

SWISSCO INTERNATIONAL LIMITED
(COMPANY REGISTRATION NO: 200401051D)

Unaudited Financial Statement Announcement for the Second Quarter ended 30 June 2010

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr 2010	2nd Qtr 2009	Var % (+/-)	1H10	1H09	Var % (+/-)
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales	10,163	19,891	-48.9	22,417	33,934	-33.9
Cost of sales	(7,498)	(10,051)	-25.4	(14,511)	(16,208)	-10.5
Gross profit	2,665	9,840	-72.9	7,906	17,726	-55.4
Other income	114	166	-31.3	147	228	-35.5
Other gains-net	3,960	4,440	-10.8	3,917	4,775	-18.0
Less : Expenses						
Administrative	(1,630)	(4,942)	-67.0	(3,625)	(7,294)	-50.3
Finance	(157)	(188)	-16.5	(311)	(362)	-14.1
Share of profits of an associated company	55	0	NM	9	0	NM
Profit before tax	5,007	9,316	-46.3	8,043	15,073	-46.6
Income tax (expense)/credit	(44)	99	NM	(146)	(226)	-35.4
Net profit for the financial period attributable to equity holders of the Company	4,963	9,415	-47.3	7,897	14,847	-46.8
Other comprehensive income/(losses) :						
Financial asset available-for-sale - fair value gain/(losses)	(1,755)	12,422	NM	(945)	5,582	NM
Total comprehensive income/(losses) for the period attributable to equity holders of the Company	3,208	21,837	-85.3	6,952	20,429	-66.0

NM – Not Meaningful

Notes to income statement:				
	2 nd Qtr 2010	2 nd Qtr 2009	1H10	1H09
	S\$'000	S\$'000	S\$'000	S\$'000
The profit after tax is determined after (charging) / crediting the following :				
Depreciation	(2,456)	(2,008)	(4,806)	(3,878)
Write back of/(allowance for) impairment of receivables	636	(1,906)	447	(2,082)
Interest expense	(157)	(188)	(311)	(362)
Interest income	14	1	24	2
Gain on disposal of property, plant & equipment	3,743	130	3,750	332
Foreign exchange gain/(loss)	197	(430)	125	(314)
Gain from disposal of financial assets available-for-sale	0	4,725	0	4,725
Amortization of deferred gain	20	15	42	32
Overprovision of income tax expense in prior years	0	245	0	410

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group	The Group	The Company	The Company
	30.06.10	31.12.09	30.06.10	31.12.09
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	19,403	14,578	2,994	416
Financial assets available-for-sale	26,595	27,540	26,595	27,540
Trade and other receivables	13,050	15,457	-	-
Due from subsidiaries (non-trade)	-	-	50,967	56,615
Inventories	20	99	-	-
Other current assets	906	606	9	11
	59,974	58,280	80,565	84,582
Non-current assets				
Investment in subsidiaries	-	-	7,836	7,836
Investment in an associated company	195	46	350	211
Investment in a joint venture	20	20	20	20
Property, plant and equipment	141,671	144,934	-	-
	141,886	145,000	8,206	8,067
Total assets	201,860	203,280	88,771	92,649
LIABILITIES				
Current liabilities				
Trade and other payables	12,864	18,804	2,718	6,262
Borrowings	18,602	19,722	-	-
Current income tax liabilities	890	744	-	-
	32,356	39,270	2,718	6,262
Non-current liabilities				
Borrowings	7,213	6,783	-	-
Deferred income tax liabilities	1,087	1,087	-	-
Deferred gain	1,544	1,587	-	-
	9,844	9,457	-	-
	42,200	48,727	2,718	6,262
NET ASSETS	159,660	154,553	86,053	86,387
Share capital and reserves				
Share capital	27,416	27,380	27,416	27,380
Other reserves	22,188	23,041	25,962	26,815
Retained earnings	110,056	104,132	32,675	32,192
	159,660	154,553	86,053	86,387

1(b)(ii) **Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

30.06.10		31.12.09	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
12,427	6,175	15,172	4,550

Amount repayable after one year

30.06.10		31.12.09	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,532	1,681	6,783	0

The Group's borrowings include: -

(a) Secured Bank Loans

These are secured by the pledge of the Group's leasehold properties and certain vessels.

