

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

12 International Business Park, Swiber@IBP #01-05, Singapore 609920
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BINDING TERM SHEET IN RELATION TO THE PROPOSED INVESTMENT OF US\$200 MILLION BY RAWABI HOLDING COMPANY LIMITED BY WAY OF:

- (1) **PROPOSED SUBSCRIPTION OF NEW ORDINARY SHARES IN THE CAPITAL OF A NEW WHOLLY-OWNED SUBSIDIARY OF THE COMPANY (“NEW SWIBER”); AND**
 - (2) **PROPOSED SUBSCRIPTION OF NEW PREFERENCE SHARES IN THE CAPITAL OF EQUATORIALE ENERGY PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, AND/OR NEW SWIBER**
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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:

- (a) its announcement dated 6 April 2020 in relation to the receipt by the Company of a preliminary and non-binding expression of interest (the “**EOI**”) from a third party (the “**Potential Investor**”) in relation to a potential investment in the Group, subject to satisfactory due diligence, the receipt of all necessary approvals and the signing of definitive transaction agreements on terms satisfactory to the parties (the “**Potential Transaction**”); and
- (b) its announcement dated 15 April 2020 which sets out further details on the Potential Investor and the Potential Transaction,

(collectively, the “**Previous Announcements**”). Unless otherwise stated, defined terms used herein shall bear the meanings ascribed to them in the Previous Announcements.

1.2 The Company wishes to announce that the Company and its wholly-owned subsidiary, Equatoriale Energy Pte. Ltd. (the “**Project Owner**”) have on 8 June 2020 entered into a binding term sheet (the “**Term Sheet**”) with the Potential Investor, Rawabi Holding Company Limited (“**Rawabi**”), pursuant to which Rawabi has agreed that, subject to their due diligence and the definitive agreements relating to the Proposed Investments (as defined below) (the “**Definitive Agreements**”) being executed by the parties thereto on terms to be mutually agreed, and the other terms and conditions to be set out therein, Rawabi will make an investment of an aggregate cash amount of US\$200 million, by way of the following:

- (a) the proposed subscription by Rawabi of such number of new ordinary shares (the “**Shares**”) in the capital of New Swiber, a new wholly-owned subsidiary to be incorporated by the Company (the “**Initial Subscription Shares**”), at an aggregate issue price of US\$10 million (the “**Initial Investment**”). The Initial Subscription Shares will in aggregate constitute approximately 80% of New Swiber’s enlarged total issued shares (taking into account, *inter alia*, the Unsecured Creditors Shares (as defined below) to be issued pursuant to the Debt Restructuring (as defined below), the Key Management and Professional Shares (as defined below) and the Shareholders’ New Shares (as defined

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below)) immediately following the completion of the subscription of the Initial Subscription Shares, but prior to the conversion of the RCBs (as defined below); and

- (b) the proposed subscriptions by Rawabi of such number of new preference shares in the capital of the Project Owner and/or New Swiber to be agreed between the Company, the Project Owner and Rawabi (collectively, the “**Parties**”) (the “**Investor Preferred Shares**”), with an aggregate issue price of US\$190 million and to be undertaken in such tranches to be agreed in the Definitive Agreements (the “**Subsequent Investment**”), based on the satisfaction of the relevant Milestones (as defined below),

(the Initial Investment and the Subsequent Investment being collectively referred to as the “**Proposed Investments**”).

- 1.3 The Term Sheet is intended to serve as a general basis for negotiations between the Parties on the Definitive Agreements, and does not set out all the detailed and essential terms and conditions to be incorporated into the Definitive Agreements, or upon which the Proposed Investments may be consummated. The Term Sheet is subject to Rawabi’s due diligence, and none of the Parties shall be obliged to proceed with the Proposed Investments unless and until the Definitive Agreements, which will set out more detailed terms and conditions relating to the Proposed Investments to be mutually agreed between the Parties, have been executed by the Parties. Further details will be announced in the event that the Definitive Agreements are entered into.

