



SWISSCO HOLDINGS LIMITED

Company Registration Number: 200404711D
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT ON DISPUTES INVOLVING THE SWISSCO GROUP

The board of directors (the “**Board**” or the “**Directors**”) of Swissco Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that certain companies within the Group are involved in the following legal proceedings:

- A. Arbitration claim against Tyloo Investment Group Co., Ltd. and Tyloo Offshore S.A. (collectively, “**Tyloo**”) for US\$26,100,000

Arbitration proceedings have been commenced in Hong Kong in relation to a US\$26,100,000 claim by Group’s 50% owned joint venture company, Star Excellence (HK) Limited (“**Star Excellence**”), against charterers Tyloo for outstanding charter hire amounts due and owing to Star Excellence under a bareboat charterparty entered into between the parties.

The Board is of the view that Star Excellence has valid grounds for its claim and is fully entitled to the charter hire under the bareboat charterparty.

- B. Arbitration claim against Nanjing East Star Shipbuilding Co., Ltd (“**Nanjing East Star**”) and Jiangsu Skyrun Shipbuilding & Trading Co., Ltd (“**Jiangsu Skyrun**”) for US\$5,200,000

Arbitration proceedings have been commenced in Hong Kong in relation to a US\$5,200,000 claim by the Company’s wholly-owned subsidiary, Swissco Offshore (Pte) Ltd (“**Swissco Offshore**”), against Nanjing East Star and Jiangsu Skyrun for a refund of the first and second instalments paid by Swissco Offshore, following the termination or rescission of the shipbuilding contracts entered into between Swissco Offshore and each of Nanjing East Star and Jiangsu Skyrun, by reason of substantial delay in the completion and delivery of the contracted vessels.

The Board is of the view that Swissco Offshore has valid grounds for its claim and is fully entitled to the refund of the two instalments paid to Nanjing East Star and Jiangsu Skyrun under the shipbuilding contracts.

- C. Letter issued by X-Drill Holdings Inc. (“**X-Drill**”) for US\$1,694,500.51

The Board refers to its announcement on 23 September 2016 where it was stated that the Company has been informed that US legal proceedings have been commenced by X-Drill against four Hong Kong incorporated companies within the Group, Supreme Excellence 1 (HK) Limited, Supreme Excellence 2 (HK) Limited, Supreme Excellence 3 (HK) Limited and

Supreme Excellence 4 (HK) Limited (collectively “**SE1 to SE4**”) in relation to services provided by X-Drill to the rigs owned by SE1 to SE4.

The Company received, and had on 5 October 2016 responded to, a letter and purported statutory demand issued by X-Drill’s Singapore solicitors, alleging that the Company was liable to X-Drill for the amount of US\$1,694,500.51 that is allegedly due and owing under the service contracts (the “**Service Contracts**”) entered into between X-Drill and each of SE1 to SE4.

The Board is of the view that X-Drill’s claims against the Company are entirely baseless and without merit as the Company is not a party or corporate guarantor to any of the Service Contracts, and consequently is not liable for any amounts due by SE1 to SE4 to X-Drill under the Service Contracts. The Company intends to vigorously oppose X-Drill’s claims and take all necessary legal steps to protect its interests.

The Board will provide further updates as and when appropriate.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders should consult their stock brokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
12 October 2016