



SWISSCO

Company Registration No: 200404711D

**SWISSCO HOLDINGS LIMITED**

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2012**

**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 4th quarter ("4Q2012") and financial year ended 31 December 2012 ("FY2012").

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

**Consolidated Statement of Comprehensive Income**

	<b>GROUP Unaudited 4Q2012 (\$'000)</b>	<b>GROUP Unaudited 4Q2011 (\$'000)</b>	<b>Inc/ (Decr) %</b>	<b>GROUP Unaudited FY2012 (\$'000)</b>	<b>GROUP Audited FY2011 (\$'000)</b>	<b>Inc/ (Decr) %</b>
Sales	42,517	34,070	24.8	110,017	64,925	69.5
Cost of sales	(29,740)	(28,422)	4.6	(79,245)	(49,684)	59.5
Gross profit	12,777	5,648	126.2	30,772	15,241	101.9
Other income	64	90	(28.9)	292	171	70.8
Other gains/(losses) – net	1,264	3,626	(65.1)	937	5,761	(83.7)
<b>Less: Expenses</b>						
Administrative	(3,996)	(1,285)	211.0	(9,353)	(6,696)	39.7
Finance	(720)	(1,423)	(49.4)	(3,111)	(3,808)	(18.3)
Share of (loss)/profit of joint ventures	(1,154)	928	n.m.	(860)	154	n.m.
<b>Profit before tax</b>	8,235	7,584	8.6	18,677	10,823	72.6
Income tax expense	(1,831)	(1,669)	9.7	(2,290)	(2,642)	(13.3)
<b>Profit, net of tax</b>	6,404	5,915	8.3	16,387	8,181	100.3
<b>Other Comprehensive Income/(Loss):</b>						
Currency translation differences arising from consolidation	212	97	n.m.	(578)	111	n.m.
Financial assets, available for sale – fair value (loss)/gain	(1,250)	675	n.m.	2,230	(12,825)	n.m.
– reclassification on disposal	-	-	-	735	-	n.m.
<b>Other Comprehensive (Loss)/Income, Net of Tax</b>	(1,038)	772	n.m.	2,387	(12,714)	n.m.
<b>Total Comprehensive Income/(Loss) Attributable to Equity Holders of the Company</b>	5,366	6,687	(19.8)	18,774	(4,533)	n.m.

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

	<b>GROUP Unaudited 4Q2012 (\$'000)</b>	<b>GROUP Unaudited 4Q2011 (\$'000)</b>	<b>Inc/ (Decr) %</b>	<b>GROUP Unaudited FY2012 (\$'000)</b>	<b>GROUP Audited FY2011 (\$'000)</b>	<b>Inc/ (Decr) %</b>
Depreciation	(2,152)	(2,061)	4.4	(8,670)	(9,153)	(5.3)
Write back of/(allowance for) impairment on trade and other receivables	(3)	366	n.m.	(1,480)	(434)	241.0
Allowance for impairment of investment in an associated company	-	(353)	n.m.	(20)	(353)	(94.3)
Interest income	18	21	(14.3)	168	94	78.7
Interest expense	(730)	(905)	(19.3)	(3,111)	(3,290)	(5.4)
Foreign exchange (losses)/gains	(1,800)	915	n.m.	(2,474)	727	n.m.
Net gain on disposal of property, plant and equipment	3,064	3,150	(2.7)	4,166	4,925	(15.4)
Loss on disposal of financial assets, available for sale	-	-	-	(735)	-	n.m.
Amortisation of deferred income	-	-	-	-	462	n.m.
Amortisation of facility fee	(253)	-	n.m.	(336)	-	n.m.
Under provision of income tax in prior years	(720)	(1,151)	(37.4)	(95)	(1,093)	(91.3)
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.**

