



SWISSCO

Company Registration No: 200404711D

SWISSCO HOLDINGS LIMITED

(formerly known as C2O Holdings Limited)

**HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD
ENDED 31 AUGUST 2010**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the SGX-ST. Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, Telephone: (65) 6854 6160.

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

The Board of Directors of Swissco Holdings Limited is pleased to announce the consolidated results of the Group for the half year ended 31 August 2010.

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

	GROUP UNAUDITED SIX MONTHS ENDED 31/08/2010 S\$'000	GROUP UNAUDITED SIX MONTHS ENDED 31/08/2009 S\$'000	INCREASE/ (DECREASE) %
Revenue	1,937	1,926	0.6%
Cost of sales	(1,288)	(1,168)	10.3%
Gross profit	649	758	(14.4%)
<u>Other Items of Income</u>			
Interest Income	97	12	708.3%
Other Credits	-	74	n.m.
<u>Other Items Of Expense</u>			
Administrative Expenses	(1,741)	(660)	163.8%
Other Charges	(51)	-	n.m.
(Loss)/Profit Before Tax from Continuing Operations	(1,046)	184	n.m.
Income Tax Expense	-	(9)	n.m.
(Loss)/Profit from Continuing Operations, Net of Tax	(1,046)	175	n.m.
Profit from Discontinued Operations, Net of Tax	-	219	n.m.
(Loss)/Profit, Net of Tax	(1,046)	394	n.m.
<u>Other Comprehensive Loss:</u>			
Exchange Differences on Translating Foreign Operations, Net of Tax	(574)	(438)	(31.3%)
Other Comprehensive Loss For the Period, Net of Tax	(574)	(438)	(31.3%)
Total Comprehensive Loss	(1,620)	(44)	n.m.

n.m. - not meaningful

1 (a) (ii) The net profit attributable to shareholders include the following credits/(charges):-

	GROUP UNAUDITED SIX MONTHS ENDED 31/08/2010 S\$'000	GROUP AUDITED SIX MONTHS ENDED 31/08/2009 S\$'000	INCREASE/ (DECREASE) %
Depreciation	(480)	(402)	19.0%
Interest expense	(11)	(213)	(94.8%)
Interest income	97	12	n.m
Loss on disposal of property, plant and equipment	-	(13)	n.m
Loss on disposal of subsidiaries	-	(126)	n.m
Foreign exchange adjustment (losses)/gains	(51)	64	n.m.
Acquisition related costs	(771)	-	n.m.

n.m. - not meaningful

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.

Statement of Financial Position

	GROUP UNAUDITED 31/08/2010 S\$'000	GROUP AUDITED 28/02/2010 S\$'000	COMPANY UNAUDITED 31/08/2010 S\$'000	COMPANY AUDITED 28/02/2010 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	12,670	11,401	-	-
Investments in Joint Ventures	-	-	10,621	10,621
Other Assets	-	412	-	-
Total Non-Current Assets	12,670	11,813	10,621	10,621
<u>Current Assets</u>				
Trade and Other Receivables	4,823	5,103	2,447	2,567
Other Assets	1,629	747	1,497	676
Cash and Cash Equivalents	66,358	65,196	63,891	61,683
Total Current Assets	72,810	71,046	67,835	64,926
TOTAL ASSETS	85,480	82,859	78,456	75,547
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	78,670	78,670	78,670	78,670
Accumulated Losses	(2,502)	(1,456)	(7,262)	(6,261)
Other Reserves	(821)	(247)	-	-
Total Equity	75,347	76,967	71,408	72,409
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	659	659	-	-
Borrowings	3,646	-	3,646	-
Total Non-Current Liabilities	4,305	659	3,646	-
<u>Current Liabilities</u>				
Income Tax Payable	47	143	1	1
Trade and Other Payables	4,531	5,090	2,151	3,137
Borrowings	1,250	-	1,250	-
Total Current Liabilities	5,828	5,233	3,402	3,138
TOTAL LIABILITIES	10,133	5,892	7,048	3,138
TOTAL EQUITY AND LIABILITIES	85,480	82,859	78,456	75,547

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

	GROUP UNAUDITED 31/08/2010 S\$'000	GROUP AUDITED 28/02/2010 S\$'000
Amount repayable in one year or less, or on demand (unsecured)	1,250	-
Amount repayable after one year (unsecured)	3,646	-

Details of any collateral

Nil.

