



**SWISSCO**

**SWISSCO HOLDINGS LIMITED  
(JUDICIAL MANAGERS APPOINTED BY COURT)**

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

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**PROPOSED DISPOSALS OF (I) ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SOPL (AS DEFINED HEREIN) AND SM LOG (AS DEFINED HEREIN); (II) 49.0% OF THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SW MARINE (M) SDN. BHD.; AND (III) 26 VESSELS OWNED BY SOPL, SMPL, SSSPL, SAPL AND SM LOG (AS DEFINED HEREIN)**

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**1. INTRODUCTION**

1.1. The Judicial Managers (the "**Judicial Managers**") of Swissco Holdings Limited (Judicial Managers Appointed by Court) (the "**Company**", and together with its subsidiaries, the "**Group**") wish to announce that the following wholly-owned subsidiaries of the Company have on, 18 September 2017 entered into a master sale and purchase agreement (the "**SPA**") with Asian Strategic Turnaround Ventures Pte. Ltd. (the "**Purchaser**"):

- (a) Swissco International Pte. Ltd. ("**SIPL**");
- (b) Swissco Offshore Pte. Ltd. (Judicial Managers appointed by Court) ("**SOPL**");
- (c) Swissco Maritime Pte. Ltd. ("**SMPL**");
- (d) Swissco Ship Services Pte. Ltd. ("**SSSPL**");
- (e) Swissco Asia Pte. Ltd. ("**SAPL**"); and
- (f) Singapore Marine Logistics Pte. Ltd. ("**SM Log**"),

(SIPL, SOPL, SMPL, SSSPL, SAPL and SM Log shall collectively be referred to as the "**Vendors**", and each a "**Vendor**"),

in relation to the proposed disposal of a substantial part of its offshore support vessels division (the "**OSV Division**"), which comprises the following:

- (i) all of the issued and paid-up ordinary shares in the capital of SOPL and SM Log held by SIPL;
- (ii) 49,000 ordinary shares (representing 49.0% of the issued and paid-up capital of SW Marine (M) Sdn. Bhd. held by SIPL ("**SWM Malaysia**");
- (iii) the vessels owned by SOPL, SMPL, SSSPL, SAPL and SM Log set out in Schedule 1 to this Announcement (collectively, the "**Vessels**") ("**Vessels Disposal**").

Paragraphs 1.1(i) and (ii) shall be collectively referred to as the "**Share Disposal**". Share Disposal and Vessels Disposal shall hereinafter collectively referred to as the "**Proposed Disposals**".

1.2. Further details of the Proposed Disposals are set out in paragraph 2 below.

## 2. THE PROPOSED DISPOSALS

### 2.1. Information on SOPL, SM Log and SW Malaysia

#### (a) SOPL

SOPL was incorporated in Singapore on 29 October 1975 and has, at the date of this announcement, an issued and paid-up capital of S\$20,000,000.00. SOPL was put under judicial management pursuant to the orders granted by the Singapore High Court on 21 April 2017.

The principal activity of SOPL is the business of owning and operating ships. Further, SOPL has leased the properties at (i) 58/60 Penjuru Lane, Singapore 609214; and (ii) 21 Tuas Road, Singapore 638489 from JTC Corporation (collectively, the "**JTC Properties**"). As at the date of this Announcement, the JTC Properties have been mortgaged in favour of a lender as security for SOPL's obligations under a banking facility extended.

#### (b) SM Log

SM Log was incorporated in Singapore on 12 September 1998 and has, at the date of this announcement, an issued and paid-up capital of S\$500,000.00.

The principal activity of SM Log is the business of owning and operating ships. SM Log is the owner of a barge known as SMLOG 180 ("**SMLog 180**").

SM Log is also engaged in the ship repair and maintenance business of the Group.

#### (c) SWM Malaysia

SWM Malaysia was incorporated in Malaysia on 9 August 2006 and has, at the date of this announcement, an issued and paid-up capital of RM100,000.00.

The principal activity of SWM Malaysia is the business of tendering and procuring for contract works to oil and gas industries.

### 2.2. Information on the Vessels

Details of the Vessels are set out in Schedule 1 to this Announcement. The Vessels are being sold on an "as-is-where-is" basis.

