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## Swissco's net profit soars 85.2% to S\$6.4 million for 3Q2013

- **Gross profit margin improved significantly to 44.3% from 29.6% due to greater contribution from higher margin Vessel Chartering segment**
- **The Group expects scheduled projects under Maritime Services segment to be completed and recognised only in 4Q2013 resulting in lower revenue for the period**

**SINGAPORE – 7 November 2013** – Mainboard-listed **Swissco Holdings Limited** ("Swissco" or the "Group"), a leading marine service provider for the shipping and offshore Oil and Gas industries, reported S\$6.4 million net profit after tax for the 3rd quarter ended 30 September 2013 ("3Q2013").

Financial Highlights	3Q2013	3Q2012	Chg	9M2013	9M2012	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	13,762	25,203	(45.4)	35,406	67,500	(47.5)
Gross Profit	6,101	7,461	(18.2)	12,832	17,996	(28.7)
Gross Profit Margin	44.3%	29.6%	-	36.2%	26.7%	-
Other gains/(losses)	2,249	(255)	N.M.*	2,079	(307)	N.M.*
Administrative Expenses	(1,216)	(1,474)	(17.5)	(4,231)	(5,378)	(21.3)
Finance Expenses	(546)	(999)	(45.3)	(1,628)	(2,391)	(31.9)
Net Profit After Tax	6,407	3,459	85.2	10,256	9,983	2.7
Net Profit Margin	46.6%	13.7%	-	29.0%	14.8%	-
Basic Earnings Per Share (cents) **	1.473	0.801	83.9	2.364	2.310	2.3

\*N.M. denotes Not Meaningful

\*\*Based on 435,023,565, 432,419,628, 433,920,273 and 432,419,628 weighted average number of ordinary shares in issue for 3Q2013, 3Q2012, 9M2013 and 9M2012 respectively

Group's revenue was lower at S\$13.8 million in 3Q2013, compared to S\$25.2 million a year ago due mainly to lower contribution from the Maritime Services. However, performance of the Maritime Services segment is likely to improve significantly in the next quarter as the Group expects to recognise revenue and profits upon completion of on-going projects in 4Q2013. Meanwhile, the Vessel Chartering segment registered marginally higher revenue as the Group managed to secure higher charter rates.

The graph below depicts the segmental revenues (all in S\$ million):



The Vessel Chartering segment generally generates better margins compared to the Maritime Services segment and Ship Repair segment. In 3Q2013, the Vessel Chartering segment was the biggest contributor to Group's revenue. As such, gross profit margin increased substantially to 44.3% in 3Q2013 compared to 29.6% in 3Q2012.

Other net gains in 3Q2013 recorded earnings of S\$2.2 million as compared to a net loss of S\$0.3 million in 3Q2012. This is due largely to gain of S\$2.3 million from the disposal of property, plant and equipment, partially offset by foreign exchange losses of S\$0.1 million.

Administrative expenses fell 17.5% to S\$1.2 million in 3Q2013, mainly due to the absence of an S\$0.2 million provision for impairment of trade receivables in 2Q2012 as well as a write back of S\$0.1 million in 3Q2013. Finance costs also decreased by 45.3% to S\$0.5 million, due mainly to the Group's active restructuring of loan at lower interest rate.

Consequently, net profit after tax for the Group surged 85.2% to S\$6.4 million in 3Q2013, translating to basic earnings per share of 1.473 cents for 3Q2013.

### Outlook and Future Plans

***"We believe that the heightened interest in oil and gas industry will spur increased demand for offshore support vessels and we anticipate that Swiseco will be a beneficiary of this development. As part of our on-going fleet renewal program, we currently have three anchor handling/supply vessels, two utility vessels, two crew boats and one accommodation vessel under construction, four of which will join the fleet in 4Q2013.***

***In addition, the Group expects to finalise new buildings to add more new and modern vessels to our fleet.***

***The Group year-to-date has been working on a number of projects under the Maritime Services segment which are expected to be completed only in 4Q2013. As revenue and profits are recognised only upon project completion, the Group believes our performance in 4Q2013 should show significant improvement."***

**Mr. Robert Chua , Executive Chairman of Swiseco**

During 9M2013, the Group disposed off four vessels, acquired one maintenance workboat and took delivery of two anchor handling tugs/supply vessels and two crew boats.

As at 30 September 2013, the Group's fleet comprised of 33 vessels. The fleet can be broken down into: -

- 9 Anchor Handling Tugs,
- 12 Utility Tugs,
- 6 Barges
- 2 Accommodation Vessels, and
- 4 Crew Boats.

Besides the chartering side, the Group's Maritime Services 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.

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**ABOUT SWISSCO HOLDINGS LIMITED (Bloomberg Ticker: SWCH SP)**

Transferred to the SGX Mainboard since 9 January 2013, Swissco Holdings Limited ("Swissco") is a leading marine service provider for the shipping and offshore Oil and Gas industries.

Swissco owns and operates a young fleet of offshore support vessels, tugs, barges and OPL (Out-Port-Limit) boats. With vessels deployed from Indonesia, Malaysia, and Vietnam to the Middle East, the Group has earned a reputation for providing one of the most comprehensive marine and shipping solutions in a prompt, reliable and efficient manner. The Group enjoys the patronage of a large customer base across a wide spectrum of industries – from shipping to oil and gas and other marine infrastructure industries.

*For more information please visit the website at: <http://swissco.net>*

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Issued for and on behalf of Swissco Holdings Limited

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