

ANNOUNCEMENT

SWISSCO INTERNATIONAL LIMITED
(Company Registration No:200401051D)

RESTRUCTURING OF ASSOCIATED COMPANIES

1. INTRODUCTION

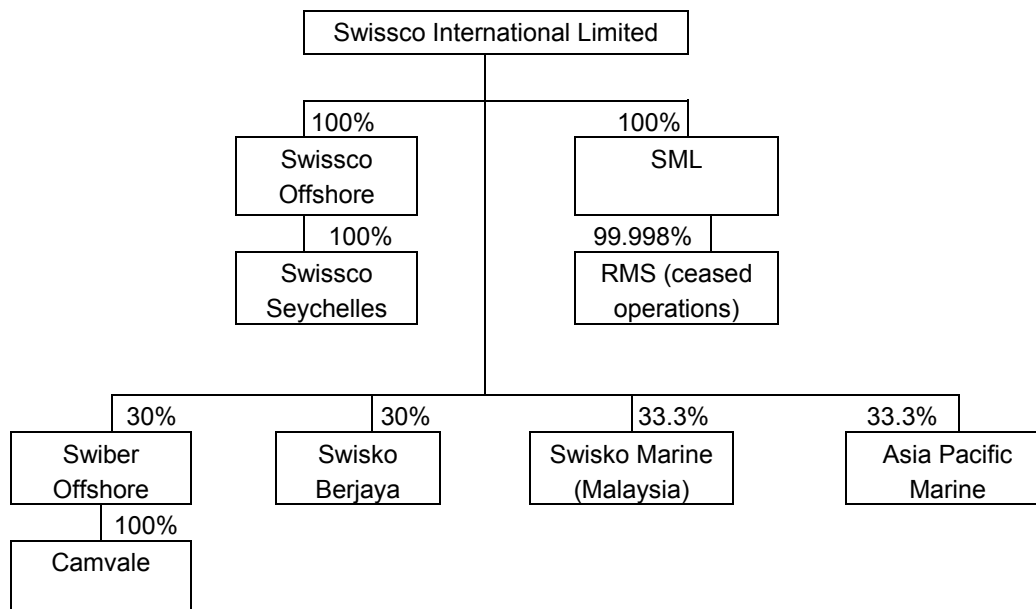
The Board of Directors of the Company wish to announce that Swissco International Limited (“Swissco” or the “Company”) and the other shareholders of its associated companies (collectively referred to as the “Parties”), have signed a restructuring agreement (the “Restructuring Agreement”) to undergo a restructuring exercise in respect of the Company’s associated companies namely, Swisko Marine (Malaysia) Sdn Bhd, Asia Pacific Marine Limited, PT Swisko Berjaya, Swiber Offshore Pte Ltd, and APECS Offshore Pte Ltd (“APECS”), a company in which Swissco holds 15% of the issued and paid up share capital (the “Restructuring Exercise”).

2. INFORMATION ON THE RESTRUCTURING EXERCISE

Under the Restructuring Exercise, a newly formed holding company, named Swiber Holdings Pte Ltd (“Swiber Holdings”), will acquire all the shares of all four of Swissco’s associated companies and APECS (collectively the “Restructured Associates”). Consideration for the acquisition shall be satisfied by the issue and allotment of new shares of S\$1.00 each, at par, in the capital of Swiber Holdings Pte Ltd, credited as fully paid to the vendor shareholders of the Restructured Associates.

