



SWISSCO

Company Registration No: 200404711D

SWISSCO HOLDINGS LIMITED

(formerly known as C2O Holdings Limited)

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE 1ST QUARTER ENDED 31 MARCH 2011

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 1st quarter ended 31 March 2011("1Q2011").

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

	GROUP 1ST QUARTER ENDED 31/03/2011 (S\$'000)	GROUP 1ST QUARTER ENDED 31/03/2010 (S\$'000)	INCREASE/ (DECREASE) %
Sales	7,012	12,534	(44.0)
Cost of sales	(6,797)	(11,876)	(42.8)
Gross profit	215	658	(67.3)
Other income	29	48	(39.6)
Other gains/(losses) – net	392	82	378.0
Less: Expenses			
Administrative	(1,229)	(1,456)	(15.6)
Finance	(725)	-	n.m.
Share of profit of an associated company	78	-	n.m.
Share of loss of joint ventures	(305)	(1,125)	(72.9)
Loss before tax	(1,545)	(1,793)	(13.8)
Income tax expenses	(218)	(138)	58.0
Loss, net of tax	(1,763)	(1,931)	(8.7)
<u>Other Comprehensive Loss:</u>			
Currency translation differences arising from consolidation	(85)	(3)	2,733.3
Financial Assets, Available for Sale – Fair Value Loss	(5,265)	-	n.m.
Other Comprehensive Loss, Net of Tax	(5,350)	(3)	n.m.
Total Comprehensive Loss Attributable to Equity Holders of the Company	(7,113)	(1,934)	267.8

n.m. - not meaningful

1 (a) (ii) The net loss attributable to equity holders of the Company include the following credits/(charges):-

	GROUP 1ST QUARTER ENDED 31/03/2011 (S\$'000)	GROUP 1ST QUARTER ENDED 31/03/2010 (S\$'000)	INCREASE/ (DECREASE) %
Depreciation	(2,527)	(1)	n.m.
Write back of/(allowance for) impairment on trade and other receivables	424	(120)	n.m.
Interest expense	(725)	-	n.m.
Interest income	26	48	(45.8)
Foreign exchange (losses)/gains	(4)	116	n.m.
Loss on disposal of property, plant and equipment	(25)	-	n.m.
Amortization of deferred income	430	-	n.m.
Overprovision of income tax in prior years	37	-	n.m.
Acquisition related costs	(518)	(890)	(41.8)

n.m. - not meaningful

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

	GROUP As at 31/03/2011 (S\$'000)	GROUP As at 31/12/2010 (S\$'000)	COMPANY As at 31/03/2011 (S\$'000)	COMPANY As at 31/12/2010 (S\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	6,874	17,802	424	3,113
Financial assets, available-for- sale	22,005	27,270	-	-
Trade and other receivables	10,394	12,007	3,360	2,975
Inventories	104	159	-	-
Other current assets	192	1,333	192	683
	<u>39,569</u>	<u>58,571</u>	<u>3,976</u>	<u>6,771</u>
Non-current assets				
Other receivables	11,229	11,229	11,229	11,229
Investment in subsidiaries	-	-	177,887	177,887
Investment in associated company	431	353	-	-
Investment in joint ventures	1,912	2,274	50	50
Property, plant and equipment	165,840	173,074	-	-
	<u>179,412</u>	<u>186,930</u>	<u>189,166</u>	<u>189,166</u>
Total assets	<u>218,981</u>	<u>245,501</u>	<u>193,142</u>	<u>195,937</u>
LIABILITIES				
Current liabilities				
Trade and other payables	6,449	9,520	40,493	28,570
Borrowings	58,279	102,927	21,723	60,398
Current income tax liabilities	384	409	1	9
	<u>65,112</u>	<u>112,856</u>	<u>62,217</u>	<u>88,977</u>
Non-current liabilities				
Borrowings	55,197	26,429	51,600	26,400
Deferred income tax liabilities	1,482	1,482	-	-
Deferred gain	1,071	1,502	-	-
	<u>57,750</u>	<u>29,413</u>	<u>51,600</u>	<u>26,400</u>
Total liabilities	<u>122,862</u>	<u>142,269</u>	<u>113,817</u>	<u>115,377</u>
NET ASSETS	<u>96,119</u>	<u>103,232</u>	<u>79,325</u>	<u>80,560</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	91,681	91,681	91,681	91,681
Other reserves	(7,832)	(2,482)	-	-
Retained earnings/(accumulated losses)	12,270	14,033	(12,356)	(11,121)
Total equity	<u>96,119</u>	<u>103,232</u>	<u>79,325</u>	<u>80,560</u>