2. INFORMATION ON RAWABI

*Shareholders of the Company (the “**Shareholders**”) should note that information relating to Rawabi in paragraphs 2.1 and 2.2 below and elsewhere in this announcement was provided by Rawabi. Neither the Company, the board of directors of the Company (the “**Directors**”) nor the Judicial Managers have independently verified the accuracy and correctness of such information.*

- 2.1 Rawabi is a company incorporated in the Kingdom of Saudi Arabia. The group comprising Rawabi and its subsidiaries (the “**Rawabi Group**”) is a substantial energy services player in Saudi Arabia which has a total of 19 business units and joint ventures.
- 2.2 Rawabi (a) does not hold any shares, directly or indirectly, in the Company, (b) does not have any connection (including business relationships) with any Director or substantial Shareholder of the Company, and (c) does not fall within the category of persons listed in Rule 812(1) of the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”).
- 2.3 The Company has been open to considering options for the restructuring of the Company and Swiber Offshore Construction Pte. Ltd. (“**SOC**”), and received the EOI from Rawabi, with which it has had previous business dealings, on 5 April 2020. There is no placement agent appointed for the purpose of the Proposed Investments, and there is no commission payable to any placement agent and/or introducer.

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3. INITIAL INVESTMENT

3.1 Initial Subscription Shares

The number of Initial Subscription Shares to be issued and the issue price per New Swiber Subscription Share are to be mutually agreed between the Parties and set out in the Definitive Agreements.

3.2 Conditions Precedent

The completion of the Initial Investment (the “**Initial Closing**”) is subject to and conditional upon, among others, due diligence by Rawabi, the entering into of the Definitive Agreements, the approval of the Shareholders and creditors, Singapore regulatory and court approvals, the execution of a memorandum of understanding with the relevant Vietnamese government entity(ies) with respect to the first phase of the Project (as defined below) and other conditions customary for transactions of this nature.

3.3 Internal Restructuring

Under the Term Sheet, it is contemplated that prior to Initial Closing, the Company will undertake an internal restructuring to transfer the assets and employees set out below from the Group to New Swiber and its subsidiaries (the “**New Swiber Group**”) (the “**Internal Restructuring**”):

- (a) four vessels owned by the Group, namely Resiliant and Swiber Quetzal (collectively, the “**Secured Vessels**”), and Swiber Ada and Swiber Oslo;
- (b) the JTC leasehold property located at 12 International Business Park, Swiber@IBP, Singapore 609920 (the “**Property**”, and together with the Secured Vessels, the “**Secured Transfer Assets**”);
- (c) all the issued shares in the Project Owner and PAPE Engineering Pte Ltd (“**PAPE Engineering**”);
- (d) 25% of the issued shares of Holmen Heavylift Offshore Pte. Ltd. (“**Holmen Heavylift**”), which are held by the Company; and
- (e) certain other contracts, intellectual property and employees (the “**Assumed Employees**”) of the Group to be agreed and identified in the Definitive Agreements,

(collectively, the “**Transfer Assets**”). In respect of such other assets of the Group (apart from the Transfer Assets), the Parties will engage with each other and consider such other transactions or arrangements or any adjustments to the terms and conditions contemplated in the Term Sheet, as may be mutually agreed in the Definitive Agreements.

As at the date of this announcement, the Secured Transfer Assets are secured in favour of one of the Company’s secured creditors (the “**RCB Secured Creditor**”) in respect of the RCB Secured Creditor’s existing debt in the Company. In connection with the transfer of the Secured Transfer

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Assets to the New Swiber Group and the issuance of the RCBs to the RCB Secured Creditor pursuant to the Debt Restructuring (as described below), it is contemplated that immediately following Initial Closing, the Secured Transfer Assets will secure the RCBs.

3.4 Debt Restructuring

At Initial Closing, it is contemplated that New Swiber will, subject to the satisfaction of certain conditions precedent, issue pursuant to a restructuring of certain liabilities of the Company and SOC (the "**Debt Restructuring**"):

- (a) secured redeemable convertible bonds for an aggregate principal amount of US\$78 million to the RCB Secured Creditor (the "**RCBs**"); and
- (b) new Shares which will be allocated for the benefit of the Company's and SOC's unsecured creditors (the "**Unsecured Creditors Shares**"), which will in aggregate constitute approximately 14% of New Swiber's enlarged total issued shares immediately following Initial Closing.