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.

Statement of Cash Flows

	GROUP UNAUDITED 31/08/2010 S\$'000	GROUP UNAUDITED 31/08/2009 S\$'000
<u>Cash Flows From Operating Activities</u>		
(Loss)/Profit Before Tax	(1,046)	383
Depreciation of Property, Plant and Equipment	480	402
Interest Expense	11	213
Interest Income	(97)	(12)
Loss on Disposal of Property, Plant and Equipment	-	13
Loss on Disposal of Subsidiaries	-	126
Operating Cash Flows Before Changes in Working Capital	(652)	1,125
Inventories	-	(55)
Trade and Other Receivables	280	(3,210)
Other Assets	(470)	7
Trade and Other Payables	(1,138)	2,183
Net Cash (Used In)/Provided By Operations Before Tax	(1,980)	50
Income Tax (Paid)/Received	(91)	(48)
Net Cash(Used In)/Generated From Operating Activities	(2,071)	2
<u>Cash Flows From Investing Activities</u>		
Disposal of Subsidiaries, net of cash disposed of	-	(1,944)
Disposal of Property, Plant and Equipment	-	20
Investment in Joint Venture	-	(919)
Purchase of Plant and Equipment	(1,749)	(64)
Interest Received	97	12
Net Cash Used In Investing Activities	(1,652)	(2,895)
<u>Cash Flows From Financing Activities</u>		
Proceeds from Borrowings	4,896	335
Finance Leases Repayments	-	(48)
Interest Paid	(11)	(213)
Restricted cash (Note 1)	(60,000)	29
Net Cash (Used In)/Generated From Financing Activities	(55,115)	103
Net Increase/(Decrease) in Cash and Cash Equivalents	(58,838)	(2,790)
Cash and Cash Equivalents, Beginning Balance	65,196	9,293
Cash and Cash Equivalents, Ending Balance	6,358	6,503
Cash and cash equivalents:		
Cash and bank balances	66,358	6,503
Bank balances pledged with banks for credit facilities (Note 1)	(60,000)	-
	6,358	6,503

Note 1: These relate to balances held by banks as collateral for the loan facility provided in connection with the acquisition of SIL.

Notes to the statement of cash flows

During the prior financial period, the Company entered into a sales and purchase agreement to dispose of the entire issued share capital of its wholly-owned subsidiaries, C2O Corporation Pte. Ltd., C2O Mobile Pte. Ltd., C2O Corporation Sdn Bhd and C2O International Trading (Beijing) Co., Ltd. (the “Distribution Companies”) on 15 May 2009. The disposal consideration was satisfied by cancellation of an aggregate number of shares collectively owned by the purchasers. The selective capital reduction exercise was completed on 18 August 2009. In this connection, the comparative income statement has been re-presented to show the results of the discontinued operations separately from those of continuing operations.

The loss on disposal of the subsidiaries and the results of the subsidiaries in the prior period, which were included in the statement of cash flows for the half year ended 31 August 2009, were as follows:

	31/08/2009 S\$'000
Revenue	31,281
Expenses	<u>(30,956)</u>
Profit before tax	325
Income tax expense	<u>20</u>
Profit after tax before disposal loss	<u>345</u>
Loss on disposal of subsidiary	<u>(126)</u>
Total profit from discontinued operations	<u><u>219</u></u>

The following table summarises the carrying value of assets and liabilities that of the subsidiaries that were disposed as at 31 August 2009:

	PERIOD ENDED 31/08/2009 S\$'000
Other assets	237
Property, plant and equipment	642
Inventories	5,642
Trade and other receivables	6,639
Cash and cash equivalents	4,030
Other financial liabilities	(7,947)
Trade and other payables	(6,278)
Income tax payable	(38)
Net assets disposed of	<u>2,927</u>
Loss on disposal	<u>(126)</u>
Total consideration	<u><u>2,801</u></u>
Net cash outflow on disposal:	
Cash consideration	-
Cash balance disposed of	(4,030)
Less : Bank overdraft	359
Less : Restricted cash	<u>1,727</u>
Net cash outflow	<u><u>(1,944)</u></u>

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.