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

Amount repayable in one year or less, or on demand

As at 31/03/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
44,419	13,860	85,764	17,163

Amount repayable after one year

As at 31/03/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
53,947	1,250	26,429	-

Details of any collateral

(a) Secured Bank Loans

These were secured by the pledge of the Group's leasehold properties, certain vessels, shares of Swissco International Pte Ltd and financial assets, available for sale.

(b) Finance Lease

Included in the above borrowings were finance lease obligations of S\$35,278 which are secured on the motor vehicles held under finance lease, of which S\$8,648 is repayable within a year and the remaining S\$26,630 after one year.

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

	GROUP 1ST QUARTER ENDED 31/03/2011 (S\$'000)	GROUP 1ST QUARTER ENDED 31/03/2010 (S\$'000)
Cash flows from operating activities		
Net loss	(1,763)	(1,931)
Adjustments for:		
Income tax expense	218	138
Share of profit of an associated company	(78)	-
Share of loss of joint ventures	305	1,125
Amortization of deferred gain	(430)	-
Depreciation of property, plant and equipment	2,527	1
Interest expense	725	-
Interest income	(26)	(48)
Loss on disposal of property, plant & equipment	25	-
Operating cash flows before changes in working capital	<u>1,503</u>	<u>(715)</u>
Changes in working capital:		
Trade and other receivables	1,613	(1,162)
Inventories	55	-
Other current assets	1,141	(1,261)
Trade and other payables	(3,072)	382
Net cash flows generated from/(used in) operations before tax	<u>1,240</u>	<u>(2,756)</u>
Income tax paid	(243)	-
Net cash flows generated from/(used in) operating activities	<u>997</u>	<u>(2,756)</u>
Cash flows from investing activities		
Interest received	26	48
Loan to joint venture	-	196
Proceeds from disposal of property, plant and equipment	6,216	-
Purchases and construction of property, plant and equipment	(1,534)	(2)
Net cash flows generated from investing activities	<u>4,708</u>	<u>242</u>
Cash flows from financing activities		
Interest paid	(725)	-
Proceeds from borrowings	18,700	-
Repayment of borrowings	(34,575)	-
Repayment of finance lease liabilities	(5)	-
Restricted cash	-	60,000
Net cash flows (used in)/generated from financing activities	<u>(16,605)</u>	<u>60,000</u>
Net decrease in cash and cash equivalents	(10,900)	57,486
Cash and cash equivalents, beginning balance	17,802	4,286
Effects of currency translation on cash and cash equivalents	(28)	(3)
Cash and cash equivalents, ending balance	<u>6,874</u>	<u>61,769</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.

Group (S\$'000)	Share Capital	Other reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous Year:				
Opening Balance at 01/01/2010	78,670	(405)	155	78,420
Movement in Equity:				
Total comprehensive income for the year	-	(3)	(1,931)	(1,934)
Closing Balance at 31/03/2010	78,670	(408)	(1,776)	76,486

Current Year:				
Opening Balance at 01/01/2011	91,681	(2,482)	14,033	103,232
Movement in Equity:				
Total comprehensive income for the year	-	(5,350)	(1,763)	(7,113)
Closing Balance at 31/03/2011	91,681	(7,832)	12,270	96,119

Company (S\$'000)	Share Capital	Accumulated Losses	Total Equity
Previous Year:			
Opening Balance at 01/01/2010	78,670	(5,566)	73,104
Movement in Equity:			
Total comprehensive income for the year	-	(906)	(906)
Closing balance at 31/03/2010	78,670	(6,472)	72,198

Current Year:			
Opening Balance at 01/01/2011	91,681	(11,121)	80,560
Movement in Equity:			
Total comprehensive income for the year	-	(1,235)	(1,235)
Closing balance at 31/03/2011	91,681	(12,356)	79,325

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 1st quarter ended 31 March 2011, 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.

