

SWISSCO INTERNATIONAL LIMITED
(COMPANY REGISTRATION NO: 200401051D)

Unaudited Financial Statement Announcement for the Second Quarter ended 30 June 2008

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr 2008 S\$'000	2nd Qtr 2007 S\$'000	Variance %(+/-)	1H08 S\$'000	1H07 S\$'000	Variance % (+/-)
Sales	11,828	7,365	+60.6	22,505	14,689	+53.2
Cost of sales	(5,225)	(3,729)	+40.1	(10,319)	(7,354)	+40.3
Gross profit	6,603	3,636	+81.6	12,186	7,335	+66.1
Other income	191	284	-32.8	348	320	+8.8
Other gains-net	1,804	29,363	NM	2,299	31,414	NM
Less Expenses :						
Administrative	(2,336)	(5,235)	-55.4	(3,503)	(6,243)	-43.9
Other operating expenses	29	(139)	NM	(45)	(179)	-74.9
Finance	(137)	(209)	-34.4	(274)	(383)	-28.5
Share of loss of an associated company	(136)	-	-100.0	(136)	-	-100.0
Profit before tax	6,018	27,700	-78.3	10,875	32,264	-66.3
Income tax expense	(297)	(100)	+197.0	(304)	(100)	+204.0
Net profit for the financial period attributable to equity shareholders of the Company	5,721	27,600	-79.3	10,571	32,164	-67.1

NM – Not Meaningful

Notes to income statement:	2nd Qtr 2008 S\$'000	2nd Qtr 2007 S\$'000	1H08 S\$'000	1H07 S\$'000
The profit after tax is determined after (charging)/crediting the following :				
Depreciation	(956)	(714)	(2,037)	(1,386)
Allowance for impairment of receivables	29	(139)	(45)	(179)
Interest expense	(137)	(209)	(274)	(383)
Interest income	46	23	116	28
Gain on disposal of property, plant & equipment	2,027	55	3,097	2,162
Foreign exchange loss	(223)	(70)	(798)	(126)
Gain from disposal of financial assets, available-for-sale	-	29,379	-	29,379
Amortization of deferred gain	15	-	-	-

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

	The Group	The Group	The Company	The Company
	30.06.08	31.12.07	30.06.08	31.12.07
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	5,560	9,795	64	30
Financial assets, available-for-sale	93,860	130,340	93,860	130,340
Trade and other receivables	11,067	11,324	-	-
Due from subsidiaries (non-trade)	-	-	52,259	55,835
Inventories	177	33	-	-
Other current assets	528	583	60	28
	111,192	152,075	146,243	186,233
Non-current assets classified as held for sale	6,538	6,538	-	-
	117,730	158,613	146,243	186,233
Non-current assets				
Investment in subsidiaries	-	-	7,736	7,736
Investment in an associated company	74	-	211	-
Property, plant and equipment	100,312	85,040	-	-
	100,386	85,040	7,947	7,736
Total assets	218,116	243,653	154,190	193,969
LIABILITIES				
Current liabilities				
Trade and other payables	15,004	17,337	6,644	7,146
Borrowings	11,111	7,606	-	-
Current income tax liabilities	721	1,035	24	-
	26,836	25,978	6,668	7,146
Non-current liabilities				
Borrowings	7,362	7,419	-	-
Deferred income tax liabilities	102	102	-	-
Deferred gain	1,244	-	-	-
	8,708	7,521	-	-
	35,544	33,499	6,668	7,146
NET ASSETS	182,572	210,154	147,522	186,823
Share capital and reserves				
Share capital	27,020	26,919	27,020	26,919
Other reserves	86,645	122,931	91,957	128,243
Retained earnings	68,907	60,304	28,545	31,661
	182,572	210,154	147,522	186,823

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

Amount repayable in one year or less, or on demand

30.06.08		31.12.07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,961	7,150	3,206	4,400

Amount repayable after one year

30.06.08		31.12.07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,362	0	7,419	0

The Groups' borrowings include :

(a) Bank Term Loan 1

The four 4-year term loans with a balance of S\$8,269,381 (2007 : S\$9,731,529) as at 30 June 2008 were secured by four of the Group's vessels.

(b) Bank Term Loan 2

The 10-year term loan of S\$314,656 (2007 : S\$370,226) as at 30 June 2008 was secured by the Group's leasehold properties.

(c) Bank Term Loan 3

The 3-year term loan of S\$2,430,556 (2007 : nil) as at 30 June 2008 was secured by one of the Group's vessels.