Statement of Changes in Equity for the half year ended 31 August 2010

Group (S\$'000)	Share Capital	Other Reserves	Accumulated Losses	Total Equity
Previous Year:				
Opening Balance at 1 March 2009	23,447	483	(4,081)	19,849
Share Capital Reduction	(2,801)	-	-	(2,801)
Total Comprehensive (Loss)/Income for the Period	-	(438)	394	(44)
Balance at 31 August 2009	20,646	45	(3,687)	17,004
Current Year:				
Opening Balance at 1 March 2010	78,670	(247)	(1,456)	76,967
Total Comprehensive Loss for the Period	-	(574)	(1,046)	(1,620)
Balance at 31 August 2010	78,670	(821)	(2,502)	75,347
Company (S\$'000)	Share Capital		Accumulated Losses	Total Equity
Previous Year:				
Opening Balance at 1 March 2009		23,447	(5,646)	17,801
Share Capital Reduction		(2,801)	-	(2,801)
Total Comprehensive Income for the Period		-	83	83
Balance at 31 August 2009		20,646	(5,563)	15,083
Current Year:				
Opening Balance at 1 March 2010		78,670	(6,261)	72,409
Total Comprehensive Loss for the Period		-	(1,001)	(1,001)
Balance at 31 August 2010		78,670	(7,262)	71,408

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 six months ended 31 August 2010, there has been no change in the Company's share capital.

1(d)(iii) 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.

	31 August 2010	28 February 2010
Total number of issued shares (excluding treasury shares)	403,891,000	403,891,000

The Company does not have any treasury shares as at 31 August 2010 and 28 February 2010.

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.

The Company does not have any treasury shares as at 31 August 2010.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period, compared with the last audited financial statements as at 28 February 2010.

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.

On 1 March 2010, The Group adopted the new or amended Financial Reporting Standards (“FRS”) and Interpretations to FRS (“INT FRS”) that mandatory for application from that date.

The following FRS and INT FRS that are relevant to the Group:

FRS 27 (revised)	Consolidated and separate financial statements
FRS 103 (revised)	Business combinations
Amendments to FRS 102	Share based payment
INT FRS 117	Distribution of non cash assets to owners
INT FRS 118	Transfer of assets to customers

The adoption of the above FRS and INT FRS did not have any significant impact on the Group’s results as at 31 August 2010.

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

	GROUP UNAUDITED 31/08/2010	GROUP UNAUDITED 31/08/2009
Earnings/(loss) per share (cents)		
(a) Based on the weighted average number of ordinary shares on issue		
Continuing operations	(0.26)	0.06
Discontinued operations	-	0.07
(b) On a fully diluted basis		
Continuing operations	(0.26)	0.06
Discontinued operations	-	0.07

The calculation of basic earnings per share for the half year ended 31 August 2010 and 31 August 2009 is based on weighted average number of 403,891,000 issued and fully paid ordinary shares and the weighted average number of 294,222,082 issued and fully paid up ordinary shares respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and**
- (b) immediately preceding financial year.**

	GROUP UNAUDITED 31/08/2010	GROUP AUDITED 28/02/2010	COMPANY UNAUDITED 31/08/2010	COMPANY AUDITED 28/02/2010
Net asset value per share (cents)	18.66	19.06	17.68	17.93

Net asset value per ordinary share is calculated by dividing the net assets of Group/Company as at 31 August 2010 and 28 February 2010 respectively by the ordinary shares in issue of 403,891,000.

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:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT REVIEW

Revenue

Group revenue for the half year FY2011 ("HY2011") increased marginally by 0.6% to \$1.94 million from \$1.93 million for the half year FY2010 ("HY2010"), due mainly to higher service fee of \$0.96 million recognised in HY2011 as compared to \$0.46 million recognised in HY2010, offset by lower charter revenue. Lower charter revenue was the result of the dry-dock of a vessel for a 5 months period for survey and lower utilisation for one vessel.

Gross Profit

Gross profit for the Group decreased by 14.4% to \$0.65 million HY2011 from \$0.76 million in HY2010 as a result of higher operating costs involved for operating five vessels (including the vessel which was dry-docked) in HY2011 as compared to four vessels in HY2010.

Other Income

The Company earned interest of \$0.1 million from placement proceeds of S\$60 million in September 2009.