	31/03/2011	31/12/2010
Total number of issued shares (excluding treasury shares)	431,823,169	431,823,169

The Company did not have any treasury shares as at 31 March 2011 and 31 December 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.

Not applicable.

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

The figures are not required to be audited and have not been 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 31 December 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 January 2011, The Group adopted the new or amended Financial Reporting Standards ("FRS) and Interpretations to FRS ("INT FRS") that mandatory for application from that date.

Please see appended below the following FRS and INT FRS which are relevant to the Group:

Amendments to FRS 24	Related party disclosures
Amendments to FRS 32	Financial Instruments: Presentation - Classification of rights issues
Amendments to INT FRS 114	Prepayments of a minimum funding requirement
INT FRS 119	Extinguishing financial liabilities with equity instruments
Amendments to FRS 12	Deferred Tax: Recovery of underlying assets

The adoption of the above FRS and INT FRS did not have any significant impact on the Group's results for the 3 months ended 31 March 2011.

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 1ST QUARTER ENDED 31/03/2011	GROUP 1ST QUARTER ENDED 31/03/2010
Earnings per share (cents)		
a) Based on the weighted average number of ordinary shares on issue	(0.41)	(0.48)
b) On a fully diluted basis	(0.41)	(0.48)

The calculation of basic earnings per share for the three months ended 31 March 2011 and 31 March 2010 is based on weighted average number of 431,823,169 and 403,891,000 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 As at 31/03/2011	GROUP As at 31/12/2010	COMPANY As at 31/03/2011	COMPANY As at 31/12/2010
Net asset value per share (cents)	22.26	23.91	18.37	18.66

Net asset value per ordinary share is calculated by dividing the net assets of Group/Company as at 31 March 2011 and 31 December 2010 respectively by 431,823,169 issued and fully paid up ordinary shares.

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.

Consolidated Income Statement

The Group's sales for 1Q2011 decreased by 44% to S\$7.0 million compared to S\$12.5 million in 1Q2010.

	1Q2011 (S\$' million)	1Q2010 (S\$' million)
Vessel chartering	6.4	*
Ship-repair	0.6	*
Maritime services	-	12.5
Total revenue	7.0	12.5

*** Sales in 1Q2010 did not include vessel chartering and ship-repair as the Company only acquired Swissco International Limited on 23 September 2010.**

Prior to the acquisition of Swissco International Limited, the maritime services segment, which renders services such as sourcing for marine and offshore equipment on a project basis, was the sole contributor to the Group's revenue in 1Q2010.

For 1Q2011, vessel chartering contributed S\$6.4 million and ship-repair and maintenance services contributed S\$0.6 million to Group revenue. No revenue was registered for the maritime services segment for 1Q2011. Demand for charter of the vessels remained weak in 1Q2011 due to the oversupply situation prevailing in the offshore oil and gas industry.

The Group's ship-repair and maintenance business also registered weak performance as other vessel owners delayed or reduced repair works for their vessels in view of the industry slowdown.

Cost of sales for 1Q2011 was lower at S\$6.8 million compared to S\$11.9 million incurred in 1Q2010. Cost of sales of S\$11.9 million in 1Q2010 comprised costs of equipment sold. Cost of sales of S\$6.8 million in 1Q2011 comprised mainly depreciation, fuel, upkeep of vessels and insurance expenses in relation to the vessels owned and operated. Due to weak demand for charter of vessels, cost of maintaining off-hired vessels weighed on the Group's gross profit.

Other gains/(losses)-net for 1Q2011 comprise S\$0.4 million of deferred gain realized this quarter in relation to the unrealized gain from the sale of a vessel to PT Indonesia, an associated company which the Company has 49% interests in.

Administrative expenses decreased by S\$0.3 million in 1Q2011 as compared to 1Q2010 due mainly to one-off acquisition related expenses of S\$0.9 million. Excluding the acquisition related expenses, administrative expenses for 1Q2011 were higher due to an enlarged group, management team and increase in staff strength.

Finance expenses of S\$0.7 million comprise interests incurred on the Group's bank borrowings. Bank borrowings comprised loans taken up for the acquisition of Swissco International Limited as well existing loans of the acquired entities. The Group did not have any borrowing in 1Q2010.

