

## JOINT ANNOUNCEMENT



**Swissco International Limited**  
(Incorporated in Singapore)  
(Company Registration No. 200401051D)



**C2O Holdings Limited**  
(Incorporated in Singapore)  
(Company Registration. No. 200404711D)

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### PROPOSED ACQUISITION OF SWISSCO INTERNATIONAL LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

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#### 1. INTRODUCTION

- 1.1 **Acquisition.** The respective directors of Swissco International Limited (“**Swissco**”) and C2O Holdings Limited (“**C2O**”) have previously and separately announced the proposed acquisition by C2O of all the shares in the capital of Swissco (the “**Acquisition**”).
- 1.2 **Merger Agreement.** Consequently, Swissco and C2O (collectively, the “**Companies**”) have on 25 February 2010 entered into a conditional merger agreement (the “**Merger Agreement**”) to effect the Acquisition by way of a scheme of arrangement (the “**Share Scheme**”) under Section 210 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and in accordance with the Singapore Code on Take-overs and Mergers (the “**Code**”).

#### 2. INFORMATION ON THE COMPANIES

- 2.1 **Swissco.** Swissco was incorporated in Singapore as a public company limited by shares under the name Swissco International Limited on 29 January 2004. Swissco’s shares were listed on the SESDAQ of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 16 November 2004 and subsequently upgraded to the Main Board of the SGX-ST on 31 December 2007.

Swissco is a marine service provider for the shipping and offshore oil and gas industries. The Swissco group owns, operates and charters offshore support vessels, out-port-limit boats, tugs and barges. It owns a ship repair yard with a 3,000 dead weight tonnage dry dock and two slipways which has the capacity to provide dry docking and afloat repairs for mid-sized vessels. These facilities cater to the Swissco group’s market niche of mid-sized support vessels plying this region. The Swissco group’s customers for its ship repair and maintenance yards are owners of tugs, barges, vessels and other similar size crafts.

As at the date of this joint announcement (the “**Joint Announcement Date**”), Swissco has an issued share capital of S\$27,380,166 comprising 197,208,719 ordinary shares (“**Swissco Shares**”).

- 2.2 **C2O.** C2O was incorporated in Singapore as a private company limited by shares under the name C2O Holdings Pte Ltd on 20 April 2004. It was renamed C2O Holdings Limited on 8 October 2004. C2O's shares were listed on the Catalist of SGX-ST on 1 November 2004.

C2O is a Singapore based marine company that provides various support vessels to the offshore oil and gas industries. The C2O group provides customers with the necessary marine logistics-related assets, which comprises mainly vessels, as well as associated offshore marine logistics and support services. C2O has formed firm bonds with its counterparts in the Middle East as well as China, securing solid vessel chartering contracts with major oil companies such as Saudi Aramco.

As at the Joint Announcement Date, C2O has an issued share capital of S\$78,670,000 comprising 403,891,000 ordinary shares.

### 3. THE ACQUISITION

- 3.1 **Terms.** As disclosed above, Swissco and C2O have entered into the Merger Agreement to effect the Acquisition by way of the Share Scheme. Pursuant to the Share Scheme being effective:

3.1.1 all the Swissco Shares held by the shareholders of Swissco ("**Swissco Shareholders**") as at the books closure date to be announced by Swissco will be transferred to C2O:

- (i) fully paid;
- (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever ("**Encumbrances**"); and
- (iii) with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching to them, including the right to receive and retain all dividends (other than 2009 Dividends (as defined below)), rights and other distributions declared, made or paid on or after the Joint Announcement Date;

3.1.2 in consideration of such transfer and subject to the Share Scheme becoming effective, the Swissco Shareholders will be entitled to receive from C2O:

- (i) 1.7917 new shares in the capital of C2O ("**New C2O Shares**") for each Swissco Share ("**Share Consideration**"); or
- (ii) S\$0.89 in cash for each Swissco Share ("**Cash Consideration**"); or
- (iii) a combination of Share Consideration and Cash Consideration in such proportion as elected by each Swissco Shareholder.

