



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 2012**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited), for compliance with the relevant rules of the SGX-ST. Canaccord Genuity Singapore Pte. Ltd. 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 Chia Beng Kwan, Director, Canaccord Genuity Singapore Pte. Ltd. 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 unaudited consolidated results of the Group for the 1st quarter ended 31 March 2012 (“1Q2012”).

1 (a) (i) Income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of immediately preceding year.

Consolidated Statement of Comprehensive Income

	GROUP Unaudited 1Q2012 (\$'000)	GROUP Unaudited 1Q2011 (\$'000)	Inc/ (Decr) %
Sales	20,667	7,012	194.7
Cost of sales	(17,649)	(6,797)	159.7
Gross profit	3,018	215	1,303.7
Other income	60	29	106.9
Other (losses)/gain – net	(37)	392	n.m.
Less: Expenses			
Administrative	(1,157)	(1,229)	(5.9)
Finance	(824)	(725)	13.7
Share of profit of an associated company	-	78	n.m.
Share of profit/(loss) of joint ventures	1,289	(305)	n.m.
Profit/(Loss) before tax	2,349	(1,545)	n.m.
Income tax expense	(63)	(218)	(71.1)
Profit/(Loss) after tax	2,286	(1,763)	n.m.
<u>Other Comprehensive Income/(Loss):</u>			
Currency translation differences arising from consolidation	(122)	(85)	43.5
Financial Assets, available for sale			
– fair value gain/(loss)	3,325	(5,265)	n.m.
– reclassification on disposal	735	-	n.m.
Other Comprehensive Income/(Loss), Net of Tax	3,938	(5,350)	n.m.
Total Comprehensive Income/(Loss) Attributable to Equity Holders of the Company	6,224	(7,113)	n.m.

n.m. - not meaningful

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

	GROUP Unaudited 1Q2012 (\$'000)	GROUP Unaudited 1Q2011 (\$'000)	Inc/ (Decr) %
Depreciation	(2,155)	(2,527)	(14.7)
Write back of impairment on trade and other receivables	33	424	(92.2)
Interest expense	(820)	(725)	13.1
Interest income	14	26	(46.2)
Foreign exchange losses	(353)	(4)	8,725.0
Gain/(Loss) on disposal of property, plant and equipment	1,078	(25)	n.m.
Loss on disposal of financial assets available for sale	(735)	-	n.m.
Amortization of deferred income	-	430	n.m.
Overprovision of income tax in prior years	100	37	170.3
Acquisition related costs	-	(518)	n.m.

n.m. - not meaningful

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

	GROUP Unaudited As at 31/03/2012 (\$'000)	GROUP Audited As at 31/12/2011 (\$'000)	COMPANY Unaudited As at 31/03/2012 (\$'000)	COMPANY Audited As at 31/12/2011 (\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	19,321	27,864	851	978
Financial assets, available-for- sale	16,750	14,445	-	-
Trade and other receivables	20,043	17,895	14,902	12,838
Inventories	111	162	-	-
Other current assets	20,272	15,945	136	23
	<u>76,497</u>	<u>76,311</u>	<u>15,889</u>	<u>13,839</u>
Non-current assets classified as held for sale	7,067	-	-	-
	<u>83,564</u>	<u>76,311</u>	<u>15,889</u>	<u>13,839</u>
Non-current assets				
Other receivables	11,248	13,132	11,247	13,132
Investment in subsidiaries	-	-	177,937	177,937
Investment in joint ventures	3,622	2,454	50	50
Property, plant and equipment	134,496	132,431	-	-
Other non-current assets	3,796	-	-	-
	<u>153,162</u>	<u>148,017</u>	<u>189,234</u>	<u>191,119</u>
Total assets	<u>236,726</u>	<u>224,328</u>	<u>205,123</u>	<u>204,958</u>
LIABILITIES				
Current liabilities				
Trade and other payables	33,731	26,914	87,155	78,218
Borrowings	49,510	55,990	18,802	26,284
Current income tax liabilities	1,177	1,295	-	1
	<u>84,418</u>	<u>83,479</u>	<u>105,957</u>	<u>104,503</u>
Non-current liabilities				
Other payables	6,785	-	-	-
Borrowings	38,001	39,551	14,006	16,251
Deferred income tax liabilities	2,204	2,204	-	-
	<u>46,990</u>	<u>41,755</u>	<u>14,006</u>	<u>16,251</u>
Total liabilities	<u>131,408</u>	<u>125,234</u>	<u>119,963</u>	<u>120,754</u>
NET ASSETS	<u>105,318</u>	<u>99,094</u>	<u>85,160</u>	<u>84,204</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	91,681	91,681	91,681	91,681
Other reserves	(10,863)	(14,801)	395	395
Retained earnings/(accumulated losses)	24,500	22,214	(6,916)	(7,872)
Total equity	<u>105,318</u>	<u>99,094</u>	<u>85,160</u>	<u>84,204</u>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: (A) the amount repayable in one year or less, or on demand; (B) the amount repayable after one year;