(b) Finance Lease

The finance lease obligations were secured with the fixed assets of the Group.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr ended 30.06.10	2nd Qtr ended 30.06.09	1H10 ended 30.06.10	1H09 ended 30.06.09
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net Profit	4,963	9,415	7,897	14,847
Adjustments for :				
Income tax expense/(credit)	44	(99)	146	226
Share of profits of an associated company	(55)	0	(9)	0
Employee share option expense	10	70	92	199
Depreciation of property, plant and equipment	2,456	2,008	4,806	3,878
Interest expense	157	188	311	362
Interest income	(14)	(1)	(24)	(2)
Amortisation of deferred gain	(20)	(15)	(42)	(32)
Gain from disposal of property, plant and equipment	(3,743)	(130)	(3,750)	(332)
Gain from disposal of financial assets available-for-sale	0	(4,725)	0	(4,725)
Operating cash flow before working capital changes	3,798	6,711	9,427	14,421
Changes in working capital :				
Trade and other receivables	2,145	232	2,407	666
Inventories	30	125	79	(22)
Other current assets	261	(34)	(300)	844
Trade and other payables	(7,356)	6,129	(5,940)	(256)
Cash (used in)/generated from operations	(1,122)	13,163	5,673	15,653
Income tax paid	0	(34)	0	(5)
Net cash (used in)/provided by operating activities	(1,122)	13,129	5,673	15,648
Cash flows from investing activities :				
Proceeds from disposal of financials assets available-for-sale	0	6,345	0	6,345
Investment in an associated company	(140)	0	(140)	0
Interest received	14	1	24	2
Proceeds from disposal of property, plant and equipment	10,535	130	10,544	915
Purchase and construction of property, plant and equipment	(6,492)	(10,347)	(8,338)	(20,444)
Net cash provided by/(used in) investing activities	3,917	(3,871)	2,090	(13,182)
Cash flows from financing activities :				
Proceeds from issuance of ordinary shares	36	0	36	0
Dividends paid	(1,973)	(1,972)	(1,973)	(1,972)
Interest paid	(157)	(188)	(311)	(362)
Proceeds from borrowings	6,000	0	8,520	9,250
Repayment of borrowings	(3,176)	(1,567)	(9,175)	(3,632)
Repayment of finance lease liabilities	(19)	(16)	(35)	(35)
Net cash provided by/(used in) by financing activities	711	(3,743)	(2,938)	3,249
Net increase in cash and cash equivalents held	3,506	5,515	4,825	5,715
Cash and cash equivalents at the beginning of financial period	15,897	4,513	14,578	4,313
Cash and cash equivalents at the end of financial period	19,403	10,028	19,403	10,028

Notes to Statement of cash flow

Cash and bank balances comprise the following: -

	2nd Qtr ended 30.06.10	2nd Qtr ended 30.06.09
	S\$'000	S\$'000
Fixed Deposits	3,421	35
Cash and bank balances	15,982	9,993
	19,403	10,028

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

2010 The Group (S\$'000)	Share Capital	Other reserves	Retained earnings	Total
Balance as at 01.01.10	27,380	23,041	104,132	154,553
Employee share option scheme -Value of employee service	-	82	-	82
Total comprehensive income/(losses)	-	810	2,934	3,744
Balance as at 31.03.10	27,380	23,933	107,066	158,379
Issue of shares pursuant to employee share option scheme	36	-	-	36
Employee share option scheme -Value of employee service	-	10	-	10
Total comprehensive income/(losses)	-	(1,755)	4,963	3,208
Dividend paid	-	-	(1,973)	(1,973)
Balance as at 30.06.10	27,416	22,188	110,056	159,660

2009 The Group (S\$'000)	Share capital	Other reserves	Retained earnings	Total
Balance as at 01.01.09	27,380	13,999	81,928	123,307
Employee share option scheme - value of employee service	-	129	-	129
Total comprehensive income/(losses)	-	(6,840)	5,432	(1,408)
Balance as at 31.03.09	27,380	7,288	87,360	122,028
Employee share option scheme -Value of employee service	-	70	-	70
Total comprehensive income/(losses)	-	12,422	9,415	21,837
Dividend paid	-	-	(1,972)	(1,972)
Balance as at 30.06.09	27,380	19,780	94,803	141,963

2010 The Company (S\$'000)	Share Capital	Other reserves	Retained earnings	Total
Balance as at 01.01.10	27,380	26,815	32,192	86,387
Employee share option scheme -Value of employee service	-	82	-	82
Total comprehensive income/(losses)	-	810	3,422	4,232
Balance as at 31.03.10	27,380	27,707	35,614	90,701
Issue of shares pursuant to employee share option scheme	36	-	-	36
Employee share option scheme -Value of employee service	-	10	-	10
Total comprehensive income/(losses)	-	(1,755)	(966)	(2,721)
Dividend paid	-	-	(1,973)	(1,973)
Balance as at 30.06.10	27,416	25,962	32,675	86,053

2009 The Company (S\$'000)	Share Capital	Other reserves	Retained earnings	Total
Balance as at 01.01.09	27,380	19,311	27,775	74,466
Employee share option scheme -value of employee service	-	129	-	129
Total comprehensive income/(losses)	-	(6,840)	(1,195)	(8,035)
Balance as at 31.03.09	27,380	12,600	26,580	66,560
Employee share option scheme -value of employee service	-	70	-	70
Total comprehensive income/(losses)	-	11,303	3,927	15,230
Dividend paid	-	-	(1,972)	(1,972)
Balance as at 30.06.09	27,380	23,973	28,535	79,888

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles; as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During the financial period, the Company did not grant any share options (2009: 1,150,000) to employees and controlling shareholders/ directors. The Company has 4,575,000 (2009: 4,700,000) ordinary shares under option outstanding at the end of the financial period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.06.10	31.12.09
No of ordinary shares issued and paid up	197,333,717	197,208,717