Operating expenses

Administrative expenses of the Group increased by \$1.08 million (or 163.8%), from \$0.66 million in HY2010 to \$1.74 million in HY2011, due mainly to the recognition of expenses of \$0.77 million in relation to acquisition of Swissco International Limited ("SIL") and higher staff related costs. The acquisition was completed on 23rd September 2010.

Net Loss

The Group incurred net loss of \$1.05 million due mainly to the higher operating expenses recognised in HY2011 in relation to acquisition of SIL and lower charter revenue.

BALANCE SHEET REVIEW

Assets

Non-current assets increased from \$11.81 million as at 28 February 2010 (“FY2010”) to \$12.67 million as at HY2011 due mainly to progress payments and equipment purchased for vessels under construction.

The increase of current assets from \$71.05 million as at FY2010 to \$72.81 million as at HY2011 due mainly to capitalisation of loan structuring fees of \$0.73 million (under “Other Assets”) in HY2011 million in relation to the acquisition of SIL. This structuring fee would be amortised over the loan period of 12 months. The bank loan of S\$104.87 million was drawn down on 21 September 2010 as part of payment for the acquisition of SIL.

Liabilities

The total liabilities of the Group increased from \$5.89 million in FY2010 to \$10.13 million in HY2011 due mainly to bank borrowing of \$5 million taken up in July 2010.

Share Capital and Reserves

Total equity decreased from \$76.97 million in FY2010 to \$75.35 million in HY2011 due to net loss of \$1.05 million recognised in HY2011.

CASH FLOW REVIEW

Cash flow from operating activities

The Group’s net cash outflow from operating activities was \$2.07 million. This was mainly due to loss of \$1.05 million recognized and a decrease in trade and other payables in HY2011.

Cash flow from investing activities

The Group’s net cash outflow from investing activities was \$1.65 million. This was mainly due to advance payment and equipment purchased for vessels under construction.

Cash flow from financing activities

The Group’s net cash outflow from financing activities was \$55.1 million. This was due mainly to S\$60.0 million in cash held by banks as collateral for the loan facility provided in connection with the acquisition of SIL, partly offset by the \$5 million loan taken up in July 2010.

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

Not applicable, the Group has not previously disclosed to our shareholders any forecast or prospect statements.

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.

Subsequent event after 31 August 2010

The acquisition of SIL and its subsidiaries (“SIL Group”) was completed on 23rd September 2010. The Group could now leverage on one another’s strength in the offshore and marine sector. Through leveraging on the experience of the management, resources and reputations of the Group, the Company expects that the Group would be in a stronger position to explore new growth opportunities and development of new markets.

The acquisition method of accounting is used to account for the acquisition of SIL Group. For this purpose, two professional parties were engaged respectively to carry out (1) market valuation of the vessels held by SIL at the acquisition date and (2) to provide valuation advisory services on the purchase price allocation. Based on their reports issued on 24th August 2010 and 14th October 2010 respectively, the negative goodwill arising from the acquisition of SIL Group is approximately S\$17 million. This negative goodwill will be recognised as a gain in the second half of the current financial year.

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

The directors do not recommend the payment of a dividend for the current financial period.

13. Interested person transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Dragon Supply Ships Pte Ltd (Note 1)	\$438,432	Not applicable
Kim Seng Holdings Pte Ltd (Note 2)	\$16,224	Not applicable

Note 1: Mr Robert Chua Swee Chong, a director and controlling shareholder of Swissco Holdings Limited, is also a director and shareholder of Dragon Supply Ships Pte Ltd ("DSSPL"). DSSPL purchased goods on behalf of the Company and re-charged the Company on a cost basis.

Note 2: The existing office premise was leased from Kim Seng Holdings Pte Ltd, where Mr Tan Kim Seng, father of Mr Tan Dah Ching, is a director and shareholder. Mr Tan Dah Ching is a controlling shareholder of Swissco Holdings Limited.

BY ORDER OF THE BOARD

Kang Hwee Meng
Chief Executive Officer
15th October 2010

CONFIRMATION BY THE BOARD ON FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE RULES OF CATALIST

We, Robert Chua Swee Chong and Kang Hwee Meng, being directors of Swissco Holdings Limited (the "Company"), do hereby confirm for and on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the half-year ended 31 August 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Robert Chua Swee Chong
Executive Chairman

Kang Hwee Meng
Chief Executive Officer

Singapore, 15th October 2010