Further information on the election of consideration will be set out in the document to be issued by Swissco to the Swissco Shareholders containing, *inter alia*, details on the Share Scheme (the "**Share Scheme Document**");

3.1.3 C2O undertakes that:

- (i) the New C2O Shares shall be duly authorised, validly issued, credited as fully paid and free from any Encumbrances;
- (ii) no person has or shall have any rights of pre-emption or rights of first refusal over any of the New C2O Shares;
- (iii) when allotted, the New C2O Shares will rank *pari passu* in all respects with the then existing issued C2O Shares, including the right to receive and retain any dividends and other distributions declared, made or paid after the date on which the Share Scheme becomes effective ("**Effective Date**"); and
- (iv) C2O will be able to issue, by the Effective Date, such number of New C2O Shares as may be required to satisfy the election by Swissco Shareholders for New C2O Shares in consideration of their transfer of Swissco Shares to C2O pursuant to the Share Scheme.

**Swissco Shareholders should note that C2O shares are currently listed on Catalyst of the SGX-ST.**

3.2 **Swissco Options.** The Share Scheme will also be extended to all Swissco Shares to be issued pursuant to the valid exercise of options (the "**Swissco Options**") granted under the Swissco Employee's Stock Option Scheme on or before the final date fixed by the Companies for the exercise of the Swissco Options (the "**Final Option Exercise Date**"). Separately, an Options Proposal (as defined below) will be made to holders of valid and unexpired Swissco Options remaining unexercised as at the Final Option Exercise Date. Please refer to paragraph 4 of this Joint Announcement for more information on the Options Proposal.

3.3 **Delisting.** Upon successful completion of the Share Scheme, Swissco will become a wholly-owned subsidiary of C2O and an application will be made to the SGX-ST to delist Swissco from its Official List.

3.4 **Additional Listing Application.** C2O will make an application in due course to the SGX-ST through its sponsor for approval-in-principle for the listing and quotation of the New C2O Shares to be allotted and issued pursuant to the Share Scheme.

#### 4. OPTIONS PROPOSAL

4.1 **Outstanding Options.** As at the Joint Announcement Date, there are 4,700,000 outstanding Swissco Options entitling holders of such Swissco Options ("**Optionholders**") to subscribe for a total of 4,700,000 Swissco Shares as follows:

Date of grant	Exercise period	Number of Swissco Shares under option	Exercise Price (\$)
15.3.2006	15.3.2007 to 14.3.2016	100,000	0.390
15.3.2007	15.3.2008 to 14.3.2012	150,000	0.587
15.3.2007	15.3.2008 to 14.3.2017	175,000	0.587

<b>Date of grant</b>	<b>Exercise period</b>	<b>Number of Swissco Shares under option</b>	<b>Exercise Price (S\$)</b>
27.4.2007	27.4.2008 to 26.4.2017	700,000	0.678
15.3.2008	15.3.2009 to 14.3.2013	200,000	0.760
15.3.2008	15.3.2009 to 14.3.2018	300,000	0.760
29.4.2008	29.4.2009 to 28.4.2018	1,100,000	0.810
16.3.2009	16.3.2010 to 15.3.2014	300,000	0.290
16.3.2009	16.3.2010 to 15.3.2019	525,000	0.290
30.4.2009	30.4.2010 to 29.4.2019	1,150,000	0.360

Under the rules of the Swissco Employees' Stock Option Scheme, the Swissco Options are not transferable by the holders thereof. As the Share Scheme does not include the Share Options, C2O will make a proposal (the "**Options Proposal**") to holders of valid and unexpired Swissco Options remaining unexercised as at the Final Option Exercise Date to ensure that they are treated equally for the purposes of the Code.

4.2 **Terms of the Options Proposal.** Options Proposal shall include, *inter alia*, the following terms:

4.2.1 C2O shall pay the Optionholders an amount in cash (the "**Option Consideration**") (determined as provided in paragraph 4.2.3 below) for all the outstanding and unexercised Swissco Options granted to and held by the Optionholders, vested or otherwise and in consideration thereof, the Optionholders shall waive all rights to:

- (i) exercise such Swissco Options into new Swissco Shares; and
- (ii) exercise all or any of their rights as holders of the Swissco Options;

4.2.2 Optionholders who have accepted the Options Proposal shall surrender all their respective Swissco Options for cancellation; and

4.2.3 the Option Consideration in relation to each Swissco Option shall be the amount (if positive) by which the Cash Consideration less the exercise price of that Swissco Option. Where the exercise price of a Swissco Option is equal to or more than the Cash Consideration, the Option Consideration for such Swissco Option shall be a nominal amount of S\$0.001.