	<b>GROUP Unaudited As at 31/12/2012 (\$'000)</b>	<b>GROUP Audited As at 31/12/2011 (\$'000)</b>	<b>COMPANY Unaudited As at 31/12/2012 (\$'000)</b>	<b>COMPANY Audited As at 31/12/2011 (\$'000)</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	35,111	27,864	3,662	978
Financial assets, available-for- sale	15,250	14,445	-	-
Trade and other receivables	16,797	17,895	19,221	12,838
Inventories	320	162	-	-
Other current assets	18,469	15,945	26	23
Vessels held for sale	9,292	-	-	-
	<u>95,239</u>	<u>76,311</u>	<u>22,909</u>	<u>13,839</u>
<b>Non-current assets</b>				
Other receivables	4,135	13,132	4,135	13,132
Other non-current assets	3,795	-	-	-
Investment in subsidiaries	-	-	177,937	177,937
Investment in joint ventures	1,418	2,454	50	50
Property, plant and equipment	132,141	132,431	-	-
	<u>141,489</u>	<u>148,017</u>	<u>182,122</u>	<u>191,119</u>
<b>Total assets</b>	<u>236,728</u>	<u>224,328</u>	<u>205,031</u>	<u>204,958</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	32,967	26,194	85,281	78,218
Borrowings	40,174	55,990	13,905	26,284
Current income tax liabilities	3,228	1,295	-	1
	<u>76,369</u>	<u>83,479</u>	<u>99,186</u>	<u>104,503</u>
<b>Non-current liabilities</b>				
Other payables	7,285	-	-	-
Borrowings	34,019	39,551	6,030	16,251
Deferred income tax liabilities	2,204	2,204	-	-
	<u>43,508</u>	<u>41,755</u>	<u>6,030</u>	<u>16,251</u>
<b>Total liabilities</b>	<u>119,877</u>	<u>125,234</u>	<u>105,216</u>	<u>120,754</u>
<b>NET ASSETS</b>	<u><b>116,851</b></u>	<u><b>99,094</b></u>	<u><b>99,815</b></u>	<u><b>84,204</b></u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	91,998	91,681	91,998	91,681
Other reserves	(12,449)	(14,801)	360	395
Retained earnings/(accumulated losses)	37,302	22,214	7,457	(7,872)
<b>Total equity</b>	<u><b>116,851</b></u>	<u><b>99,094</b></u>	<u><b>99,815</b></u>	<u><b>84,204</b></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>As at 31/12/2012</b>		<b>As at 31/12/2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
28,739	11,435	44,468	11,522

**(b) the amount repayable after one year;**

<b>As at 31/12/2012</b>		<b>As at 31/12/2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
33,137	882	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.**

	<b>GROUP Unaudited FY2012 (\$'000)</b>	<b>GROUP Audited FY2011 (\$'000)</b>
<b>Cash flows from operating activities</b>		
Net profit	16,387	8,181
Adjustments for:		
Income tax expense	2,290	2,642
Share of loss/(profit) of joint ventures	860	(154)
Amortisation of deferred gain	-	(462)
Impairment loss on investment in an associated company	20	353
Impairment loss on vessels held for sale	396	-
Depreciation of property, plant and equipment	8,670	9,153
Interest expense	3,111	3,290
Interest income	(168)	(94)
Performance share and share option expense	282	395
Loss on disposal of financial assets, available for sale	735	-
Gain on disposal of property, plant & equipment	(4,166)	(4,925)
Operating cash flows before changes in working capital	28,417	18,379
Changes in working capital:		
Trade and other receivables	1,098	(5,888)
Inventories	(158)	(3)
Other assets	(6,319)	(14,612)
Restricted cash <sup>(1)</sup>	5,612	(5,612)
Trade and other payables	14,058	16,142
Net cash flows generated from operations before tax	42,708	8,406
Income tax paid	(288)	(1,034)
<b>Net cash flows generated from operating activities</b>	<b>42,420</b>	<b>7,372</b>
<b>Cash flows from investing activities</b>		
Interest received	168	94
Loan to joint venture	-	(1,903)
Repayment of loan from joint venture	8,997	-
Proceeds from disposal of financial assets, available for sale	1,429	-
Proceeds from disposal of property, plant and equipment	19,704	49,470
Purchases and construction of property, plant and equipment	(33,707)	(13,563)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(3,409)</b>	<b>34,098</b>
<b>Cash flows from financing activities</b>		
Interest paid	(3,111)	(3,290)
Proceeds from borrowings	36,184	85,044
Repayment of borrowings	(57,503)	(118,847)
Repayment of finance lease liabilities	(29)	(12)
Dividends paid to equity holders of the Company	(1,299)	-
<b>Net cash flows used in financing activities</b>	<b>(25,758)</b>	<b>(37,105)</b>
<b>Net increase in cash and cash equivalents</b>	13,253	4,365
Cash and cash equivalents, beginning balance	22,252	17,802
Effects of currency translation on cash and cash equivalents	(394)	85
<b>Cash and cash equivalents, ending balance <sup>(1)</sup></b>	<b>35,111</b>	<b>22,252</b>

