



Swiber Holdings Limited

(Judicial Managers Appointed)

Extraordinary General Meeting

23 November 2017



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Background

Background

- VHL proposes to undertake a renounceable non-underwritten rights cum warrants issue, on the basis of:
 - 1 VHL Rights Share for every 1 existing VHL Share held by each VHL Shareholder
 - with 2 free detachable VHL Warrants for every 1 VHL Rights Share subscribed
- Issue Price per VHL Rights Share and Exercise Price per VHL Warrant of S\$0.016
- At a discount of approximately 72% to VHL's NAV as at 31 March 2017 (audited) and approximately 73% to VHL's NAV as at 30 September 2017 (unaudited) ^(a)



Note: (a) Source: VHL's Circular to the VHL shareholders dated 8 November 2017

Background

- SHL is a controlling shareholder of VHL @ 20.17%, holding 903,534,986 VHL Shares
- SHL is entitled to subscribe for up to 903,534,986 VHL Rights Shares with up to 1,807,069,972 VHL Warrants
- SHL and VHL have entered into a set-off and settlement agreement (“**SOSA**”) for purposes of setting-off and settling the total net owings from VHL Group to SHL Group as at 31 December 2016 in connection with, amongst others, SHL’s participation in the Rights cum Warrants Issue
- Rawabi Holding Company Limited, another controlling shareholder of VHL @ approximately 15.00%, has also entered into a set-off and settlement agreement with VHL to convert its outstanding amounts due from VHL of US\$102.09 million to equity in VHL

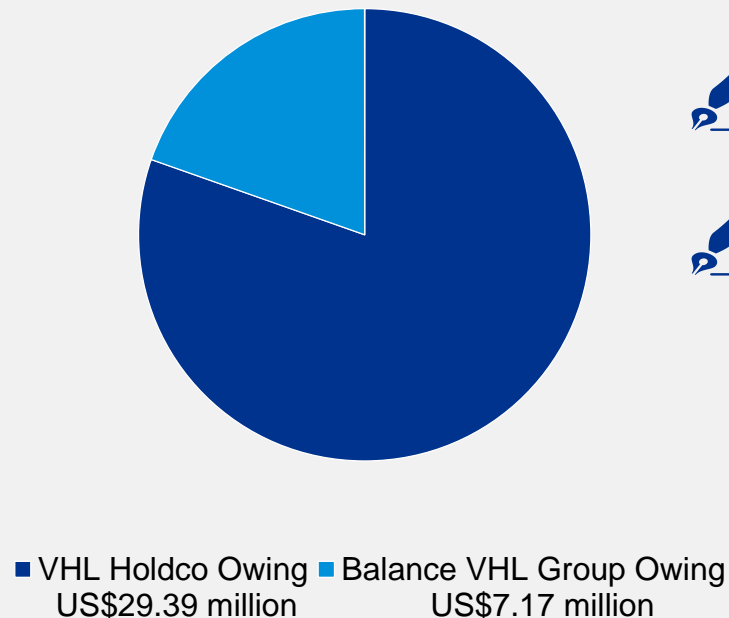




Key highlights of SOSA

Key highlights of SOSA

Total net owings by VHL Group to SHL Group



SOSA entered into between SHL, Swiber Offshore Construction Pte. Ltd. (Judicial Managers Appointed) and VHL on 24 May 2017 (amended by a supplemental agreement dated 6 November 2017)



An agreement to settle total agreed net owings by VHL Group to SHL Group as at 31 December 2016 of US\$36.57 million



Such net owings by VHL Group to SHL Group are intended to be fully set-off and settled in accordance with the SOSA pursuant to:

- the issuance of VHL Rights Shares with VHL Warrants to SHL
- the issuance of new VHL Shares to SHL upon the exercise by SHL of its VHL Warrants
- the issuance of additional new VHL Shares to SHL (to the extent that owings are not converted to equity pursuant to the VHL Rights cum Warrants Issue)

Key highlights of SOSA

Proposed Subscription & Proposed Warrants Exercise Arrangement

- Undertaking by SHL to subscribe for its pro-rata entitlement of VHL Rights Shares with VHL Warrants, and to exercise its VHL Warrants
- Issue Price and Exercise Price of S\$0.016 for each VHL Rights Share and each VHL Warrant
- Total maximum subscription price and exercise price payable by SHL will amount to US\$31.25 million, which is intended to be fully set-off and settled against VHL Holdco Owing and Balance VHL Group Owing
- SHL's undertaking is subject to (i) certain conditions precedent and (ii) shareholding percentage in VHL not exceeding 29.9%

Novations & Group Set-Offs

- VHL Holdco Owing (US\$29.39 million) is not sufficient to cover maximum aggregate subscription and exercise price of US\$31.25 million
- Amounts owing between various entities within SHL Group and VHL Group (other than the VHL Holdco Owing) will be novated and/or assigned to SHL and VHL respectively
- Mutual set-off of VHL Group Owings (as novated) against SHL Group Owings (as novated) will be effected between SHL and VHL
- Novations and Group-Set-Offs are subject to certain conditions precedent
- Assuming the entire VHL Group Owings and SHL Group Owings are fully novated and set-off against each other, the net amount owing by VHL to SHL arising from the novations is US\$7.17 million