4.3 The Option Consideration shall be paid on the same date as the Cash Consideration. Further information on the Options Proposal will be set out in the Share Scheme Document.

## 5. PRINCIPAL TERMS OF THE MERGER AGREEMENT

5.1 **Conditions Precedent.** Under the Merger Agreement, the Share Scheme is conditional upon the satisfaction of a number of conditions precedent ("**Conditions Precedent**") which are reproduced in Schedule 1 to this Joint Announcement.

- 5.2 **Termination.** The Merger Agreement can be terminated at any time on or prior to the date falling on a business day immediately preceding the date on which the Share Scheme becomes effective in accordance with its terms (“**Record Date**”), on the happening of any of the events described below, provided the party seeking termination does so only after consultation with the Securities Industry Council (the “**SIC**”):
- 5.2.1 **Court Order:** if any court of competent jurisdiction or Governmental Agency (as defined in the Merger Agreement) has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Share Scheme or the Acquisition or any part thereof, or has refused to do anything necessary to permit the Share Scheme or the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable, then the Merger Agreement may be terminated by either C2O or Swissco; or
- 5.2.2 **Breach:** (i) if Swissco is in breach of any provision of the Merger Agreement which adversely affects the Acquisition in any way or has failed to perform and comply in all material respects with any of the Swissco Warranties (as defined in the Merger Agreement) on or prior to the Record Date, then the Merger Agreement may be terminated by C2O; or (ii) if C2O is in breach of any provision of the Merger Agreement which adversely affects the Acquisition in any way or has failed to perform and comply in all material respects with any of the C2O Warranties (as defined in the Merger Agreement) on or prior to the Record Date, provided that the non-defaulting party, as the case may be, has given written notice to the other party of its intention to terminate the Merger Agreement. In such circumstance, the Merger Agreement will be terminated on the date falling on 5 business days after the date of such notice of termination, unless such breach is remedied by the relevant party within the said period.
- 5.3 **Non-fulfilment of Conditions Precedent.** Notwithstanding anything contained in the Merger Agreement, the Merger Agreement will terminate if any of the Conditions Precedent has not been satisfied (or, where applicable, has not been waived) by 30 June 2010.
- 5.4 **Effect of Termination.** In the event of termination of the Merger Agreement by either C2O or Swissco pursuant to the terms of the Merger Agreement, the Merger Agreement shall terminate (except for provisions relating to confidentiality, break fees, arbitration and costs and expenses) and there shall be no other liability on the part of either party. In the event of such termination, each party will bear its own costs and expenses incurred in connection with acts and things done for the implementation of the Acquisition, save as expressly provided in the Merger Agreement.
- 5.5 **2009 Dividend.** Subject to approval by Swissco Shareholders in its annual general meeting in 2010, Swissco will declare and pay a dividend of S\$0.01 per Swissco Share in respect of its financial year ended 31 December 2010 (“**2009 Dividend**”) before the Record Date, to the Swissco Shareholders.
- 5.6 **Break Fee.** In the event that:
- 5.6.1 C2O decides to abandon the Acquisition;
- 5.6.2 C2O fails to comply with any of its obligations under the Merger Agreement;

- 5.6.3 the approval of C2O shareholders for the Acquisition and the issue of New C2O Shares is not obtained;
- 5.6.4 the requisite approval of the Swissco Shareholders for the Share Scheme at the Share Scheme Meeting (as defined below) is not obtained;
- 5.6.5 the High Court of Singapore does not sanction the Share Scheme under section 210 of the Companies Act;
- 5.6.6 the Acquisition is not completed due to non-receipt of any consent, permission or clearance from any government, regulatory or other authority in Singapore or elsewhere by 30 June 2010; and/or
- 5.6.7 the Acquisition is not completed due to any other reason caused by or attributable to C2O,

C2O will reimburse certain costs reasonably incurred by Swissco in connection with the Share Scheme or pay to Swissco 1% of the aggregate consideration for the Share Scheme, whichever is lower, subject to a maximum limit of S\$1,000,000.