**Note:-**

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

	<b>Group</b>	
	<b>As at 31/12/2012</b>	<b>As at 31/12/2011</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
Cash and bank balances	35,111	27,864
Bank deposits pledged*	-	(5,612)
<b>Cash and cash equivalents per cash flow statement</b>	<b>35,111</b>	<b>22,252</b>

\*Deposits pledged to the bank as security for issuance of performance guarantees to a customer. The performance guarantees have since been discharged as the vessels have been delivered to customer.

**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.**

<b>Group (\$'000)</b>	<b>Share Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings / (Accumulated Losses)</b>	<b>Total Equity</b>
<b>Previous Year:</b>				
<b>As at 01/01/2011</b>	<b>91,681</b>	<b>(2,482)</b>	<b>14,033</b>	<b>103,232</b>
Total comprehensive income for the period	-	(5,350)	(1,763)	(7,113)
<b>As at 31/03/2011</b>	<b>91,681</b>	<b>(7,832)</b>	<b>12,270</b>	<b>96,119</b>
Total comprehensive income for the period	-	(2,525)	1,256	(1,269)
<b>As at 30/06/2011</b>	<b>91,681</b>	<b>(10,357)</b>	<b>13,526</b>	<b>94,850</b>
Total comprehensive income for the period	-	(5,611)	2,773	(2,838)
<b>As at 30/09/2011</b>	<b>91,681</b>	<b>(15,968)</b>	<b>16,299</b>	<b>92,012</b>
Performance share plan – value of employee services	-	395	-	395
Total comprehensive income for the period	-	772	5,915	6,687
<b>As at 31/12/2011</b>	<b>91,681</b>	<b>(14,801)</b>	<b>22,214</b>	<b>99,094</b>
<b>Current Year:</b>				
<b>As at 01/01/2012</b>	<b>91,681</b>	<b>(14,801)</b>	<b>22,214</b>	<b>99,094</b>
Total comprehensive income for the period	-	3,938	2,286	6,224
<b>As at 31/03/2012</b>	<b>91,681</b>	<b>(10,863)</b>	<b>24,500</b>	<b>105,318</b>
Performance share plan – issue of new shares	317	(317)	-	-
Performance share plan – value of employee services	-	(78)	-	(78)
Dividend relating to 2011 paid	-	-	(1,299)	(1,299)
Total comprehensive income for the period	-	(2,456)	4,238	1,782
<b>As at 30/06/2012</b>	<b>91,998</b>	<b>(13,714)</b>	<b>27,439</b>	<b>105,723</b>
Performance share plan – value of employee services	-	225	-	225
Employee share option plan – value of employee services	-	62	-	62
Total comprehensive income for the period	-	1,943	3,459	5,402
<b>As at 30/09/2012</b>	<b>91,998</b>	<b>(11,484)</b>	<b>30,898</b>	<b>111,412</b>
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	33	-	33
Total comprehensive income for the period	-	(1,038)	6,404	5,366
<b>As at 31/12/2012</b>	<b>91,998</b>	<b>(12,449)</b>	<b>37,302</b>	<b>116,851</b>