Amount repayable in one year or less, or on demand

As at 31/03/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
39,481	10,029	44,468	11,522

Amount repayable after one year

As at 31/03/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
35,703	2,298	36,793	2,758

Details of any collateral

The Group's borrowings were secured by the pledge of the Group's leasehold properties, certain vessels and financial assets, available for sale.

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.

	GROUP Unaudited 1Q2012 (\$'000)	GROUP Unaudited 1Q2011 (\$'000)
Cash flows from operating activities		
Net profit/(loss)	2,286	(1,763)
Adjustments for:		
Income tax expense	63	218
Share of profit of an associated company	-	(78)
Share of profit/(loss) of joint ventures	(1,289)	305
Amortization of deferred gain	-	(430)
Depreciation of property, plant and equipment	2,155	2,527
Interest expense	820	725
Interest income	(14)	(26)
Loss on disposal of financial assets, available for sale	735	-
(Gain)/loss on disposal of property, plant & equipment	(1,078)	25
Operating cash flows before changes in working capital	3,678	1,503
Changes in working capital:		
Trade and other receivables	1,470	1,613
Inventories	51	55
Other assets	(8,123)	1,141
Financial assets, at fair value through profit and loss	(409)	-
Trade and other payables	13,975	(3,072)
Restricted cash ⁽¹⁾	(3,434)	-
Net cash (used in)/generated from operations before tax	7,208	1,240
Income tax paid	(167)	(243)
Net cash flows generated from operating activities	7,041	997
Cash flows from investing activities		
Interest received	14	26
Repayment of loan to joint venture	1,884	-
Proceeds from disposal of financial assets, available for sale	1,429	-
Proceeds from disposal of property, plant and equipment	5,819	6,216
Purchases and construction of property, plant and equipment	(19,514)	(1,534)
Net cash flows (used in)/generated from investing activities	(10,368)	4,708
Cash flows from financing activities		
Interest paid	(820)	(725)
Proceeds from borrowings	8,055	18,700
Repayment of borrowings	(16,056)	(34,575)
Repayment of finance lease liabilities	(29)	(5)
Net cash flows used in financing activities	(8,850)	(16,605)
Net decrease in cash and cash equivalents	(12,177)	(10,900)
Cash and cash equivalents, beginning balance	22,252	17,802
Effects of currency translation on cash and cash equivalents	200	(28)
Cash and cash equivalents, ending balance⁽²⁾	10,275	6,874

Notes:-

(1) Deposits pledged to the bank as security for issuance of performance guarantees to a customer.

(2) For purposes of presenting the cash flow statements, cash and cash equivalents comprise the following:

Cash and bank balances	19,321	6,874
Bank deposits pledged	(9,046)	-
Cash and cash equivalents per cash flow statements	10,275	6,874

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.