## **6. RATIONALE FOR THE ACQUISITION**

C2O believes that, if successfully completed, the Acquisition will create an offshore and marine chartering services group that is stronger than the Companies operating independently. The Acquisition is synergistic as it will allow the Companies to leverage on each other's strength in the offshore and marine sector.

Swissco has a strong presence in Southeast Asia while C2O has a growing presence in the Middle East and China. C2O is of the view that the Acquisition will create a group with a business footprint which extends from Saudi Arabia to China and a premier integrated offshore support solutions provider for the oil and gas industry in the Middle East and Asia. It will provide the group with the heft and size to be a major player in the fast growing but increasingly competitive offshore and marine sectors of the oil and gas industry.

Through the leveraging of the vast experience of the management, resources and reputations of both C2O and Swissco, C2O expects that the group would be in a stronger position to explore new growth opportunities and development of new markets.

## **7. BENCHMARKING OF THE CASH CONSIDERATION AND SHARE CONSIDERATION**

The Cash Consideration represents:-

- (i) a premium of approximately 10.97% over the volume-weighted average price of S\$0.802 per Swissco Share for the one-month period prior to the Joint Announcement Date;
- (ii) a premium of approximately 8.67% over the volume-weighted average price of S\$0.819 per Swissco Share for the three-month period prior to the Joint Announcement Date;
- (iii) a premium of approximately 8.80% over the volume-weighted average price of S\$0.818 per Swissco Share for the six-month period prior to the Joint Announcement Date; and

- (iv) a premium approximately 22.59% over the volume-weighted average price of S\$0.726 per Swissco Share for the twelve-month period prior to the Joint Announcement Date.

As 1.7917 New C2O Shares will be issued for each Swissco Share, the implied issue price of the New C2O Shares is equivalent to approximately S\$0.627 based on the last transacted price of S\$0.35 per C2O Share on the Catalist on 24 February 2010, being the last market day preceding the date of the Merger Agreement. The implied issue price of the New C2O Shares represents:-

- (i) a discount of approximately 21.82% over the volume-weighted average price of S\$0.802 per Swissco Share for the one-month period prior to the Joint Announcement Date;
- (ii) a discount of approximately 23.44% over the volume-weighted average price of S\$0.819 per Swissco Share for the three-month period prior to the Joint Announcement Date;
- (iii) a discount of approximately 23.35% over the volume-weighted average price of S\$0.818 per Swissco Share for the six-month period prior to the Joint Announcement Date; and
- (iv) a discount of approximately 13.64% over the volume-weighted average price of S\$0.726 per Swissco Share for the twelve-month period prior to the Joint Announcement Date.

## 8. IRREVOCABLE UNDERTAKINGS

8.1 **Undertaking Shareholders.** Yeo Holdings Pte Ltd (“YHPL”), Mr. Yeo Chong Lin, and Mr. Alex Yeo Kian Teong (“Mr. Alex Yeo”) (together the “Undertaking Shareholders”) holding in aggregate 110,495,797 Swissco Shares representing approximating 56.03% of total issued share capital of Swissco as at the Joint Announcement Date, have each provided an irrevocable undertaking (together the “Irrevocable Undertakings”) in favour of C2O in the terms described below.

8.2 **YHPL Undertaking.** YHPL has provided an Irrevocable Undertaking to C2O to, *inter alia*:

8.2.1 provided that it is not deemed to be ‘acting in concert’ with C2O for the purpose of the Code, exercise its voting rights in respect of its Swissco Shares in favour of and approve the resolutions in relation to the Share Scheme, and any other matter necessary or proposed to implement the Share Scheme at the meeting of the Swissco Shareholders to be convened by the High Court of the Republic of Singapore to approve the Share Scheme and at any adjournment thereof (the “Share Scheme Meeting”); and

8.2.2 elect the Cash Consideration in respect of 94,172,187 Swissco Shares and Share Consideration in respect of 13,804,610 Swissco Shares held by it.