Company (\$'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
<b>Previous Year:</b>				
<b>As at 01/01/2011</b>	<b>91,681</b>	-	<b>(11,121)</b>	<b>80,560</b>
Total comprehensive income for the period	-	-	(1,235)	(1,235)
<b>As at 31/03/2011</b>	<b>91,681</b>	-	<b>(12,356)</b>	<b>79,325</b>
Total comprehensive income for the period	-	-	(887)	(887)
<b>As at 30/06/2011</b>	<b>91,681</b>	-	<b>(13,243)</b>	<b>78,438</b>
Total comprehensive income for the period	-	-	(2,185)	(2,185)
<b>As at 30/09/2011</b>	<b>91,681</b>	-	<b>(15,428)</b>	<b>76,253</b>
Performance share plan – value of employee services	-	395	-	395
Total comprehensive income for the period	-	-	7,556	7,556
<b>As at 31/12/2011</b>	<b>91,681</b>	<b>395</b>	<b>(7,872)</b>	<b>84,204</b>

Company (\$'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
<b>Current Year:</b>				
<b>As at 01/01/2012</b>	<b>91,681</b>	<b>395</b>	<b>(7,872)</b>	<b>84,204</b>
Total comprehensive income for the period	-	-	956	956
<b>As at 31/03/2012</b>	<b>91,681</b>	<b>395</b>	<b>(6,916)</b>	<b>85,160</b>
Performance share plan – issue of new shares	317	(317)	-	-
Performance share plan – value of employee services	-	(78)	-	(78)
Dividend relating to 2011 paid	-	-	(1,299)	(1,299)
Total comprehensive income for the period	-	-	(841)	(841)
<b>As at 30/06/2012</b>	<b>91,998</b>	-	<b>(9,056)</b>	<b>82,942</b>
Performance share plan – value of employee services	-	225	-	225
Employee share option plan – value of employee services	-	62	-	62
Total comprehensive income for the period	-	-	1,038	1,038
<b>As at 30/09/2012</b>	<b>91,998</b>	<b>287</b>	<b>(8,018)</b>	<b>84,267</b>
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	33	-	33
Total comprehensive income for the period	-	-	15,475	15,475
<b>As at 31/12/2012</b>	<b>91,998</b>	<b>360</b>	<b>7,457</b>	<b>99,815</b>

**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.**

Changes in the Company's share capital

The movement in the Company's issued and fully paid-up share capital from 1 January 2012 to 31 December 2012 was as follows:

**Issued share capital**

	<b>No. of Shares</b>	<b>Share capital (S\$'000)</b>
At 1 January 2012	431,823,169	91,681
Issue of shares under the Performance Share Plan	1,075,196	317
At 31 December 2012	432,898,365	91,998

On 2 May 2012, the Company issued 1,075,196 new ordinary shares pursuant to Swissco Holdings Performance Share Plan, at 29.5 cents per share, amounting to \$317,183.

**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.**

	<b>As at 31/12/2012</b>	<b>As at 31/12/2011</b>
Total number of issued shares (excluding treasury shares)	432,898,365	431,823,169

The Company did not have any treasury shares as at 31 December 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 have not been audited or 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 in 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.**

See item 4 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.**

	<b>GROUP 4Q2012</b>	<b>GROUP 4Q2011</b>	<b>GROUP FY2012</b>	<b>GROUP FY2011</b>
Earnings per share (cents) based on:-				
a) weighted average number of ordinary shares on issue	1.47	1.37	3.78	1.89
b) a fully diluted basis	1.47	1.37	3.77	1.89