The number of Shares to be issued upon conversion of all of the RCBs (the "**RCB Conversion Shares**") will be such number of Shares that will in aggregate constitute approximately 10% of New Swiber's enlarged total issued shares immediately following Initial Closing, assuming all of the RCBs are converted into RCB Conversion Shares immediately following Initial Closing (subject to adjustments to be agreed under the terms of the RCBs).

3.5 Key Management and Professional Shares and Shareholders New Swiber Shares

At the Initial Closing, it is also contemplated that New Swiber will issue:

- (a) new Shares to (i) certain key management of New Swiber in connection with New Swiber's key employee incentive plan and (ii) the providers of professional services (including without limitation judicial management, legal, accounting and other advisory services) in partial satisfaction of the payment of their fees and expenses (collectively, the "**Key Management and Professional Shares**"), which will in aggregate constitute approximately 3% of New Swiber's enlarged total issued shares immediately following Initial Closing; and
- (b) new Shares to the Company's existing Shareholders (the "**Shareholders New Swiber Shares**") which will in aggregate constitute approximately 3% of New Swiber's enlarged total issued shares immediately following Initial Closing.

3.6 Transfer of Listing Status

In connection with the Initial Investment and subject to the approval of the SGX-ST, it is proposed that shortly after Initial Closing, the listing status of the Company will be transferred to New Swiber (the "**Transfer of Listing Status**").

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3.7 Pro-Forma Shareholding Structure of New Swiber

For illustration purposes only and assuming all the RCBs are converted into RCB Conversion Shares immediately following Initial Closing, the pro forma shareholding structure of New Swiber immediately after such conversion is as follows:

Shareholders of New Swiber	Approximate percentage shareholding in New Swiber immediately following Initial Closing but before conversion of the RCBs	Approximate percentage shareholding in New Swiber immediately following the issuance of all the RCB Conversion Shares
Rawabi	80.0%	72.0%
Holder of RCBs	-	10.0%
Holders of Unsecured Creditors Shares	14.0%	12.6%
Existing Shareholders	3.0%	2.7%
Holders of Key Management and Professional Shares	3.0%	2.7%
Total	100.0%	100.0%

4. SUBSEQUENT INVESTMENT

4.1 Investor Preferred Shares

The number of Investor Preferred Shares to be issued by the Project Owner and/or New Swiber, the issue price per Investor Preferred Share, and the rights attached to Investor Preferred Shares are to be mutually agreed between the Parties in the Definitive Agreements.

4.2 Conditions Precedent

The completion of each tranche of the Subsequent Investment is subject to and conditional upon certain conditions precedent, including but not limited to the satisfaction of such milestones in relation to the development of the first phase of the Project as may be agreed between the Parties and set out in the Definitive Agreements (the “**Milestones**”) and other conditions customary for transactions of this nature.

5. OTHER SALIENT TERMS OF THE TERM SHEET

5.1 Termination

The Term Sheet shall automatically terminate (a) upon the execution of the Definitive Agreements; (b) upon any of the conditions precedent for the Initial Investment and/or the Subsequent Investment no longer being capable of being fulfilled; (c) upon mutual consent in writing; or (d) on

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the date falling 90 days after the date of the Term Sheet (or such other date as may be agreed by the Parties in writing), whichever date being the earliest.

5.2 Exclusivity Period

The Company and the Project Owner have agreed to grant Rawabi an exclusive period from the date of the Term Sheet until the date of its termination to, *inter alia*, negotiate the Definitive Agreements.

During such period, the Company and the Project Owner shall not, *inter alia*, accept, solicit, encourage, nor initiate or participate in any negotiations or discussions, with respect to any offer or proposal by any person other than Rawabi relating to the acquisition of, *inter alia*, any Transfer Asset(s) or certain other transaction(s) or corporate action(s) involving, amongst others, the Project Owner or any of the companies within the Group which own the Transfer Assets or have any Assumed Employees in their employment (each, a “**Competing Proposal**”), (i) unless with the prior written consent of Rawabi or (ii) unless required by any requirements of any regulatory body and/or courts that the Company, the Project Owner and/or the Judicial Managers may be subject to, provided that the Company, the Project Owner and/or the Judicial Managers may announce and entertain any unsolicited Competing Proposal which they receive, in discharging their legal or regulatory obligations.