<u>Group (\$'000)</u>	<u>Share Capital</u>	<u>Other reserves</u>	<u>Retained Earnings / (Accumulated Losses)</u>	<u>Total Equity</u>
Previous Year:				
As at 01/01/2011	91,681	(2,482)	14,033	103,232
Total comprehensive income for the period	-	(5,350)	(1,763)	(7,113)
As at 31/03/2011	91,681	(7,832)	12,270	96,119
Current Year:				
As at 01/01/2012	91,681	(14,801)	22,214	99,094
Total comprehensive income for the period	-	3,938	2,286	6,224
As at 31/03/2012	91,681	(10,863)	24,500	105,318

<u>Company (\$'000)</u>	<u>Share Capital</u>	<u>Other reserves</u>	<u>Retained Earnings / (Accumulated Losses)</u>	<u>Total Equity</u>
Previous Year:				
As at 01/01/2011	91,681	-	(11,121)	80,560
Total comprehensive income for the period	-	-	(1,235)	(1,235)
As at 31/03/2011	91,681	-	(12,356)	79,325
Current Year:				
As at 01/01/2012	91,681	395	(7,872)	84,204
Total comprehensive income for the period	-	-	956	956
As at 31/03/2012	91,681	395	(6,916)	85,160

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.

There was no change in the Company's share capital during the three months ended 31 March 2012.

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.

	31/03/2012	31/12/2011
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 2012 and 31 December 2011.

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. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures are not required to be audited and have not been reviewed by the Company's auditors.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial information for the current period as the last audited financial statements for the period ended 31 December 2011, except for the adoption of the new financial reporting standards and amendments that are effective for the current period. The effect of the adoption of these standards and amendments was not material to the Group's results.

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.

As above.

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.

Earnings per share (cents) based on:-

- a) weighted average number of ordinary shares on issue
- b) a fully diluted basis

GROUP 1Q2012	GROUP 1Q2011
0.53	(0.41)
0.53	(0.41)

Weighted average ordinary shares for calculation of:-

- a) weighted average number of ordinary shares on issue
- b) a fully diluted basis

431,823,169	431,823,169
431,823,169	431,823,169

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 financial period reported on; and
- (b) immediately preceding financial year

GROUP As at 31/03/2012	GROUP As at 31/12/2011	COMPANY As at 31/03/2012	COMPANY As at 31/12/2011
24.39	22.95	19.72	19.50

Net asset value per share (cents)

Net asset value per ordinary share is calculated by dividing the net assets of Group/Company as at 31 March 2012 and 31 December 2011 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

Business segments	1Q2012 (\$'million)	1Q2011 (\$'million)
Vessel chartering	8.2	6.4
Ship-repair	1.5	0.6
Maritime services	11.0	-
Total revenue	20.7	7.0

Total revenue increased by \$13.7 million or 194.7% from \$7.0 million in 1Q2011 to \$20.7 million in 1Q2012 due mainly to higher revenue generated by all 3 business segments.

Revenue from vessel chartering increased by \$1.8 million or 28% from \$6.4 million in 1Q2011 to \$8.2 million in 1Q2012 due mainly to higher vessel utilization rates partially offset by a lower number of vessels owned and operated in 1Q2012. Average charter rates remained relatively stable in 1Q2011 and 1Q2012.

Revenue from ship-repair increased by \$0.9 million or 150% from \$0.6 million in 1Q2011 to \$1.5 million in 1Q2012 due mainly to higher value repair and maintenance jobs which were completed in 1Q2012.

Revenue from maritime services generated \$11.0 million in 1Q2012 due mainly to vessel trading activities in 1Q2012.

Cost of sales increased by \$10.9 million or 159.7% from \$6.8 million in 1Q2011 to \$17.7 million in 1Q2012, in line with higher revenue recorded in 1Q2012. Consequently, gross profit improved by \$2.8 million from \$0.2 million in 1Q2011 to \$3.0 million in 1Q2012. Gross profit margin improved by 11.6 percentage points from 3.0% in 1Q2011 to 14.6% in 1Q2012, due mainly to the higher vessel utilization.

Other losses of \$37,000 in 1Q2012 arose from foreign exchange losses incurred of \$0.4 million and loss from the divestment of financial assets available for sale of \$0.7 million, offset by a gain of \$1.1 million from the disposal of a vessel from its operating fleet.