Weighted average ordinary shares for calculation of:-

a) weighted average number of ordinary shares on issue	433,330,648	431,823,169	433,330,648	431,823,169
b) a fully diluted basis	434,405,848	431,823,169	434,405,848	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.**

	<b>GROUP As at 31/12/2012</b>	<b>GROUP As at 31/12/2011</b>	<b>COMPANY As at 31/12/2012</b>	<b>COMPANY As at 31/12/2011</b>
Net asset value per share (cents) <sup>(1)</sup>	27.00	22.95	23.06	19.50

**Note:-**

(1) Based on share capital of 432,898,365 ordinary shares as at 31 December 2012 (31 December 2011: 431,823,169 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.**

## **Revenue**

<b>(\$ million)</b>	<b>4Q2012</b>	<b>4Q2011</b>	<b>FY2012</b>	<b>FY2011</b>
Vessel Chartering	9.3	9.0	40.6	37.2
Ship Repair	0.6	0.7	4.6	3.2
Maritime Services	32.6	24.4	64.8	24.5
<b>Total Revenue</b>	<b>42.5</b>	<b>34.1</b>	<b>110.0</b>	<b>64.9</b>

### **4Q2012 vs. 4Q2011**

**Total revenue** increased by \$8.4 million or 24.8% from \$34.1 million in 4Q2011 to \$42.5 million in 4Q2012, due to higher activities and revenue contribution from the maritime and chartering segments.

Revenue from vessel chartering registered an increase of \$0.3 million from \$9.0 million in 4Q2011 to \$9.3 million in 4Q2012 due to an increase in revenue from the charter of offshore support vessels of \$0.4 million offset by a decrease in revenue from out-port-limit services of \$0.1 million in 4Q2012.

Revenue from ship repair decreased by \$0.1 million from \$0.7 million in 4Q2011 to \$0.6 million in 4Q2012 due to fewer third party repair and maintenance jobs. Part of the yard's repair facilities in 4Q2012 were used to service the Group's fleet, resulting in lesser capacity for third party vessels.

Revenue of \$32.6 million from maritime services was due to the delivery of 2 vessels and fees earned in 4Q 2012 compared to 2 lower-valued vessels sold in 4Q2011.

**Cost of sales** increased by \$1.3 million to \$29.7 million in 4Q2012 from \$28.4 million in 4Q2011 due to an increase in activities of all segments.

**Other gains/(losses)-net** – The Group registered other gains of \$1.3 million in 4Q2012, due mainly to \$3.1 million gains on disposal of vessels partly offset by foreign exchange losses of \$1.8 million. Other gains for 4Q2011 of \$3.6 million comprised mainly of gains on the disposal of vessels of \$3.1 million and exchange gain of \$0.9 million partly offset by impairment of investment in an associated company of \$0.4 million. The disposals of vessels were part of the Group's fleet renewal program.

**Administrative expenses** increased by \$2.7 million to \$4.0 million in 4Q2012 from \$1.3 million in 4Q2011. This was mainly due to higher performance related compensation in line with the better performance for FY2012.

**Finance expenses** decreased by \$0.7 million from \$1.4 million in 4Q2011 to \$0.7 million in 4Q2012 due to lower bank borrowings in 4Q2012.

**Share of (loss)/profit of joint venture** - The Group's 50% owned joint venture Hadi International Marine Services Pte Ltd incurred losses amounting to \$1.2 million in 4Q2012 as compared to \$0.9 million profit in 4Q2011. The losses were mainly due to impairment of vessels amounting to \$0.9 million.

**Profit before tax** increased by \$0.6 million, from \$7.6 million in 4Q2011 to \$8.2 million in 4Q2012, due mainly to higher contributions from all three segments.