Share of loss of joint ventures. The Group's 50% owned joint ventures, Hadi International Marine Services Pte Ltd which through its subsidiary owned five vessels operating in the Middle-East, incurred losses amounting to S\$0.3 million in 1Q2011 compared to S\$1.1 million in 1Q2010, which included S\$0.9 million

of tax expense adjustments. Excluding the aforementioned adjustments, operating losses for 1Q2011 were higher due to higher cost of vessel upkeep and lower charter rates.

Net loss before tax was lower at S\$1.5 million in 1Q2011 compared to S\$1.8 million in 1Q2010. This was due mainly to higher administrative expenses in 1Q2010.

Income tax expenses of S\$0.2 million comprise mainly of corporate and withholding tax incurred by vessels operating in oversea waters.

Consolidated Balance Sheet

Assets

The Group's total assets as at 31 March 2011 amounted to S\$219.0 million, a decrease of S\$26.5 million from S\$245.5 million as at 31 December 2010. The decrease was mainly due lower market valuation of financial assets available-for-sale, the disposal of two vessels and the repayment of certain bank loan facilities with cash and cash equivalents.

Liabilities

The Group's total liabilities decreased by S\$19.4 million from S\$142.3 million as at 31 December 2010 to S\$122.9 million as at 31 March 2011 mainly due to net repayment of bank borrowings of S\$15.9 million and a decrease in trade and other payables of S\$3.1 million.

While the Group was in a net asset position as at 31 March 2011, current liabilities exceeded current assets due mainly to loan facilities drawn in relation to the acquisition of Swiseco International Limited on 23 September 2010. In March 2011, the Group had restructured certain loan facilities and this had helped improve its working capital position by S\$28.8 million from S\$(54.3 million) as at 31 December 2010 to S\$(25.5 million) as at 31 March 2011. The Group is currently in negotiations to restructure its other borrowings.

Share Capital and Reserves

Total equity decreased from S\$103.2 million on 31 December 2010 to S\$96.1 million on 31 March 2011 due mainly to fair value loss of financial assets available-for-sale and loss, net of tax for 1Q2011.

Cash Flow Review

The Group generated S\$1.0 million cash from its operating activities and S\$4.7 million from investing activities for 1Q2011. Investing activities included cash inflow of S\$6.2 million comprising proceeds from disposal of two vessels which was partially offset by cash outflow of S\$1.5 million due to progress payments for the construction of vessels ordered by the Group.

Net cash used in financing activities for 1Q2011 of approximately S\$16.6 million was due mainly to net loan repayment of S\$15.9 million which was funded with proceeds from the disposal of two vessels and internal resources.

As a result of the above, there was a net decrease in cash and cash equivalents of S\$10.9 million for 1Q2011.

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 disclosed any forecast or prospect statements to its shareholders previously.

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 Group's vessel chartering segment which contributes more than 90% of the Group's revenue in 1Q2011 continues to face pressure due to the oversupply situation prevailing in the offshore oil and gas industry. Charter rates and vessel utilization will be dependent on how quickly demand absorbs the oversupply of offshore vessels and increasing demand as oil and gas prices start rising.

Our vessel chartering segment disposed two vessels in 1Q2011 and expects to take delivery of two new vessels during the 2Q2011 and another three vessels are scheduled for delivery on 2012. These new deliveries are expected to further enhance the Group's fleet composition.

11. Dividend

(a) Current Financial Period Reported On

No.

(b) 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 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 S\$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 S\$100,000)
Dragon Supply Ships Pte Ltd ⁽¹⁾	S\$87,152	Not applicable
Swissco Structural Mechanical Pte Ltd ⁽²⁾	S\$153,144	Not applicable

Notes:-

- (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 joint venture and re-charged the joint venture on a cost basis.

- (2) Mr Alex Yeo Kian Teong, a director and substantial shareholder of Swissco Holdings Limited, is a director and shareholder of Swissco Structural Mechanical Pte Ltd (“SSMPL”). Swissco Offshore (Pte) Ltd, a subsidiary of Swissco International Pte Ltd, is renting the premise at No. 9 Pandan Road from “SSMPL” for storage of goods and wharfage.

The Audit Committee has reviewed the transactions and is of the view that the transactions with DSSPL and SSMPL, were undertaken on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

BY ORDER OF THE BOARD

Kang Hwee Meng
Chief Executive Officer
13th May 2011

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 1st quarter ended 31 March 2011 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, 13th May 2011