The Company does not have any treasury shares as at 30 June 2010 and 31 December 2009.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period compared to the audited financial statements for the financial year ended 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Certain new standards, amendments and interpretations to existing standards have been published and they are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods. The adoption of these accounting standards, amendments and interpretations will not have a material impact on the Group's financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	1H10 ended 30.06.10	1H09 ended 30.06.09
Based on number of ordinary shares in issue (in cents)	4.00	7.53
Based on fully diluted number of ordinary shares (in cents)	3.97	7.52

The calculation of basic earnings per share for the half year ended 30 June 2010 and 30 June 2009 is based on weighted average number of 197,268,109 issued and fully paid ordinary shares and the weighted average number of 197,208,717 issued and fully paid up ordinary shares respectively.

The calculation of fully diluted earnings per share for the half year ended 30 June 2010 and 30 June 2009 is based on 198,862,921 shares and 197,379,089 shares respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	The Group		The Company	
	30.06.10	31.12.09	30.06.10	31.12.09
Net asset backing per ordinary share based on existing share capital as at the end of the period (in S\$)	0.81	0.78	0.44	0.44
Number of shares used in computing Net Asset	197,333,717	197,208,717	197,333,717	197,208,717

The net asset value per ordinary share of the Group and the Company as at 30 June 2010 and 31 December 2009 was calculated based on 197,333,717 and 197,208,717 issued and fully paid ordinary shares respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: any significant factors that affected the turnover, costs, and earnings of the group for financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Consolidated Income Statement

The Group's total revenue for the 2Q2010 decreased by 48.9% to S\$10.2m compared to S\$19.9m in 2Q2009. The Group's gross profit and net profit decreased to S\$2.7m (2Q2009: S\$9.8m) and S\$5.0m (2Q2009: S\$9.4m) respectively. The chartering business which contributed S\$9.2m (2Q2009: S\$18.6m) to the Group's total revenue decreased 50.5%. The Group's ship repair and maintenance business also registered lower revenue of S\$1.0m in 2Q2010 (2Q2009: S\$1.3m).

Revenue from the chartering business was affected by lower charter rates for most vessel types, lower vessel utilization and a weaker US dollar. Ship repair business also registered fewer vessels serviced and lower contract value for each vessel serviced. With the decline in demand for vessels, charter for third-party vessels decreased significantly and the amount more than offset the increase in depreciation expense and crew costs arising from more vessels owned and operated, and fuel cost incurred when vessels were unutilized due to weak market condition, resulting in overall lower cost of sales.

The Group's total revenue for 1H2010 decreased 33.9% to S\$22.4m compared to S\$33.9m in 1H2009 and gross profit decreased to S\$7.9m (1H2009: S\$17.7m) due to the weak demand for its services.

Other gains-net of S\$4.0m in 2Q2010 comprised a gain of S\$3.7m from disposal of two vessels. Administrative expenses for both 2Q2010 and 1H2010 decreased due to lower accrual of performance bonus in line with the net profit achieved. In addition, the Group provided S\$1.9m for impairment of receivables in 2Q2009 compared to a write-back of S\$0.6m in 2Q2010. Finance cost also decreased as the Group reduced its bank borrowings.

Consolidated Balance Sheet

Financial assets available-for-sale (AFS) decreased due to its lower stock market price on 30 June 2010.

Other current assets included mainly prepaid expenses.

Property, plant and equipment decreased due mainly to vessels disposed and the depreciation of vessels partially

offset by payment for delivery of vessels under construction.

Trade creditors and other payables decreased due mainly to lesser amount owing to shipbuilders for vessels under construction and other payables.

Consolidated Cash Flow Statement

The Group continued to generate cash from operations before working capital changes and with proceeds from disposal of vessels, funded the Group's progress payments for its fleet expansion and renewal program. The Group's net gearing ratio (net of external indebtedness to banks and financial institutions to shareholders' equity) decreased to 4% (31 December 2009: 8%).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's results are consistent with the industry outlook as previously stated.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The uncertainty in the industry is expected to put pressure on charter rate, demand for offshore support vessels and utilization of our fleet. The Group will continue to focus on improving its operational efficiencies.

For the six months ended 30 June 2010, the Group has taken delivery of 5 vessels under its fleet renewal and expansion program. 2 vessels are expected to be delivered in the second half of 2010 with another 2 vessels expected to be added to the fleet in 2011.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Not applicable

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared / recommended during the financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

- 15. A breakdown of sales**

Not applicable

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

- 17. Interested Persons Transactions.**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000)
Swissco Structural Mechanical Pte Ltd	Rental expense of S\$153,144 paid for the use of the premises at No 9 Pandan Road Singapore 609257

The Company has no shareholder mandate pursuant to Rule 920 of the SGX Listing Manual.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE SGX LISTING MANUAL

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the second quarter ended 30 June 2010 to be false and misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
6 August 2010