**Income tax expense** of \$1.8 million related mainly to corporate tax provision for 4Q2012.

### **FY2012 vs. FY2011**

**Total revenue** increased by \$45.1 million or 69.5% from \$64.9 million in FY2011 to \$110.0 million in FY2012 due to higher revenue generated by all three business segments.

Revenue from vessel chartering increased by \$3.4 million from \$37.2 million in FY2011 to \$40.6 million in FY2012 due to higher fleet utilization rates.

Revenue from ship repair increased by \$1.4 million from \$3.2 million in FY2011 to \$4.6 million in FY2012 due to more and higher value repair and maintenance jobs completed in FY2012.

Revenue of \$64.8 million from maritime services was due mainly to the delivery of vessels and fees earned in FY2012.

**Cost of sales** increased by \$29.5 million or 59.5% from \$49.7 million in FY2011 to \$79.2 million in FY2012. The increase was in line with higher revenue recorded from the three business segments.

**Other gains/(losses)-net** – The Group registered other gains of \$0.9 million in FY2012 compared to \$5.8 million in FY2011. Other gains of \$0.9 million in FY2012 comprised mainly of \$4.2 million gains on the disposal of vessels as part of the Group's fleet renewal program partly offset by loss on the disposal of financial assets available for sale of \$0.7 million and exchange losses of \$2.5 million. Other gains of \$5.8 million recorded in FY2011 comprised mainly \$4.9 million gains on the disposal of vessels.

**Administrative expenses** for FY2012 were \$2.7 million higher due mainly to increased headcount and higher performance related compensation in line with better performance for FY2012.

**Finance expenses** for FY2012 decreased by \$0.7 million compared to FY2011 due to lower bank borrowings in FY2012.

**Share of (loss)/profit of joint venture** – The Group's share of losses incurred by the joint venture, Hadi International Marine Services Pte Ltd, amounted to \$0.9 million. The losses were due to high ship repair and maintenance costs in the Middle East and impairment of vessels of \$2.4 million partly offset by one-off gains from the disposal of three vessels in FY2012.

**Profit before tax** increased by \$7.9 million, from \$10.8 million in FY2011 to \$18.7 million in FY2012, due to higher contributions from all three segments.

**Income tax expense** of \$2.3 million relates mainly to corporate tax provision for FY2012. It was lower compared to FY2011 due mainly to lower tax expense for the chartering segment as chartering income from Singapore registered vessels are tax exempt.

### **Consolidated Balance Sheet**

#### **Assets**

Total assets increased by \$12.4 million from \$224.3 million as at 31 December 2011 to \$236.7 million as at 31 December 2012. This was due mainly to higher cash and cash equivalent arising from the proceeds from the delivery of 2 vessels in 4Q2012 and higher other current assets due to higher progress payments made for vessels-under-construction that were contracted for sale. These payments were funded by progress payments received from customers, cash and bank borrowings.

## **Liabilities**

Total liabilities decreased by \$5.3 million from \$125.2 million as at 31 December 2011 to \$119.9 million as at 31 December 2012. This was due mainly to lower bank borrowings of \$74.2 million partly offset by increase in trade and other payables due to progress payments received from customers for vessels-under-construction that were contracted for sale.

## **Share Capital and Reserves**

Total equity increased by \$17.8 million from \$99.1 million as at 31 December 2011 to \$116.9 million as at 31 December 2012 due mainly to an increase in retained earnings in FY2012.

## **Cash Flow Statement**

The Group generated \$28.4 million from its operating activities before working capital movement. Working capital movement included mainly increase in other assets of \$6.3 million and increase in trade and other payables of \$14.1 million. After working capital movement and tax payments, the Group generated \$42.4 million from its operating activities. Increase in other assets represented progress payments to shipyards for ship building contracts that were earmarked for sale and whereas increase in trade and other payables represented progress payments received from customers for these contracts.