Historically, the fleet of offshore support vessels (OSVs), tugs and barges of the Group, which are the subject of the Proposed Disposals, have provided a range of offshore chartering services to the marine, offshore oil and gas and civil construction industries. As at the date of this Announcement, 10 of the 26 Vessels proposed to be disposed of are deployed.

The remainder of the Vessels are not under charter and are minimally utilised, unutilised or laid-up by the Group. They were maintained at the Group's shipyard premises and did not contribute any/substantial revenue to the Group.

Additionally, 16 of the 26 Vessels are currently mortgaged in favour of financial and other institution to secure the obligations of certain Vendors under facilities and/or credit extended by such institution. The proceeds from the Proposed Disposals will be used in part to reduce the Group's liabilities to such institutions.

### 2.3. Information on the Purchaser

The Purchaser is a company incorporated in Singapore. As far as the Company is aware, the Purchaser is not in any way related to the Group, the directors or any of the substantial shareholders of the Company.

### 2.4. Consideration and other Arrangements with the Purchaser

The aggregate consideration for the Proposed Disposals is US\$28.5 million in cash ("**Consideration**"), and was arrived at on a willing-buyer willing seller basis, having regard to:

- (a) the financial circumstances of the Group;
- (b) the overall downturn in the offshore support vessel market as a result of weak oil prices, decreasing charter rates, delayed or cancelled projects, global market developments as well as the reduced demand for offshore support vessels following the oversupply of such vessels in the market; and
- (c) the third party liabilities of the Group's OSV Division.

As at the date of this Announcement, a deposit of US\$3.15 million (the "**Deposit**") has been received by the Group and is being held in escrow pending completion of the Proposed Disposals ("**Completion**"). The remainder of US\$25.35 million will be paid by the Purchaser upon Completion, with US\$1 million being held in escrow for a period of up to 180 days to satisfy any claims in respect of certain of the Vessels which may arise for the period up to Completion.

In the event that Completion does not occur:

- (a) where the Purchaser is the defaulting party, the Deposit, shall be released to the Vendors (in addition to and without prejudice to all other rights or remedies available to the Vendors, including the right to claim damages); or
- (b) where one or more of the Vendors is the defaulting party, the Deposit, shall be released to the Purchaser.

In addition, the Purchaser has agreed to provide a loan of US\$4,000,000 to SOPL (which is part of the Proposed Disposals) on Completion for the purposes of discharging the mortgages in respect of the JTC Properties (the "**SOPL Shareholder Loan**").

### 2.5. Conditions Precedent

Completion of the Proposed Disposals pursuant to the terms of the SPA is conditional upon the fulfilment of, *inter alia*, the following conditions, where required:

- (a) the approval of the shareholders of Swissco Holdings Limited (the "**Shareholders**") at an extraordinary general meeting having been obtained for the Proposed Disposals;
- (b) the sanction by the High Court of Singapore of the scheme of arrangement in respect of SOPL under Section 210 of the Companies Act (Cap. 50 of Singapore) (the "**Companies Act**") and the discharge of the judicial management order over SOPL;
- (c) the sanction by the High Court of Singapore of a scheme of arrangement in respect of SM Log under Section 210 of the Companies Act;
- (d) in principle approval from the respective mortgagees to discharge the mortgages over the JTC Properties and the Vessels respectively, conditional upon agreed amounts outstanding under the bank facilities being repaid according to the terms and conditions agreed between the relevant parties; and

- (e) the approval of the third party charterers in respect of the Vessels under charter (the "**Charters**") for the novation of the Charters and/or change in ownership of the Vessel, where required.

## 2.6. **Completion**

Subject to the terms of the SPA, Completion is intended to take place on the 15<sup>th</sup> business day after the fulfilment of the last of the conditions precedent under the SPA ("**Completion Date**").

Completion shall only take place if all the Essential Vessels (set out in Schedule 2 to this Announcement) are to be completed and delivered at the same time as the completion of the disposal of SOPL, SM Log and SWM Malaysia. If Completion cannot take place on the Completion Date, such date shall be deferred in accordance with the terms of the SPA. If within 45 business days of the Completion Date, Completion still has not occurred, then the SPA shall terminate and parties shall have no claims against each other save for any prior antecedent breaches.