Administrative expenses decreased by \$0.1 million in 1Q2012 as compared to 1Q2011 due to the one-off merger costs of \$0.5 million offset by write-back of impairment of trade receivables of \$0.4 million in 1Q2011.

Finance expenses increased by \$0.1 million from \$0.7 million in 1Q2011 to \$0.8 million in 1Q2012 due mainly to higher interest incurred on the Group's bank borrowings. The Group re-structured part of its short term borrowings to longer term borrowings in 3Q2011 to improve the Group's working capital.

Share of profit of joint ventures increased by \$1.6 million from a loss of \$0.3 million in 1Q2011. This is due to gain from disposal of a vessel in 1Q2012. The joint venture, Hadi International Marine Services continues to incur operating losses due to high ship repair and maintenance costs in the Middle East.

Profit before tax. The Group generated a net profit before tax of \$2.3 million in 1Q2012 compared to a loss of \$1.5 million in 1Q2011 due to higher contributions from all its business segments.

Income tax expenses of \$0.1 million comprise mainly provision for corporate tax for 1Q2012.

Consolidated Balance Sheet

Assets

The Group's total assets as at 31 March 2012 amounted to \$236.7 million, an increase of \$12.4 million from \$224.3 million as at 31 December 2011. The increase was due to higher market valuation of financial assets, available-for-sale and higher progress payments to shipyards for vessels under-construction that are contracted for sale as well as for fleet expansion. These payments are funded by progress payments received from customers and bank borrowings.

Liabilities

The Group's total liabilities increased by \$6.2 million from \$125.2 million as at 31 December 2011 to \$131.4 million as at 31 March 2012 mainly due to higher trade and other payables arising from progress payments received from customers for vessels under-construction that are contracted for sale.

Share Capital and Reserves

Total equity increased from \$99.1 million on 31 December 2011 to \$105.3 million on 31 March 2012 due mainly to an increase in retained earnings in 1Q2012.

Cash Flow Review

The Group generated \$3.7 million from its operating activities before working capital movement. Working capital movement includes mainly increase in other assets of \$8.1 million, restricted cash of \$3.4 million and trade as well as trade and other payables of \$14.0 million. After working capital movements and tax payment, the Group generated \$7.0 million in its operating activities. Increase in other assets represent progress payments made to shipyards for ship building contracts that are earmarked for sale and whereas increase in trade and other payables represent progress payments received from customers for these contracts. Restricted cash are in relation to cash received from these customers that will be released for use after the delivery of such vessels.

Investing activities included cash inflow of \$9.1 million comprising proceeds from disposal of financial assets available for sale, proceeds from disposal of a vessel and repayment of loan by our middle-east joint venture which were partially offset by cash outflow of \$19.5 million due to progress payments for the construction of vessels ordered by the Group.

Net cash used in financing activities for 1Q2012 of approximately \$8.8 million was due mainly to loan repayment of \$16.1 million which was partially funded from additional bank loans of \$8.1 million.

As a result of the above, there was a net decrease in cash and cash equivalents of \$12.2 million from \$22.3 million as at 31 December 2011 to \$10.3 million as at 31 March 2012.

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

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 believes that, barring unforeseen circumstances, the demand for charter and sale of offshore support vessels ("OSV") will be generally stable for FY2012. The Group's maritime service segment, which registered \$11.0 million of revenue for 1Q2012, is expected to contribute significantly to the Group's earnings for FY2012.

The Group expects charter rates to be subject to continued pressure in a competitive market. As the Group owns and operates fewer vessels as compared to FY2011, charter revenue will be subject to improvement in utilization and charter rates for its fleet.

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

There was no interested person transaction during the three months ended 31 March 2012.

14. Confirmation by the Board on financial results pursuant to Rule 705(5) of the Catalyst Rules

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 first quarter ended 31 March 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Robert Chua Swee Chong
Executive Chairman

Kang Hwee Meng
Chief Executive Officer

15 May 2012