Net cash used in investing activities of \$3.4 million was due mainly to cash outflow of \$33.7 million arising from progress payments for the construction of vessels ordered by the Group which was partially offset by cash inflow of \$30.1 million comprising proceeds from the (i) disposal of financial assets available for sale; (ii) disposal of vessels; and (iii) partial repayment of loan by our middle-east joint venture.

Net cash used in financing activities for FY2012 of approximately \$25.8 million was due mainly to net loan repayment of \$21.3 million, dividend payment of \$1.3 million and interest payment of \$3.1 million.

As a result of the above, the Group recorded an increase in cash and cash equivalents of \$13.3 million in FY2012.

## **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 outlook for offshore support vessels for 2013 remains positive driven by current stable oil price which continues to support investment in exploration and production activities. The Group currently has 12 vessels under construction for fleet expansion and expects to take delivery of 8 vessels in 2013 and the remaining 4 vessels in 2014. Besides these additions, the Group will look at fleet diversification to enhance the Group's fleet capabilities and seek strategic alliances in overseas markets to grow the chartering business.

The Group's maritime service and ship repair segments are also expected to contribute to the Group's earnings for FY2013. The Group will focus on the completion of vessels-under-construction for prompt delivery to customers.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

<u>Name of dividend</u>	<u>First and final</u>
Dividend type	Cash
Dividend rate	0.5 cent ordinary dividend and 0.3 cent special dividend per ordinary share
Tax rate	Tax exempt (one-tier)

The proposed dividend is subject to shareholders' approval at the Company's Annual General Meeting.

**(b)(i) Amount per share**

0.8 cent per ordinary share.

**(b)(ii) Previous corresponding period**

0.3 cent per ordinary share.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

One-tier tax exempt.

**(d) The date the dividend is payable.**

To be announced, subject to Shareholders' approval at the Company's Annual General Meeting.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

To be announced.

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

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

There was no interested person transaction during the year ended 31 December 2012.

**14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

Not applicable.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT****15. 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.**

Management has determined the operating segments based on the organisation of the Group. The results of these operating segments are reviewed by the Executive Committee ("Exco") to make strategic decisions. The Exco comprises the Executive Chairman, Chief Executive Officer and Chief Financial Officer.

The Group is organised into three main operating segments:

- Vessel chartering (including sale of out-port-limit services and related income)
- Ship repair and maintenance services
- Maritime services

Others include investment holding activities.

The Exco assesses the performance of these operating segments based on profit after tax.

Sales between segments are carried out at arm's length. The revenue from external parties and total assets reported to the Exco is measured in a manner consistent with that of the financial statements.

**FY2012**

	<u>Vessel Chartering</u> (\$'000)	<u>Ship Repair and Maintenance Services</u> (\$'000)	<u>Maritime Services</u> (\$'000)	<u>Others</u> (\$'000)	<u>Total</u> (\$'000)
<b>Group</b>					
<b>Revenue</b>					
Segment revenue	43,383	5,864	64,870	4,086	118,203
Inter-segment revenue	(2,820)	(1,280)	-	(4,086)	(8,186)
Revenue from external parties	<u>40,563</u>	<u>4,584</u>	<u>64,870</u>	<u>-</u>	<u>110,017</u>
<b>Profit after tax</b>	12,597	817	8,945	(5,972)	16,387
Interest income	133	-	35	-	168
Interest expense	(2,371)	-	(94)	(646)	(3,111)
Depreciation	(8,571)	(99)	-	-	(8,670)
Amortisation of facility fee	(110)	-	(226)	-	(336)
Income tax expense	(352)	(265)	(1,670)	(3)	(2,290)
Share of loss of joint ventures	(860)	-	-	-	(860)
<b>Segment assets</b>	185,110	1,949	25,144	24,525	236,728
Segment assets include:					
Investment in a joint venture	1,418	-	-	-	1,418
Additions to property, plant and equipment	<u>33,110</u>	<u>597</u>	<u>-</u>	<u>-</u>	<u>33,707</u>