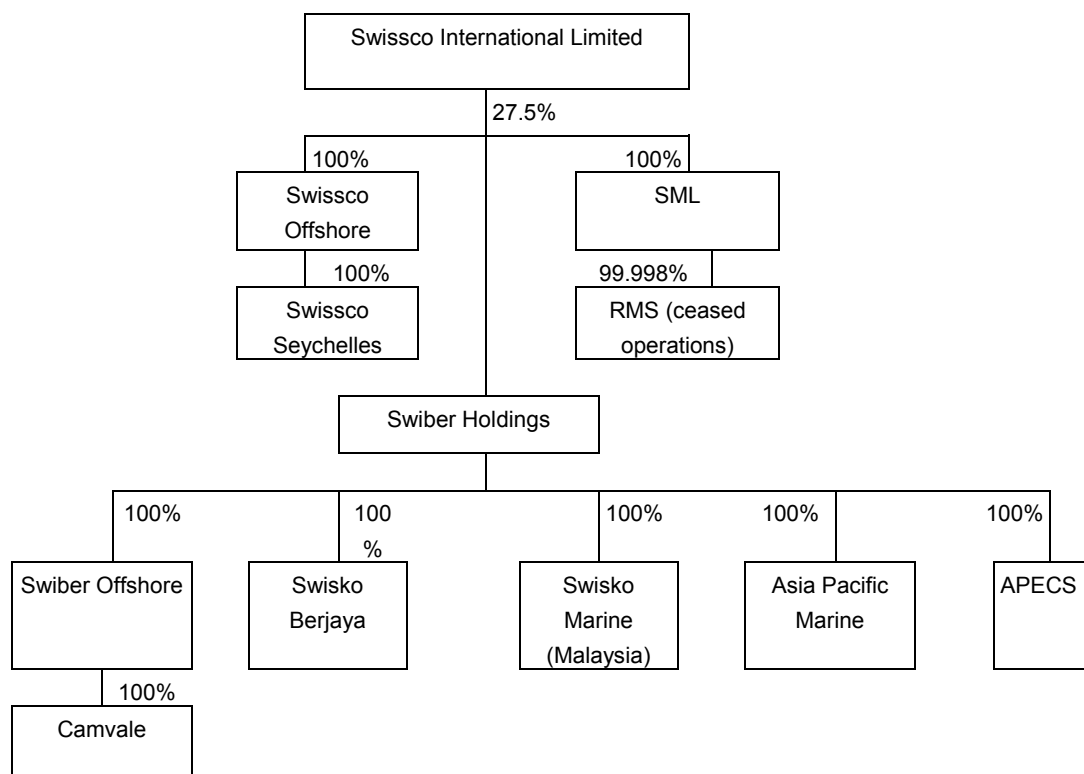
Immediately after the restructuring, Swiber Holdings will be an associated company of Swissco which will hold 27.5% of the shareholdings of Swiber Holdings. The share swap consideration is based on the latest audited NTA of the Restructured Associates as at 31 December 2004, and on a willing seller-willing buyer basis.

The current Group structure before the Restructuring Exercise is as follows:-



Currently, Swissco also holds 15% of the issued and paid up share capital of APECS. APECS is involved in engineering and offshore consultancy and the design of marine structures.

The new Group structure after the Restructuring Exercise is as follows:-



3. SHARE SWAP CONSIDERATION

The consideration for the acquisition of 27.5% of the shareholdings in Swiber Holdings will be satisfied by a swap of the shares in the Restructured Associates. Swissco will swap 30,000 shares in Swiber Offshore, 150 shares in Swisko Berjaya, 33,333 shares in Swisko Marine (Malaysia), 1 share in Asia Pacific Marine and 15,000 shares in APECS, for 3,300,000 shares of S\$1.00 each in Swiber Holdings. There will be no cash consideration.

4. FINANCIAL EFFECTS OF THE RESTRUCTURING EXERCISE

The financial effects of the Restructuring Exercise have been compiled based on the Group's FY2004 audited financial statements.

It should be noted that the financial effects are for illustration purposes only and should not be taken to represent the actual financial situation of the Group immediately after the Restructuring Exercise nor the future financial situation of our Group.