If any of the Vessels other than the Essential Vessels are not completed on the Completion Date (including such date as may be deferred not being more than 15 business days after the Completion Date), the Purchaser shall be entitled to withhold a part of the Consideration to be paid on Completion to reflect the consideration amount allocated to such Vessel until such time as subsequently completed.

In the event that any of the conditions precedent in the SPA (including those in paragraph 2.5 above) are not fulfilled on or before the date falling 9 months from the date of the SPA or such other date as the parties may mutually agree in writing ("**Long-Stop Date**"), the SPA (other than the surviving provisions) shall lapse and cease to have further effect and all obligations and liabilities of the parties shall cease and determine and the Purchaser shall not have any claim against any of the Vendors or any member of the Group including any of their respective representatives, including for any antecedent breach of the SPA.

## 3. **RATIONALE FOR THE PROPOSED DISPOSALS**

3.1. The Proposed Disposals are in line with achieving one or more of the following purposes of the judicial management, being:

- (a) a more advantageous realisation of the Group's assets than would be effected by a winding up;
- (b) the survival of the Group, or the whole or part of their undertaking, as a going concern; and
- (c) the approval under Section 210 of a compromise or arrangement between SOPL and its creditors.

3.2. The Judicial Managers are of the view that the Proposed Disposals will help to reduce the Group's liabilities in view of the net cash inflow therefrom. In particular, the net proceeds from the Consideration and the SOPL Shareholder Loan from the Purchaser will be used to repay amounts outstanding under the facilities in respect of the mortgaged Vessels and the JTC Properties. The remainder of the net proceeds from the Consideration (if any) will be used to reduce the other third party liabilities of the Vendors.

## 4. **RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 IN RELATION TO THE PROPOSED DISPOSALS**

The relative figures computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "**Listing Manual**") in respect of the Proposed Disposals on a consolidated basis, based on the latest announced unaudited consolidated financial statements of the Group for the nine (9) months ended 30 September 2016 (being the latest announced consolidated accounts of the Group) ("**9MFY2016**"), are set out below:

Rule	Bases of computation	Relative figure
1006(a)	Net asset value of assets being disposed of, compared with the Group's net asset value <sup>(1)(2)(3)</sup>	-85.9%
1006(b)	Net profits/(loss) attributable to the assets disposed of, compared with the Group's net profits/(loss) <sup>(4)</sup>	18.9%
1006(c)	Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares <sup>(5)</sup>	107.6%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's provide and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) Based on the aggregate net asset value of the assets comprised in the Proposed Disposals of approximately US\$20.9 million as of 30 September 2016; and the Group's net liability value of approximately US\$24.3 million as of 30 September 2016. Please also refer to Note (2) below.
- (2) The aggregate net asset value of the Proposed Disposals has been calculated based on the following assumptions:
  - (a) Vessels which have been sold or for which an agreement has been entered into for its sale (i.e. Coral Knight as well as Swissco Venus, Selat Goodman, Selat Topman, Selat Hope and Swissco Opal as announced on 13 April 2017 and 18 July 2017 respectively) are not part of the Proposed Disposals; and
  - (b) the schemes of arrangement under Section 210 of the Companies Act in relation to SOPL and SM Log have not taken place, and as such assets and liabilities intended to be excluded from the Proposed Disposals have not yet been carved out or ringfenced for these purposes.
- (3) The Proposed Disposals have a net asset value, while the Group has a net liability value as at 30 September 2016. It is neither meaningful nor appropriate to compare the net asset value of the Proposed Disposals against the net liabilities of the Group to determine if the 20% threshold is exceeded under Rule 1006(a) of the Listing Manual.
- (4) Based on the aggregate net loss attributable to the assets comprised in the Proposed Disposals of approximately US\$56.7 million and the Group's net loss after tax of US\$300.0 million as of 30 September 2016.
- (5) Based on the Consideration of US\$28.5 million and the market capitalisation of the Company of approximately S\$36.4 million (which is equivalent to approximately US\$26.5 million based on the exchange rate of US\$1:S\$1.374) as at the Last Full Trading Day. The market capitalisation is determined by multiplying the 675,050,104 issued shares in the Company by S\$0.0539, being the weighted average price of the Company's shares transacted on the Last Full Trading Day.