**FY2011**

<u>Group</u>	<u>Vessel Chartering</u> (\$'000)	<u>Ship Repair and Maintenance Services</u> (\$'000)	<u>Maritime Services</u> (\$'000)	<u>Others</u> (\$'000)	<u>Total</u> (S\$'000)
<b>Revenue</b>					
Segment revenue	52,359	3,754	24,458	1,637	82,208
Inter-segment revenue	(15,083)	(563)	-	(1,637)	(17,283)
Revenue from external parties	<u>37,276</u>	<u>3,191</u>	<u>24,458</u>	<u>-</u>	<u>64,925</u>
<b>Profit after tax</b>	13,380	748	2,840	(8,787)	8,181
Interest income	92	-	2	-	94
Interest expense	(1,608)	-	-	(1,682)	(3,290)
Depreciation	(9,057)	(91)	(5)	-	(9,153)
Amortisation of deferred gain	462	-	-	-	462
Income tax (expense)/credit	(2,361)	(90)	(211)	20	(2,642)
Share of profit of an associated company and joint ventures	<u>154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154</u>
<b>Segment assets</b>	176,991	1,653	30,174	15,510	224,328
Segment assets include:					
Investment in joint ventures	2,454	-	-	-	2,454
Additions to property, plant and equipment	<u>13,048</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>13,055</u>

	<b>GROUP</b>	
	<b>FY2012</b> (\$'000)	<b>FY2011</b> (\$'000)
<b>Revenue</b>		
Singapore	19,516	17,405
Asia <sup>(1)</sup>	13,683	13,651
Australia	3,125	4,733
Middle East <sup>(2)</sup>	64,582	24,674
Others	9,111	4,462
Total continuing operations	<u>110,017</u>	<u>64,925</u>
<b>Non-current assets (excluding financial instruments)</b>		
Singapore	132,141	132,431
Asia <sup>(1)</sup>	3,795	-
Middle East <sup>(2)</sup>	1,418	2,454
Total continuing operations	<u>137,354</u>	<u>134,885</u>

**Notes:-**

- (1) Asia includes China, Malaysia, Indonesia, Thailand, The Philippines, Hong Kong, Brunei, Myanmar, India, Sri Lanka, Bangladesh and Pakistan.
- (2) Middle East refers to Saudi Arabia.

**16. 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.

**17. A breakdown of sales as follows:-**

	<b>GROUP</b>		
	<b>FY2012 (\$'000)</b>	<b>FY2011 (\$'000)</b>	<b>Inc/ (Decr) %</b>
<b>First Half</b>			
(a) Revenue	42,297	18,845	124.4
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	6,524	(507)	n.m.
<b>Second Half</b>			
(c) Revenue	67,720	46,080	47.0
(d) Operating profit after tax before deducting minority interests reported for second half year	9,863	8,688	13.5

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

	<b>FY2012 (\$'000)</b>	<b>FY2011 (\$'000)</b>
Ordinary	3,463	1,299
Preference	-	-
Total:	3,463	1,299



**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13):-**

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Dah Ching	34	Mr Tan Dah Ching is a substantial shareholder of the Company. He is the nephew of Mr Tan Fuh Gih, Non-Executive Director of the Company.	Business Development Manager (since February 2008)  Responsible for the development of new businesses in the offshore vessel chartering industry and associated offshore marine logistics and support services.	N.A.
Yeo Chong Boon	60	Uncle of Mr Alex Yeo Kian Teong, Executive Director and Chief Executive Officer of the Company.	General Manager (Operations) of Swissco Offshore (Pte) Ltd (since March 2007)  Responsible for the coordination of vessel movement, updating vessels' documents, communicating clients' instructions to crew, ensuring compliance with various authorities and the daily coordination of all vessels and crew matters.	N.A.

**BY ORDER OF THE BOARD**

Alex Yeo Kian Teong  
Chief Executive Officer  
26 February 2013