8.3 **Mr. Yeo Chong Lin’s Undertaking.** Mr. Yeo Chong Lin has provided an Irrevocable Undertaking to C2O to:

8.3.1 provided that he is not deemed to be ‘acting in concert’ with C2O for the purpose of the Code, exercise his voting rights in respect of Swissco Shares directly held

by him in favour of and approve the resolutions in relation to the Share Scheme, and any other matter necessary or proposed to implement the Share Scheme at the Share Scheme Meeting;

- 8.3.2 elect for Cash Consideration in respect of 614,000 Swissco Shares held by him; and
  - 8.3.3 exercise all of his 1,500,000 Swissco Options on or before the Final Option Exercise Date and elect for Cash Consideration in respect of those Swissco Shares.
- 8.4 **Mr. Alex Yeo's Undertaking.** Mr. Alex Yeo has provided an Irrevocable Undertaking to C2O to:
- 8.4.1 provided that he is not deemed to be 'acting in concert' with C2O for the purpose of the Code, exercise his voting rights in respect of Swissco Shares directly held by him in favour of and approve the resolutions in relation to the Share Scheme, and any other matter necessary or proposed to implement the Share Scheme at the Share Scheme Meeting; and
  - 8.4.2 elect for Cash Consideration in respect of 1,905,000 Swissco Shares held by him;
  - 8.4.3 exercise all of his 1,200,000 Swissco Options on or before the Final Option Exercise Date and elect for Cash Consideration in respect of those Swissco Shares.
- 8.5 **Expiration.** The Irrevocable Undertakings shall lapse if the Share Scheme is withdrawn or has lapsed, other than as a result of a breach by the Undertaking Shareholders of any of their obligations set forth in the Irrevocable Undertakings. The Swissco Shares held by each Undertaking Shareholders is set out in Schedule 3 of this Joint Announcement.

## 9. APPROVALS REQUIRED

- 9.1 **Approvals.** The Share Scheme will require, *inter alia*, the following:
- (i) the approval of the Share Scheme by a majority in number of Swissco Shareholders present and voting, either in person or by proxy, at the Share Scheme Meeting representing not less than 75 per cent. in value of the Swissco Shares held by the Swissco Shareholders present and voting at the Share Scheme Meeting;
  - (ii) the sanction of the Share Scheme by the High Court of the Republic of Singapore; and
  - (iii) an office copy of the order of the High Court of the Republic of Singapore is lodged with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").
- 9.2 **SIC Approval.** In relation to the Code, the SIC has confirmed that the Share Scheme is exempted from Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following:



- 9.2.1 C2O and its concert parties as well as the common substantial shareholders of the C2O and Swissco abstain from voting on the Share Scheme;
- 9.2.2 the directors of Swissco who are also directors of C2O or who are acting in concert with those persons in paragraph 9.2.1 above, abstain from making a recommendation on the Share Scheme to the Swissco Shareholders; and
- 9.2.3 Swissco appoints an independent financial adviser to advise the Swissco Shareholders on the Share Scheme

As at the Joint Announcement, there are no common substantial shareholders of C2O and Swissco. As at the Joint Announcement Date, there is no director of Swissco who is also a director of C2O or acting in concert with those persons in paragraph 9.2.1 above.

- 9.3 **Exemption in respect of Mr. Alex Yeo.** SIC has also ruled that Mr. Alex Yeo is exempted from the requirements to make a recommendation on the Share Scheme to the Swissco Shareholders as he faces an irreconcilable conflict of interest having agreed to become an employee of C2O after completion of the Share Scheme. Nonetheless, Mr. Alex Yeo will still remain responsible for the accuracy of the facts stated or opinions expressed in the documents and advertisements issued by or on behalf of C2O in connection with the Share Scheme.
- 9.4 **SIC Confirmation In Relation to the Irrevocable Undertakings.** C2O has on 25 February 2010 received confirmation from the SIC that the Irrevocable Undertakings of the Undertaking Shareholders does not constitute a special deal under Rule 10 of the Code, subject to C2O and each of the Undertaking Shareholders providing to the SIC written undertakings to the effect that:-
  - 9.4.1 there are and will be no agreements (whether formal or informal, written or oral, entered into or outside Singapore) between C2O and the Undertaking Shareholders relating to the Share Scheme other than their irrevocable undertakings;
  - 9.4.2 C2O has not paid, and there is no agreement, arrangement or understanding (whether formal or informal, written or oral, entered into in or outside Singapore) pursuant to which C2O will pay any of the 3 Undertaking Shareholders any consideration in whatever form (whether in or outside Singapore) in relation to the Irrevocable Undertakings.

