



Company Registration No: 200404711D

SWISSCO HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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 ("1Q2013").

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

	GROUP Unaudited 1Q2013 (\$'000)	GROUP Unaudited 1Q2012 (\$'000)	Inc/ (Decr) %
Sales	11,220	20,667	(45.7)
Cost of sales	(8,572)	(17,649)	(51.4)
Gross profit	2,648	3,018	(12.3)
Other income	1,577	60	2,528.3
Other gains/(losses) – net	361	(37)	n.m.
Less: Expenses			
Administrative	(1,811)	(1,157)	56.5
Finance	(614)	(824)	(25.5)
Share of (loss)/profit of joint ventures	(123)	1,289	n.m.
Profit before tax	2,038	2,349	(13.2)
Income tax expense	(231)	(63)	266.7
Profit, net of tax	1,807	2,286	(21.0)

Other Comprehensive Income/(Loss):

Items that may be reclassified subsequently to profit or loss:

Currency translation differences arising from consolidation	122	(122)	n.m.
Financial assets, available for sale			
– fair value gain	1,517	3,325	(54.4)
– reclassification on disposal	147	735	(80.0)
Other Comprehensive Income, Net of Tax	1,786	3,938	(54.6)
Total Comprehensive Income Attributable to Equity Holders of the Company	3,593	6,224	(42.3)

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

	GROUP Unaudited 1Q2013 (\$'000)	GROUP Unaudited 1Q2012 (\$'000)	Inc/ (Decr) %
Depreciation	(1,989)	(2,155)	(7.7)
(Allowance for)/write back of impairment on trade and other receivables	(411)	33	n.m.
Interest income	25	14	78.6
Interest expense	(613)	(820)	(25.2)
Foreign exchange gains/(losses)	66	(380)	n.m.
Net gain on disposal of property, plant and equipment	442	1,078	(59.0)
Loss on disposal of financial assets, available for sale	(147)	(735)	(80.0)
Amortisation of facility fee	(141)	-	n.m.
(Under)/over provision of income tax in prior years	(70)	100	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 31/03/2013 (\$'000)	GROUP Audited As at 31/12/2012 (\$'000)	COMPANY Unaudited As at 31/03/2013 (\$'000)	COMPANY Audited As at 31/12/2012 (\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	11,528	35,111	1,057	3,662
Financial assets, available-for- sale	16,482	15,250	-	-
Trade and other receivables	17,392	16,797	6,111	19,221
Inventories	296	320	-	-
Other current assets ⁽¹⁾	21,143	18,469	33	26
	<u>66,841</u>	<u>85,947</u>	<u>7,201</u>	<u>22,909</u>
Non-current assets classified as held for sale	3,290	9,292	-	-
	<u>70,131</u>	<u>95,239</u>	<u>7,201</u>	<u>22,909</u>
Non-current assets				
Other receivables	4,135	4,135	4,135	4,135
Other non-current assets	3,855	3,795	-	-
Investment in subsidiaries	-	-	177,937	177,937
Investment in joint ventures	1,325	1,418	50	50
Property, plant and equipment	148,383	132,141	-	-
	<u>157,698</u>	<u>141,489</u>	<u>182,122</u>	<u>182,122</u>
Total assets	<u>227,829</u>	<u>236,728</u>	<u>189,323</u>	<u>205,031</u>
LIABILITIES				
Current liabilities				
Trade and other payables	32,457	32,967	71,266	85,281
Borrowings	40,288	40,174	13,114	13,905
Current income tax liabilities	2,407	3,228	-	-
	<u>75,152</u>	<u>76,369</u>	<u>84,380</u>	<u>99,186</u>
Non-current liabilities				
Other payables	7,400	7,285	-	-
Borrowings	22,553	34,019	4,810	6,030
Deferred income tax liabilities	2,204	2,204	-	-
	<u>32,157</u>	<u>43,508</u>	<u>4,810</u>	<u>6,030</u>
Total liabilities	<u>107,309</u>	<u>119,877</u>	<u>89,190</u>	<u>105,216</u>
NET ASSETS	<u>120,520</u>	<u>116,851</u>	<u>100,133</u>	<u>99,815</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	91,998	91,998	91,998	91,998
Other reserves	(10,587)	(12,449)	436	360
Retained earnings	39,109	37,302	7,699	7,457
Total equity	<u>120,520</u>	<u>116,851</u>	<u>100,133</u>	<u>99,815</u>

Note: (1) Other current assets as at 31 March 2013 include \$16.8 million (31 December 2012: \$12.3 million) of progress payments to shipyards for vessels under construction that are contracted for sale.