As the relative figure under Rule 1006(c) for the Proposed Disposals exceeds 20%, the Proposed Disposals would constitute a major transaction under Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders at an extraordinary general meeting of the Company ("**EGM**") to be convened at a later date, unless the requirement for such Shareholders' approval is waived by SGX-ST. The Judicial Managers of the Company will be applying to the SGX-ST for a waiver from the requirements for an EGM and will update Shareholders in due course.

## 5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSALS

### 5.1. Net tangible assets ("NTA") per share and earnings per share ("EPS")

*The proforma financial effects of the Proposed Disposals on the NTA per share and the EPS set out below are for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Group following the Proposed Disposals, nor a projection of the future financial performance or position of the Group after completion of the Proposed Disposals.*

The proforma financial effects of the Proposed Disposals (on a consolidated basis) set out below are for illustrative purposes only and are presented based on both (i) the Company's consolidated audited financial statements for the financial year ended 31 December 2015 ("FY2015"), and (ii) the Company's consolidated unaudited financial statements for 9M2016 and the following assumptions:

- (a) in respect of (i) above, that the Proposed Disposals had been completed on 31 December 2015 for the purposes of the financial effect on the net tangible asset ("NTA") per share of the Group;
- (b) in respect of (ii) above, that the Proposed Disposals had been completed on 30 September 2016 for the purposes of the financial effect on the NTA per share of the Group;
- (c) in respect of (i) above, that the Proposed Disposals had been completed on 1 January 2015 for the purposes of the financial effect on the earnings per shares ("EPS") of the Group; and
- (d) in respect of (ii) above, that the Proposed Disposals had been completed on 1 January 2016 for the purposes of the financial effect on the EPS of the Group.

#### 5.1.1. NTA

##### (a) **NTA per share (based on FY2015)**

	<b>Before the Proposed Disposals</b>	<b>After the Proposed Disposals</b>
<b>NTA (US\$'000)</b>	275,484	254,559 <sup>(1)</sup>
<b>Number of issued shares</b>	672,448,704	672,448,704
<b>NTA per share (US\$)</b>	0.410	0.379

##### (b) **NTA per share (as at end of 9M2016)**

	<b>Before the Proposed Disposals</b>	<b>After the Proposed Disposals</b>
<b>NTA (US\$'000)</b>	(24,347)	(16,772) <sup>(2)</sup>
<b>Number of issued shares</b>	675,050,104	675,050,104
<b>NTA per share (US\$)</b>	(0.036)	(0.025)

#### Notes:

- (1) This is computed based on the NTA of the Group of approximately US\$275.5 million as at 31 December 2015 less the NTA of the shares and Vessels being disposed of of approximately US\$20.9 million as at 30 September 2016.

- (2) This is computed based on the NTA of the Group of approximately (US\$24.3 million) as at 30 September 2016 less the NTA of the shares and Vessels being disposed of of approximately US\$20.9 million as at 30 September 2016, plus the Consideration of approximately US\$28.5 million as at 30 September 2016. As the latest available consolidated account are the unaudited accounts as at 30 September 2016, NTA calculations after the Proposed Disposals have been as at 30 September 2016.

#### 5.1.2. EPS

##### (a) **EPS (based on FY2015)**

	<b>Before the Proposed Disposals</b>	<b>After the Proposed Disposals</b>
<b>Net profit/(loss) after tax (US\$'000)</b>	31,169 <sup>(1)</sup>	72,191 <sup>(2)</sup>
<b>Weighted average number of issued shares</b>	672,448,704	672,448,704
<b>EPS (US\$)</b>	0.046	0.107

##### (b) **EPS (based on 9M2016)**

	<b>Before the Proposed Disposals</b>	<b>After the Proposed Disposals</b>
<b>Net profit/(loss) after tax (US\$'000)</b>	(300,021) <sup>(3)</sup>	(214,410) <sup>(4)</sup>
<b>Weighted average number of issued shares</b>	675,050,104	675,050,104
<b>EPS (US\$)</b>	(0.444)	(0.318)

#### Notes:

- (1) Net profit/(loss) after tax is calculated based on the net profit/(loss) for FY2015 attributable to owners of the Company.
- (2) This is computed based on the net profit/(loss) after tax less the aggregate net profit/(loss) after tax attributable from the shares and Vessels being disposed of as at 31 December 2015 of approximately (US\$12.5 million) and the Consideration of approximately US\$28.5 million.
- (3) Net profit/(loss) after tax is calculated based on the net profit/(loss) for 9M2016 attributable to owners of the Company.
- (4) This is computed based on the net profit/(loss) after tax less the aggregate net profit/(loss) after tax attributable from the shares and Vessels being disposed of as at 30 September 2016 of approximately (US\$57.1 million) and the Consideration of approximately US\$28.5 million.