The SIC further confirmed that the Undertaking Shareholders are not regarded as parties acting in concert under the Code solely by virtue of the giving of the Irrevocable Undertakings and the SIC has no objections to the Options Proposal.

## 10. FINANCIAL ADVISER TO C2O AND CONFIRMATION OF FINANCIAL RESOURCES

- 10.1 **Financial Adviser to C2O.** C2O has appointed Collins Stewart Pte. Ltd. ("**Collins Stewart**") as the financial adviser to the Acquisition with effect from 11 February 2010.
- 10.2 **Confirmation of Financial Resources.** Collins Stewart, in their capacity as financial adviser to C2O, has confirmed that C2O has sufficient financial resources available to satisfy in full:
  - (a) the Cash Consideration for the acquisition of all the Swissco Shares, including, but not limited to, any Swissco Shares arising out of valid exercise of Swissco

Options on or before the Final Option Exercise Day (except for the payment of 13,804,610 Swissco Shares belonging to YHPL which will be paid by way of the Share Consideration); and

- (b) the Option Consideration for all the outstanding and unexercised Swissco Options,

in accordance with the terms of the Merger Agreement and the Share Scheme.

## **11. INDEPENDENT FINANCIAL ADVISER**

The Directors of Swissco who are considered independent for the purposes of the Share Scheme ("**Unconflicted Directors**") had, on 1 February 2010, appointed PrimePartners Corporate Finance Pte Ltd as the independent financial adviser ("**IFA**") to advise in respect of the Share Scheme and the Options Proposal.

## **12. SHARE SCHEME DOCUMENT**

The Share Scheme Document containing full details of the Share Scheme (including the recommendation of the Unconflicted Directors along with the opinion of the IFA) and giving notice of the Share Scheme Meeting to approve the Share Scheme will be despatched to Swissco Shareholders in due course.

All Swissco Shareholders will be afforded the opportunity to decide at the Share Scheme Meeting whether the Share Scheme is in their best interests.

**In the meantime, Swissco Shareholders are advised to refrain from taking any action in relation to their Swissco Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Unconflicted Directors on the Share Scheme as well as the advice of the IFA set out in the Share Scheme Document.**

**Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

## **13. C2O CIRCULAR**

C2O will in due course despatch a circular to its shareholders, containing further information on, amongst other things, the Acquisition and a notice of the extraordinary general meeting to approve the Acquisition and the allotment and issue of the New C2O Shares.

## **14. OTHER INFORMATION**

- 14.1 **Disclosures of Interest.** Save as disclosed in this Joint Announcement, no director or substantial shareholder of Swissco has any interest, direct or indirect, in the Share Scheme (other than by reason only of being a director or shareholder of Swissco). As noted in paragraph 8 of this Joint Announcement, the Undertaking Shareholders have given Irrevocable Undertakings, among other things, to vote their respective Swissco Shares in favour of the Share Scheme. Further, as disclosed in paragraph 9.3 of the Joint Announcement, Mr. Alex Yeo has agreed to become an employee of C2O upon the completion of the Share Scheme.

Save as disclosed in this Joint Announcement, none of C2O, its directors or its wholly-owned subsidiaries or Collins Stewart (i) owns, controls or has agreed (other than pursuant to the Merger Agreement) to acquire any Swissco Shares as at the Joint Announcement Date, (ii) has dealt for value in any Swissco Shares during the three-month period immediately preceding the Joint Announcement Date, or (iii) has, as at the Joint Announcement Date, received any irrevocable undertaking from any party (other than the Irrevocable Undertakings) to vote for or against the Share Scheme at the Share Scheme Meeting.