6. RATIONALE FOR THE PROPOSED INVESTMENTS AND USE OF PROCEEDS

- 6.1 Since the Company was placed under judicial management on 6 October 2016, the Company has been engaging with potential investors for cash injections into the Group with a view to rehabilitating the Company.
- 6.2 In view of the growing opportunities in the power sector and given the Group’s engineering capabilities and technical expertise, it has been part of the corporate strategy of the Company to diversify its existing business to include the power business, particularly the liquified natural gas (LNG) segment. The Company has recognised that there is generally a growing demand for clean energy such as power generated from LNG and the Company believes that the diversification into the power sector will not only offer new business opportunities for the Company and provide the Company with new revenue streams, but will also support the long-term growth of the Group. For the purpose of such diversification, the Company had incorporated Project Owner in June 2018 to undertake the power business.
- 6.3 Given the Group’s engineering capabilities and technical expertise as well as the growing demand for clean energy in Vietnam, the Company and Rawabi have agreed to explore the opportunity to develop, construct and operate a LNG power plant to be constructed in Vietnam (the “**Project**”), which is estimated to cost approximately US\$1 billion to construct.
- 6.4 The Proposed Investments, if completed, will provide the Company and/or the Project Owner with aggregate gross subscription proceeds of US\$200 million. It is intended that the proceeds from the Initial Investment will be used towards working capital purposes, including but not limited to, funding the development of the first phase of the Project, while the proceeds from the Subsequent

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Investment will be used towards, *inter alia*, funding the construction, operation and maintenance of the first phase of the Project and/or such other purposes as may be agreed between the Company and Rawabi.

- 6.5 The rationale for the incorporation of New Swiber, the Internal Restructuring and the Transfer of Listing Status is to give effect to Rawabi's requirements for an investment into a member of the Group with a sustainable capital structure on which to rebuild the Group's current business and simultaneously diversify into the power business.
- 6.6 As the Company is currently placed under judicial management, the Company is of the view that the Proposed Investments are in the interests of the Company, as the Proposed Investments, if completed, would be a significant step towards reviving the Company as a going concern.
- 6.7 Further, the Company is of the view that the Proposed Investments and the Group's proposed participation in the Project are necessary to carry out a restructuring of the Company's and SOC's existing debts and to formulate the trading resumption proposal for submission to the SGX-ST.

7. SHAREHOLDERS' APPROVAL

In the event that the Company proceeds with the Proposed Investments, the Company will be seeking the approval of the Shareholders for the Proposed Investments, the Internal Restructuring, the Debt Restructuring, the proposed issuance of the Key Management and Professional Shares and the Shareholders New Swiber Shares, and/or the Transfer of Listing Status (collectively referred to as the "**Proposed Transactions**") (as may be required) at an extraordinary general meeting to be convened.

8. INTERESTS OF THE JUDICIAL MANAGERS, DIRECTORS AND CONTROLLING SHAREHOLDERS

As described under paragraph 3.5 of this announcement, the Key Management and Professional Shares will be issued to (a) certain key management of New Swiber and (b) the providers of professional services (including without limitation judicial management, legal, accounting and other advisory services) in partial satisfaction of the payment of their fees and expenses. Such persons will include the Judicial Managers and may include the existing Directors of the Company.

Save as described above and under paragraph 3.5 of this announcement, 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 interest, direct or indirect, in the Proposed Transactions, other than through their respective directorships and shareholdings in the Company, if any.

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9. INSPECTION OF DOCUMENTS

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Term Sheet 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 Investments are subject to, amongst others, Rawabi's due diligence and the negotiation and execution of the Definitive Agreements. There is no certainty or assurance that the Definitive Agreements will be entered into, that the conditions precedent for the Proposed Investments can be fulfilled, that the terms and conditions of the Proposed Investments will not differ from those set out in the Term Sheet, or that the Proposed Investments 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 Investments. 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
8 June 2020

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