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;

As at 31/03/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
28,841	11,447	28,739	11,435

(b) the amount repayable after one year;

As at 31/03/2013		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
22,153	400	33,137	882

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 1Q2013 (\$'000)	GROUP Unaudited 1Q2012 (\$'000)
Cash flows from operating activities		
Net profit	1,807	2,286
Adjustments for:		
Income tax expense	231	63
Share of loss/(profit) of joint ventures	123	(1,289)
Depreciation of property, plant and equipment	1,989	2,155
Interest expense	613	820
Interest income	(25)	(14)
Performance share and share option expense	76	-
Loss on disposal of financial assets, available for sale	147	735
Gain on disposal of property, plant & equipment	(442)	(1,078)
Operating cash flows before changes in working capital	4,519	3,678
Changes in working capital:		
Trade and other receivables	(594)	1,470
Inventories	24	51
Other assets	(2,734)	(8,123)
Financial assets, at fair value through profit and loss	-	(409)
Restricted cash *	-	(3,434)
Trade and other payables	(395)	13,975
Net cash flows generated from operations before tax	820	7,208
Income tax paid	(1,092)	(167)
Net cash flows (used in)/generated from operating activities	(272)	7,041
Cash flows from investing activities		
Interest received	25	14
Repayment of loan from joint venture	-	1,884
Proceeds from disposal of financial assets, available for sale	286	1,429
Proceeds from disposal of property, plant and equipment	6,614	5,819
Purchases and construction of property, plant and equipment	(18,471)	(19,514)
Net cash flows used in investing activities	(11,546)	(10,368)
Cash flows from financing activities		
Interest paid	(613)	(820)
Proceeds from borrowings	6,905	8,055
Repayment of borrowings	(18,257)	(16,056)
Repayment of finance lease liabilities	-	(29)
Net cash flows used in financing activities	(11,965)	(8,850)
Net increase in cash and cash equivalents	(23,783)	(12,177)
Cash and cash equivalents, beginning balance	35,111	22,252
Effects of currency translation on cash and cash equivalents	200	200
Cash and cash equivalents, ending balance ⁽¹⁾	11,528	10,275

Note:-

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

	Group	
	As at 31/03/2013	As at 31/03/2012
	(\$'000)	(\$'000)
Cash and bank balances	11,528	19,321
Bank deposits pledged*	-	(9,046)
Cash and cash equivalents per cash flow statement	11,528	10,275

*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 the 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.

Group (\$'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous 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

Current Year:				
As at 01/01/2013	91,998	(12,449)	37,302	116,851
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	1,786	1,807	3,593
As at 31/03/2013	91,998	(10,587)	39,109	120,520

Company (\$'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous 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

Current Year:				
As at 01/01/2013	91,998	360	7,457	99,815
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	-	242	242
As at 31/03/2013	91,998	436	7,699	100,133

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 2013.

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.

	As at 31/03/2013	As at 31/12/2012
Total number of issued shares (excluding treasury shares)	432,898,365	432,898,365

The Company did not have any treasury shares as at 31 March 2013 and 31 December 2012 respectively.

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 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 2012, 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.

Earnings per share (cents) based on:-

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

GROUP 1Q2013	GROUP 1Q2012
0.417	0.529
0.416	0.529

Weighted average ordinary shares for calculation of:-

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

432,898,365	431,823,169
433,973,365	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 31/03/2013	GROUP As at 31/12/2012	COMPANY As at 31/03/2013	COMPANY As at 31/12/2012
27.84	27.00	23.13	23.06

Net asset value per share (cents)⁽¹⁾

Note:-

(1) Based on share capital of 432,898,365 ordinary shares as at 31 March 2013 and 31 December 2012.

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	1Q2013 (S\$' million)	1Q2012 (S\$' million)
Vessel chartering	9.0	8.2
Ship-repair	1.0	1.5
Maritime services	1.2	11.0
Total revenue	11.2	20.7

The Group's sales for 1Q2013 decreased from \$20.7 million to \$11.2 million due to lower revenue from the ship repair and maritime services segments partially offset by higher vessel chartering revenue.

Maritime Services segment registered fewer transactions in 1Q2013 and the Ship Repair business also completed fewer repair jobs in 1Q2013 compared to 1Q2012. Average charter rate during 1Q2013 was comparatively higher than in 1Q2012 and this contributed to the higher revenue of the Vessel Chartering segment.