Save as disclosed in this Joint Announcement, none of the directors or controlling shareholders of C2O has any interest, direct or indirect, in the Share Scheme.

- 14.2 **Confidentiality.** In the interests of confidentiality, C2O has not made enquiries in respect of other parties who are or may be deemed to be acting in concert with it in connection with the Acquisition. Similarly, Collins Stewart has also not made enquiries in respect of other members of the Collins Stewart group. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently and in the Share Scheme Document.
- 14.3 **Directors' Service Contracts.** Save as disclosed in this Joint Announcement, as at the Joint Announcement Date, there is no service contract with any director or any person proposed to be appointed as a director of Swissco or C2O in connection with the Share Scheme.
- 14.4 **Overseas Shareholders.** This Joint Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Joint Announcement in any jurisdiction in contravention of applicable law.

The release, publication or distribution of this Joint Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Joint Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Joint Announcement and any formal documentation relating to the Share Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the implementation of the Share Scheme would violate the law of that jurisdiction (the "Restricted Jurisdiction") and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The applicability of the Share Scheme to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Swissco Shareholders who are not resident in Singapore should keep themselves informed of, and observe any applicable restrictions or prohibitions. Further details in relation to overseas shareholders will be contained in the Share Scheme Document.

- 14.5 **Documents for Inspection.** Copies of the Merger Agreement, the Irrevocable Undertakings and the respective Memorandum and Articles of Association of both Swissco and C2O will be made available for inspection during normal business hours at

the registered offices of Swissco and C2O respectively from the Joint Announcement Date up to and including the Effective Date.

## **15. CAUTIONARY STATEMENT**

The Share Scheme will only become effective if all the approvals as set out above have been obtained and the other conditions precedent as set out in Schedule 1 to this Joint Announcement and specified in the Merger Agreement have been satisfied or waived in accordance with the Merger Agreement.

**The Swissco Shareholders and the shareholders of C2O are accordingly advised to exercise caution while dealing with their respective Swissco Shares and shares in C2O (as the case may be) and refrain from taking any action in relation to their Swissco Shares or the shares of C2O (as the case may be) which may be prejudicial to their interests.**

**Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

## **16. RESPONSIBILITY STATEMENT**

**16.1 Swissco Directors.** The directors of Swissco (including any director who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to C2O) are fair and accurate and that no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading in any material respect. Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from C2O, the sole responsibility of the directors of Swissco has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Joint Announcement. The directors of the Swissco jointly and severally accept responsibility accordingly. The directors of Swissco do not accept any responsibility for any information relating to or opinions expressed by C2O.

**16.2 C2O Directors.** The directors of C2O (including any director who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to Swissco) are fair and accurate and that no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading in any material respect. Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from Swissco the sole responsibility of the directors of C2O has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement. The directors of C2O jointly and severally accept responsibility accordingly. The directors of C2O do not accept any responsibility for any information relating to or opinions expressed by Swissco.

1 March 2010

By order of the Board

Yeo Chong Lin  
Chairman  
**Swissco International Limited**

By order of the Board

Kang Hwee Meng  
Chief Executive Officer  
**C2O Holdings Limited**

*This Joint Announcement has been prepared by Swissco and C2O and its contents have been reviewed by C2O's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the SGX-ST by C2O. C2O's Sponsor has not independently verified the contents of this announcement. Stamford Corporate Services Pte Ltd is the sponsor for C2O only.*

*This Joint Announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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## SCHEDULE 1 CONDITIONS PRECEDENT

*All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Merger Agreement, a copy of which is available for inspection at the respective registered offices of Swissco and C2O during normal business hours from the date of this Joint Announcement until the Effective Date. The list of Prescribed Occurrences are provided in Schedule 2 to this Joint Announcement*