Proposed Additional Debt to Equity Conversion

- Net amount owing from VHL Group to SHL Group of US\$36.57 million exceeds the aggregate price of US\$31.25 million payable by SHL to VHL (assuming SHL subscribes for and exercises all of its VHL Rights Shares and VHL Warrants respectively)
- For such excess amount ("Excess VHL Amounts"), SHL will subscribe for additional new VHL Shares at:
 - S\$0.016 (for Excess VHL Amounts not exceeding US\$8 million); or
 - volume weighted average price of VHL Shares over the last 10 Market Days (for Excess VHL Amounts exceeding US\$8 million)
- For any Unutilised VHL Owings, SHL will subscribe for additional new VHL Shares at S\$0.016
- SHL's undertaking to subscribe is subject to (i) certain conditions precedent and (ii) shareholding percentage in VHL not exceeding 29.9%

Proposed Renunciation and Assignment

- Entitled to renounce all or part of SHL's provisional allotments of VHL Rights Shares with VHL Warrants
- Contemporaneous assignment by SHL to third party renounee of amounts owing from VHL to SHL of at least the maximum aggregate subscription and exercise price payable by third party renounee in respect of the renounced VHL Rights Shares and VHL Warrants



Rationale of the proposed transactions
described in the Circular dated 8
November 2017 (“Circular”)

Rationale of the proposed transactions described in the Circular

Maintain shareholding percentage in VHL



- Current shareholding in VHL @ 20.17%
 - If SHL is not able to participate in the VHL Rights cum Warrants Issue, its shareholdings in VHL will be diluted
- Recent improvement in financial performance of Vallianz
 - VHL's 2Q2017/18 operating profit has increased by 69.3% as compared to 2Q2016/17^(a)
 - Order book of US\$950 million ^(a)
- Support from other major shareholder of VHL
 - Rawabi Holding Company Limited has undertaken to convert its outstanding amounts due from VHL to equity in VHL

Note:(a) VHL's announcement on FY2018 second quarter and/ or half yearly results dated 6 November 2017

Rationale of the proposed transactions described in the Circular

Conversion of debts into more liquid and marketable assets



- There is no certainty of repayment of the outstanding amount owing from VHL
- VHL Rights Shares, VHL Warrants, the new VHL Shares arising from the exercise of the VHL Warrants and the additional new VHL Shares to be issued pursuant to the Proposed Additional Debt to Equity Conversion will be listed on the Catalist, and can be readily tradable
- Such securities in VHL can be realised subsequently to generate cash-flow, if necessary

Rationale of the proposed transactions described in the Circular

Receive payment upfront



- The Proposed Renunciation and Assignment enables SHL to receive payment upfront in respect of the renounced VHL Rights Shares with VHL Warrants and the assigned receivables owing from VHL, and will discharge SHL of its relevant obligations under the SOSA
- Eliminates the risk of non-recoverability of receivables
- Saves time and resources that will otherwise be utilized for the recovery of the receivables
- Proceeds from the renunciation and assignment may be used for purposes in connection with the judicial management of SHL or (following the expiry or discharge of the judicial management order) for the Group's working capital purposes

Rationale of the proposed transactions described in the Circular

Unlock Value



- The Proposed Disposal of Securities will allow SHL to unlock value from the Proposed Subscription, Proposed Warrants Exercise Arrangement and Proposed Additional Debt to Equity Conversion
- Proceeds from the disposal may be used for purposes in connection with the judicial management of Swiber or (following the expiry or discharge of the judicial management order) for the Group’s working capital purposes



Resolutions to be tabled

Resolutions to be tabled

(By Ordinary Resolution)



The proposed subscription for VHL Rights Shares with VHL Warrants pursuant to the VHL Rights cum Warrants Issue, by way of the Subscription Set-Off and Settlement Arrangement

Note: (a) In the event that Resolution 1 is not tabled, the Company will not proceed with Resolutions 2 – 5.

Resolutions to be tabled

(By Ordinary Resolution)



The proposed acquisition of new ordinary shares in VHL pursuant to the exercise of VHL Warrants, by way of the Warrants Exercise Set-Off and Settlement Arrangement

Resolutions to be tabled

(By Ordinary Resolution)



The proposed acquisition of new ordinary shares in VHL, by way of the Proposed Additional Debt to Equity Conversion

Resolutions to be tabled

(By Ordinary Resolution)



The proposed shareholders' mandate for the renunciation of all or part of the Company's provisional allotments of VHL Rights Shares with VHL Warrants to third party(ies) and the Assignment of Receivables in connection therewith

Resolutions to be tabled

(By Ordinary Resolution)



The proposed shareholders' mandate for the disposal of all or part of (i) the SHL Rights Shares, (ii) the SHL Warrants, (iii) the New VHL Shares and (iv) the Additional New Shares



Q&A Session

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