Net Tangible Assets (“NTA”)

Group NTA as at 31 December 2004 (S\$'000)	19,643
Less :	
Decrease in shareholders' funds pursuant to the Restructuring Exercise (S\$'000) - see note (1)	129
Group NTA pursuant to the Restructuring Exercise (S\$'000)	<u>19,514</u>
Group NTA per share as at 31 December 2004 (cents)	13.4
Group NTA per share pursuant to the Restructuring Exercise (cents)	13.3

Note (1) assuming that the transaction had been effected at the end of that financial year

Earnings Per Share

	Audited FY2004
Profit after tax and minority interests for year ended 31 December 2004 (\$'000)	3,873
Add:	
Increase in profit after tax and minority interests pursuant to the Restructuring Exercise - see note (2)	82
Profit after tax and minority interests after the Restructuring Exercise	<u>3,955</u>
Number of Shares ('000)	146,693
Earning per share before the Restructuring Exercise (cents)	2.6
Earning per share after the Restructuring Exercise (cents)	2.7

Note 2(a) assuming that the transaction had been effected at the beginning of that financial year
(b) we have not taken into consideration any gain/loss on disposal which may arise from the restructuring

5. RATIONALE FOR THE RESTRUCTURING EXERCISE

The rationale for the Restructuring Exercise is to:-

- (1) create greater synergies among the associated companies and APECS;
- (2) consolidate the financial strength of the associated companies and APECS; and
- (3) achieve better operational efficiency and allocation of resources among the associated companies and APECS.

With the new structure, Swiber Holdings would be able to offer a wider range of marine services (from engineering & offshore consultancy, design of marine structures, to chartering and supplying of vessels) to its customers. Swiber Holdings also hopes to be able to bid for bigger and more complex marine projects.

The new structure will also enable the Group to harness and tap the engineering design and consultancy expertise of Mr Jean Pers. Prior to the Restructuring Exercise, such expertise was not available to the Group. Currently Mr Jean Pers owns 70% and Swissco owns 15%, of the shareholdings of APECS. After the Restructuring Exercise, Mr Jean Pers will have a shared interest of 15% in all the associated companies and APECS through Swiber Holdings, whilst the Company will increase its indirect ownership in APECS to 27.5% through Swiber Holdings. Mr Jean Pers is unrelated with the other associated companies or with any of the directors and substantial shareholders of the Company.

The Directors believe that with the Restructuring Exercise, the prospects of the Group will be enhanced. The combined financial and technical resources of all the Restructured Associates will allow it to bid for bigger projects.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN RELATION TO THE RESTRUCTURING EXERCISE

Save for their shareholding in the Company, if any, none of the directors or substantial shareholders of the Company has any other interest, direct or indirect, in the Restructuring Exercise.

7. RELATIVE FIGURES

Chapter 10 of the Listing Manual governs the continuing listing obligation of a listed company in respect of acquisitions and realisations.

Below are the relative figures calculated in accordance to Rule 1006:-

Basis

- | | |
|---|------|
| a) The net asset value of the assets to be disposed of compared with the Group's net asset value.. ⁽¹⁾ | N.A. |
| b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. | 2.1% |
| c) The aggregate value of the consideration given or received, compared with the Group's market capitalisation.. ⁽²⁾ | 7.5% |
| d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. | N.A. |

Notes: -

- (1) This relative figure is not applicable for this Restructuring Exercise.
(2) Market capitalisation is calculated based on 146,692,925 units of shares in issue and the weighted average price of such shares transacted on 24 August 2005, being the last market day preceding the signing of the Restructuring Agreement.

The relative figures computed on the bases set out in Rule 1006 above exceeds 5% but does not exceeds 20%. Accordingly the Company has to make an announcement on the Restructuring Exercise as this transaction is a discloseable transaction on the basis of (c) above. No shareholders' approval is required as the relative figures are below 20%.

BY ORDER OF THE BOARD
TAN CHING CHEK
DATED : 26 AUGUST 2005

The Initial Public Offering of the Company's shares was sponsored by Phillip Securities Pte Ltd.