



**SWISSCO**

**SWISSCO HOLDINGS LIMITED**

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**

The Judicial Managers (the "**JMs**") of Swissco Holdings Limited (Judicial Managers Appointed by Court) (the "**Company**", and together with its subsidiaries, the "**Group**") refer to the announcement dated 20 September 2017 (the "**20 September Announcement**") in relation to the proposed disposals of a substantial part of the offshore support vessels division to Asian Strategic Turnaround Ventures Pte. Ltd. (the "**Purchaser**") (collectively, the "**Proposed Disposals**"). All capitalised terms unless otherwise defined, shall have the same meaning ascribed to them in the 20 September Announcement.

## **2. RECEIPT OF SGX-ST'S WAIVER OF SHAREHOLDERS' APPROVAL IN RESPECT OF THE PROPOSED DISPOSALS**

2.1 The Company had on 26 September 2017 submitted an application to the SGX-ST for a waiver of the requirement under Rule 1014(2) of the Listing Manual for the Company to obtain approval of the Shareholders for the Proposed Disposals (the "**Waiver Application**").

2.2 The SGX-ST has on 13 April 2018 informed the Company that the SGX-ST has no objection to waiving the requirement for the Company to seek Shareholders' approval for the Proposed Disposals pursuant to Rule 1014(2) of the Listing Manual (the "**Waiver**"), subject to the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

2.3 The Company had sought the Waiver on the following grounds:

(a) Certain of the Vessels may otherwise be subject to a mortgagee sale

As mentioned in the 20 September 2017 Announcement, 16 out of 26 of the Vessels are currently mortgaged in favour of various third party lenders. Save for SOPL which is currently in judicial management, such third party lenders have the right to enforce the mortgages over the Vessels and to take possession of and/or unilaterally dispose of the Vessels, and to apply the proceeds of such disposal to, *inter alia*, to discharge the obligations and liabilities due and owing by the Vessels (save for SOPL) to the third party lenders (the "**Mortgagee Sale**").

Given the current depressed market conditions, the proceeds of the Mortgagee Sale may not be sufficient to discharge the debt owing by the Vendors.

The Proposed Disposals are intended to be an orderly disposal of the assets of the Vendors with the ultimate aim of achieving successful schemes of arrangement under Section 210 of the Companies Act for each of the Company and SOPL.

In the event that the Proposed Disposals require the approval of the Shareholders, and such approval of the Shareholders is not granted for any reason at an extraordinary general meeting to be convened by the Company, the various third party lenders will nonetheless still have the right to exercise its rights to effect the Mortgagee Sale notwithstanding that such Shareholders' approval is not granted for the Proposed Disposals. Any exercise of such rights may lead to a disorderly realisation of the Group's assets, and may have an impact on the overall restructuring of the Group.

(b) No material change in the risk profile of the Group

The Company is of the opinion that there will not be any material change in the risk profile of the Group arising from the Proposed Disposals, as the Company and SOPL are currently in judicial management and its primary focus is on improving its financial position through the judicial management of the Company.

(c) Substantial liabilities attaching to the assets comprised in the Proposal Disposals ("**Sale Assets**") and interests of creditors take precedence

The total liabilities attaching to the assets comprised in the Proposed Disposals as at 31 December 2016 is in excess of US\$75 million (excluding inter-company liabilities within the Group). Accordingly, a substantial part of the proceeds from the Proposed Disposals will go towards retiring such liabilities attaching to the Sale Assets.

Given the above and in view of the fact that each of the Company and SOPL are currently in judicial management and are both technically insolvent, the interests of creditors would generally take precedence. SOPL's creditors approval will be sought through the scheme of arrangement of SOPL, which is a condition precedent to Completion.

The Company wishes to update that, further to the Waiver Application and as announced by the JMs on 4 April 2018, the scheme of arrangement of SOPL dated 5 December 2017 was approved with modification (to provide that a condition precedent relating to the entry of certain creditor settlement agreements could be waived at the option of the Scheme Managers of SOPL or SOPL, such waiver being acceptable to the Purchaser) by a majority in number representing more than three-fourths in value of the scheme creditors present and voting either in person or by proxy.

(d) Costs of holding an extraordinary general meeting

In view of the foregoing factors, it is submitted on behalf of the Company that if an extraordinary general meeting need not be held, this would result in significant cost savings for the Company. It is in the interests of the Company and its Shareholders to avoid incurring the unnecessary costs and expenses in convening a Shareholders' meeting to vote on the Proposed Disposals in the present case, especially given the current financial position of the Company.

### 3. **COMPLETION**

The Company will make further announcements to update its Shareholders on the status of the Proposed Disposals in due course.

Ee Meng Yen Angela  
Joint and Several Judicial Manager  
13 April 2018