**Conditions.** The Acquisition is conditional upon:

- (1) **Approval of Swissco Shareholders:** the approval of the Share Scheme by the Swissco Shareholders at the Share Scheme Meeting in compliance with the requirements of Section 210(3) of the Companies Act;
- (2) **Approval of C2O Shareholders:** the approval of the Acquisition and the issue of New C2O Shares by the shareholders of C2O, at the EGM;
- (3) **Share Scheme Court Order:** the grant of the Share Scheme Court Order by the Court and such Share Scheme Court Order having become final;
- (4) **ACRA Registration:** the registration of the Share Scheme Court Order with the ACRA;
- (5) **Regulatory Approvals:** prior to the first application to the Court for the order to convene the Share Scheme Meeting, all Regulatory Approvals being obtained and not withdrawn;
- (6) **No Prescribed Occurrence:** between the date of the Merger Agreement and the Record Date, no Prescribed Occurrence in relation to Swissco or C2O, as the case may be, occurs other than as required or contemplated by the Merger Agreement;
- (7) **Swissco Warranties:**
  - (i) the representations and warranties of Swissco set out in the Merger Agreement shall be true and correct in all material respects in each case as of the date of the Merger Agreement and as of the Record Date as though made on and as of that date except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
  - (ii) Swissco shall have, as of the Record Date, performed and complied in all material respects with all covenants and undertakings contained in the Merger Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;
- (8) **C2O Warranties:**
  - (i) the representations and warranties of C2O set out in the Merger Agreement shall be true and correct in all material respects in each case as of the date of the Merger Agreement and as of the Record Date as though made on and as of that date except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
  - (ii) C2O shall have, as of the Record Date, performed and complied in all material respects with all covenants and undertakings contained in the Merger Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;

- (9) **Injunction Variation Order:** the Injunction Variation Order relating to YHPL remains in full force and effect and has not been revoked or amended on terms which the Parties have not agreed to prior to the completion of the Share Scheme;
- (10) **No Termination:** the Merger Agreement not having been terminated pursuant to Clause 5.

## SCHEDULE 2 PRESCRIBED OCCURRENCE

*All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Merger Agreement, a copy of which is available for inspection at the respective registered offices of Swissco and C2O during normal business hours from the date of this Joint Announcement until the Effective Date.*

“**Prescribed Occurrence**”, in relation to Swissco or C2O, as the case may be, means any of the following:

- (1) **Conversion of Shares:** Swissco or C2O converting all or any of its shares into a larger or smaller number of shares;
- (2) **Share Buy-back:** Swissco or C2O undertaking a share buy-back;
- (3) **Reduction of Share Capital:** Swissco or C2O resolving to reduce its share capital in any way;
- (4) **Allotment of Shares:** Swissco or C2O making an allotment of, or granting an option to subscribe for, any shares or securities convertible into shares or agreeing to make such an allotment or to grant such an option or convertible security, other than allotment of shares following the valid exercise of an existing issued option in accordance with the terms of the Swissco Employees’ Stock Option Scheme or the C2O Employee Share Option Scheme, or any subsidiary of Swissco doing any of the foregoing with respect to its own securities;
- (5) **Issuance of Debt Securities:** Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group) issuing, or agreeing to issue, convertible notes or other debt securities;
- (6) **Dividends:** save for the 2009 Dividend by Swissco, Swissco or C2O declaring, making or paying any dividends or any other form of distribution to its shareholders;
- (7) **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Share Scheme or the Acquisition or any part thereof by either Swissco or C2O;
- (8) **Resolution for Winding Up:** Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group) resolving that it be wound up;
- (9) **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group);
- (10) **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group);
- (11) **Composition:** Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group) entering into any arrangement or general assignment or composition for the benefits of its creditors generally;
- (12) **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group);



- (13) **Insolvency:** Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group) becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts;
- (14) **Cessation of Business:** Swissco (or any member of the Swissco Group) or C2O (or any member of the C2O Group) ceases or threatens to cease for any reason to carry on business in the usual course;
- (15) **Breach:** Swissco or C2O being in breach of any of the provisions of the Merger Agreement; or
- (16) **Analogous Event:** Any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event.

**SCHEDULE 3  
SHAREHOLDINGS OF THE UNDERTAKING SHAREHOLDERS**

<b>Name of Undertaking Shareholder</b>	<b>Total Number of Swissco Shares held</b>
Yeo Holdings Pte Ltd	107,976,797
Yeo Chong Lin	614,000
Yeo Kian Teong Alex	1,905,000