## 5.2. **Value of the Assets comprised in the Proposed Disposals / Loss on Disposal**

The aggregate net book value and the net tangible asset value of the assets comprised in the Proposal Disposals was approximately US\$41.2 million and US\$15.8 million, respectively, based on the management accounts of the various entities as at 31 December 2016.

For illustrative purposes, based on the aggregate net book value of the assets comprised in the Proposed Disposals as at 31 December 2016 of approximately US\$41.2 million and the

Consideration of US\$28.5 million, it is expected that the Proposed Disposals will result in an aggregate estimated net loss of approximately US\$12.7 million.

**6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

To the best of the knowledge of the Judicial Managers, none of the directors or controlling shareholders of the Company have any direct or indirect interest in the Proposed Disposals, save for their shareholdings in the Company.

**7. SERVICE CONTRACT**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposals. Accordingly, no service contract for such appointment is proposed to be entered into between the Company and any such person.

**8. REQUIREMENT FOR EGM**

As the relative figure under Rule 1006(c) for the Proposed Disposals exceeds 20%, the Proposed Disposals would constitute a major transaction under Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders at an EGM. The Judicial Managers intend to seek a waiver from the SGX-ST in respect of the requirement to convene an EGM to seek the approval of Shareholders and will update Shareholders accordingly. Should an EGM be required, the circular to Shareholders containing, *inter alia*, further information on the Proposed Disposals and enclosing the notice of the EGM of the Company will be despatched by the Company to Shareholders in due course.

**9. INSPECTION OF DOCUMENTS**

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 21 Tuas Road, Singapore 638489 for a period of three (3) months from the date of this announcement.

Ee Meng Yen Angela  
Joint and Several Judicial Manager  
20 September 2017

**Schedule 1**

**Details of the Vessels**

<b>Vessel Owner</b>	<b>Vessel Name</b>	<b>Vessel Type</b>
<b>SAPL</b>	Swissco Superior	AHT
<b>SAPL</b>	Swissco Sapphire	AHT
<b>SAPL</b>	Swissco 55	Barge
<b>SAPL</b>	Swissco Sentosa	Utility tug
<b>SAPL</b>	Swissco Swift	AHT
<b>SMPL</b>	Swissco Searcher	Utility tug
<b>SMPL</b>	Swissco Server	Utility tug
<b>SOPL</b>	Swissco Onyx	AHTS
<b>SOPL</b>	Swissco Panther	Crew boat
<b>SOPL</b>	Swissco Topaz	AHT
<b>SOPL</b>	Swissco Summit	MPV
<b>SOPL</b>	Swissco 48	Workboat
<b>SOPL</b>	Swissco Neptune	Workboat
<b>SOPL</b>	Swissco 282	Barge
<b>SOPL</b>	Swissco Garnet	AHT
<b>SOPL</b>	Swissco Supplier	AHT
<b>SOPL</b>	Swissco Seal	Crew boat
<b>SOPL</b>	Swissco Surf	Utility tug
<b>SOPL</b>	Swissco Synergy	MPV
<b>SSSPL</b>	Swissco Jupiter 1	Workboat
<b>SSSPL</b>	Swissco Singapore	AHT
<b>SSSPL</b>	Swissco Supporter	Workboat
<b>SSSPL</b>	VM Pioneer	AHTS
<b>SSSPL</b>	Swissco Ruby	AHTS
<b>SSSPL</b>	Swissco Sunrise	Shallow water multicat
<b>SM Log</b>	SMLog 180	Barge

## **Schedule 2**

### **Essential Vessels**

1. Swissco 48
2. Swissco Garnet
3. Swissco Jupiter 1
4. Swissco Neptune
5. Swissco Onyx
6. Swissco Panther
7. Swissco Ruby
8. Swissco Sapphire
9. Swissco Singapore
10. Swissco Superior
11. Swissco Supplier
12. Swissco Supporter
13. Swissco Swift
14. Swissco Synergy
15. Swissco Topaz
16. VM Pioneer