to the Proposed SHL Debt Waiver under the Maximum SHL Debt Waiver Scenario may change.

The Company will in any event be seeking the approval of Shareholders for the Proposed SHL Subscription.

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

12 International Business Park, Swiber@IBP #01-05, Singapore 609920
Tel: +65 6505 0800 Fax: +65 6505 0802
www.swiber.com

7. FINANCIAL EFFECTS OF THE PROPOSED SHL SUBSCRIPTION

The proforma financial effects of the Proposed SHL Subscription 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 SHL Subscription, nor a projection of the future financial performance or position of the Group after completion of the Proposed SHL Subscription.

The proforma financial effects of the Proposed SHL Subscription, based on the Group's audited consolidated financial statements for the financial year ended 31 December 2015 ("FY2015"), are set out below:

(a) Net tangible assets ("NTA") per share

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

	Before the Proposed SHL Subscription	After the Proposed SHL Subscription ⁽¹⁾
NTA (US\$)⁽²⁾	575,136,000	575,136,000
Number of issued shares⁽²⁾	459,469,490	459,469,490
NTA per share (US\$)	1.25	1.25

Notes:

(1) Based on the Agreed Settlement Amount of US\$15,456,380 (approximately S\$21.45 million, based on the Agreed Exchange Rate).

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

(b) Earnings per share ("EPS")

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

	Before the Proposed SHL Subscription	After the Proposed SHL Subscription ⁽¹⁾
Net profit/(loss) after tax (US\$)⁽²⁾	(27,375,000)	(25,647,379)

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Weighted average number of issued shares⁽³⁾	453,215,000	453,215,000
EPS (US cents)	(6.04)	(5.66)

Notes:

- (1) Based on the Agreed Settlement Amount of US\$15,456,380 (approximately S\$21.45 million, based on the Agreed Exchange Rate), and assuming an increase in the Company's shareholding interest in VHL by approximately 8.59%, from approximately 20.58% to approximately 29.17%.
- (2) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (3) Based on the Company's annual report for FY2015.

8. INTERESTS OF DIRECTORS, JUDICIAL MANAGERS AND CONTROLLING SHAREHOLDERS

8.1 Directors' and Controlling Shareholders' Interests in the VHL Shares

As at the date of this announcement, the directors of the Company ("Directors") and Mr Raymond Kim Goh and Mr Yeo Chee Neng (who are controlling Shareholders of the Company) hold the following direct or indirect interests in VHL Shares:-

Name	Direct Interest	Deemed Interest	Total Interest	
	Number of VHL Shares	Number of VHL Shares	Number of VHL Shares	% ⁽¹⁾
Raymond Kim Goh ⁽²⁾	-	-	-	-
John F. Swinden	-	-	-	-
Oon Thian Seng	16,666	-	16,666	0.003
Yeo Chee Neng ⁽³⁾	2,000,000	297,493 ⁽⁴⁾	2,297,493	0.41

Notes:

- (1) Based on VHL's total number of voting shares comprising 559,354,434 VHL Shares as at the date of this announcement.

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- (2) Mr Raymond Kim Goh is also a controlling shareholder of the Company, as he has aggregate direct and deemed interests in 73,934,083 ordinary shares in the capital of the Company (“**Shares**”) (which constitutes approximately 16.06% of the total issued Shares in the capital of the Company as at the date of this announcement), which comprises (i) his direct interest in 3,900,000 Shares and (ii) his deemed interest in the 70,034,083 Shares held by Newshire Capital Limited by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore (“**SFA**”). Newshire Capital Limited does not have any direct or indirect interests in VHL.
- (3) Mr Yeo Chee Neng is a controlling shareholder of the Company, as he has aggregate direct and deemed interests in 80,235,583 Shares (which constitutes approximately 17.43% of the total issued Shares in the capital of the Company as at the date of this announcement), which comprises (i) his direct interest in 10,201,500 Shares and (ii) his deemed interest in the 70,034,083 Shares held by Newshire Capital Limited by virtue of Section 4 of the SFA. As at the date of this announcement, Mr Yeo Chee Neng is also an Executive Director (Vice-Chairman) of VHL.
- (4) Mr Yeo Chee Neng is deemed to have an interest in 297,493 VHL Shares which are held by his spouse.

8.2 Interests in the Proposed Transactions

Save as described above and in this announcement, none of the Judicial Managers of the Company (“**Judicial Managers**”) and Directors and, to the best of the knowledge of the Judicial Managers and Directors, none of the controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Transactions, other than through their respective directorships and shareholdings in the Company, if any.

9. SERVICE CONTRACT

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

10. INSPECTION OF DOCUMENTS

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the SHL SOSA and the SCPL SOSA 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.

By Order of the Judicial Managers
Bob Yap Cheng Ghee
Joint and Several Judicial Manager
29 June 2020

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By Order of the Board
Raymond Kim Goh
Chairman
29 June 2020