Cost of sales for 1Q2013 was correspondingly lower at \$8.6 million compared to \$17.7 million incurred in 1Q2012. With lower revenue, gross profit was consequently lower.

Other income - \$1.58 million. Other income includes \$0.25 million dividend received from quoted investment and forfeiture of \$1.2 million deposit received for the purchase of a vessel from the Group's fleet from a buyer who failed to complete the purchase.

Other gains/(losses)-net of \$361k. This comprises gain on disposal of vessel of \$0.4 million, exchange gain of \$0.1 million offset by a loss of \$0.1 million from the divestment of financial assets available for sale.

Administrative expenses increased by \$0.6 million in 1Q2013 as compared to 1Q2012 due mainly to \$141k loan facility fee amortized and provision of impairment of trade receivables amounting to \$411k in 1Q2013.

Finance expenses decreased by \$0.2 million from \$0.8 million in 1Q2012 to \$0.6 million in 1Q2013. Lower interest expense was due to lower borrowings in 1Q2013.

Share of (loss)/profit of joint venture. The Group's 50% owned joint venture Hadi International Marine Services Pte Ltd incurred losses amounting to \$0.1 million in 1Q2013 as compared to a \$1.2 million profit in 1Q2012 due mainly to high ship repair and maintenance cost in the Middle East in 1Q2013 whereas the profit in 1Q2012 was contributed by a one-off gain from disposal of vessels.

Profit, net of tax. The Group generated a net profit after tax of \$1.8 million in 1Q2013 compared to a profit of \$2.3 million in 1Q2012 due to lower contribution from the ship repair and maritime services segments.

Income tax expenses of \$0.2 million comprise mainly of corporate tax provision for 1Q2013.

Consolidated Balance Sheet

Assets

The Group's total assets as at 31 March 2013 amounted to \$227.8 million, a decrease of \$8.9 million from \$236.7 million as at 31 December 2012. The decrease was due mainly to lower cash and cash equivalents arising from repayment of non-current borrowings offset by higher financial assets available-for-sale and higher progress payments to shipyards for vessels under-construction that are contracted for sale as well as fleet expansion.

Liabilities

The Group's total liabilities decreased by \$12.6 million from \$119.9 million as at 31 December 2012 to \$107.3 million as at 31 March 2013 mainly due to repayment of non-current borrowings.

Share Capital and Reserves

Total equity increased from \$116.8 million on 31 December 2012 to \$120.5 million on 31 March 2013 due to fair value gain of financial assets available-for-sale and profit, net of tax for 1Q2013.

Cash Flow Review

The Group generated \$4.5 million from its operating activities before working capital movement. Working capital movement includes mainly increase in other assets of \$2.7 million, increase in trade and other receivables of \$0.6 million and decrease in trade and other payable of \$0.4 million. After working capital movements and tax payment, the Group used \$0.2 million in its operating activities. Increase in other assets represent progress payments to shipyards for ship building contracts that are earmarked for sale whereas increase in other payables represent progress payments received from customers for these contracts.

Investing activities included cash inflow of \$6.6 million comprising proceeds from disposal of a vessel and cash outflow of \$18.5 million due to progress payments for the construction of vessels ordered by the Group.

Net cash used in financing activities for 1Q2013 of approximately S\$12.0 million was due mainly to net loan repayment of S\$11.4 million which was partially funded with proceeds from the disposal of vessel and additional bank loans.

As a result of the above, there was a net decrease in cash and cash equivalents of \$23.8 million for 1Q2013.

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 believes that demand for offshore support vessels (“OSV”) will be stable for charter as well as purchase for FY2013. The Group’s maritime service segment registered lower revenue for 1Q2013 as scheduled projects under this segment are expected to be completed and recognized only in the second half of 2013.

During 1Q2013, the Group disposed two vessels, an utility and a crew boat and acquired an utility vessel bringing total fleet from thirty two as at 31 December 2012 to thirty one as at 31 March 2013. Of the eight vessels scheduled to be added to the fleet in FY2013, one is scheduled for delivery in 2Q2013 and the remaining in second half of 2013.

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

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

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(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).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(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.

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. 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 period ended 31 March 2013.

14. Negative confirmation pursuant to Rule 705(5).

We, Robert Chua Swee Chong and Alex Yeo Kian Teong, 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 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Robert Chua Swee Chong
Executive Chairman

Alex Yeo Kian Teong
Chief Executive Officer

10 May 2013