(d) Short Term Advances

Short term advances of S\$7,150,000 (2007 : S\$4,400,000) as at 30 June 2008 were unsecured.

(e) Finance Lease

The finance lease obligations of S\$309,122 (2007 : S\$523,023) as at 30 June 2008 were secured over the fixed assets of the Group with net book values amounting to S\$412,197 (2007 : S\$736,235).

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

	2nd Qtr ended 30.06.08 S\$'000	2nd Qtr ended 30.06.07 S\$'000	1H08 ended 30.06.08 S\$'000	1H07 ended 30.06.07 S\$'000
Cash flows from operating activities				
Net Profit	5,721	27,600	10,571	32,164
Adjustments for :				
Income tax expense	297	100	304	100
Share of loss of an associated company	136	0	136	0
Employee share option expense	97	88	194	121
Depreciation of property, plant and equipment	956	714	2,037	1,386
Interest expense	137	209	274	383
Interest income	(46)	(23)	(116)	(28)
Amortisation of deferred gain	(15)	0	(15)	0
Gain from disposal of property, plant and equipment	(2,027)	(55)	(3,097)	(2,162)
Gain from disposal of financial assets, available-for-sale	0	(29,379)	0	(29,379)
Operating cash flow before working capital changes	5,256	(746)	10,288	2,585
Changes in working capital :				
Trade and other receivables	1,352	(969)	257	(1,558)
Inventories	(141)	18	(145)	255
Other current assets	218	155	53	(517)
Trade and other payables	(6,418)	5,157	(2,332)	4,209
Cash generated from operations	267	3,615	8,121	4,974
Income tax paid	(297)	(79)	(617)	(77)
Net cash (used in)/provided by operating activities	(30)	3,536	7,504	4,897
Cash flows from investing activities :				
Proceeds from disposal of financials assets, available-for-sale	0	32,822	0	32,822
Investment in an associated company	0	0	(211)	0
Interest received	46	23	116	28
Proceeds from disposal of property, plant and equipment	6,082	138	10,829	3,692
Purchase and construction of property, plant and equipment	(13,668)	(12,940)	(23,781)	(22,184)
Net cash (used in)/provided by investing activities	(7,540)	20,043	(13,047)	14,358
Cash flows from financing activities :				
Proceeds from issuance of ordinary shares	101	515	101	670
Dividends paid	(1,968)	(1,781)	(1,968)	(1,781)
Interest paid	(137)	(209)	(274)	(383)
Proceeds from borrowings	2,561	9,660	5,310	15,093
Repayment of borrowings	(830)	(8,230)	(1,587)	(10,084)
Repayment of finance lease liabilities	(32)	(122)	(274)	(172)
Net cash (used in)/provided by financing activities	(305)	(167)	1,308	3,343
Net (decrease)/ increase in cash and cash equivalents held	(7,875)	23,412	(4,235)	22,598
Cash and cash equivalents at the beginning of the period	13,435	2,035	9,795	2,849
Cash and cash equivalents at the end of the financial period	5,560	25,447	5,560	25,447

(A) Cash and bank balances

Cash and bank balances comprise the following :

	2 nd Qtr ended 30.06.08	2 nd Qtr ended 30.06.07
	S\$'000	S\$'000
Bank Overdraft	0	(379)
Fixed Deposits	2,306	23,830
Cash and bank balances	3,254	1,996
	5,560	25,447

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following :

	2nd Qtr ended 30.06.08	2 nd Qtr ended 30.06.07
	S\$'000	S\$'000
Cash and bank balances	5,560	25,826
Less : Bank overdraft	0	(379)
Cash and cash equivalents per consolidated cash flow statement	5,560	25,447

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

2008 The Group (S\$'000)	Share Capital	Other reserves	Retained earnings	Total
Balance as at 01.01.08	26,919	122,931	60,304	210,154
Financial assets, available-for-sale -Fair value loss	-	(33,820)	-	(33,820)
Net loss recognized directly in equity	-	(33,820)	-	(33,820)
Net profit	-	-	4,850	4,850
Total recognized income/(loss)	-	(33,820)	4,850	(28,970)
Employee share option scheme -Value of employee service	-	97	-	97
Balance as at 31.03.08	26,919	89,208	65,154	181,281
Financial assets, available-for-sale -Fair value loss	-	(2,660)	-	(2,660)
Net loss recognized directly in equity	-	(2,660)	-	(2,660)
Net profit	-	-	5,721	5,721
Total recognized income/(loss)	-	(2,660)	5,721	3,061
Issue of shares pursuant to an employee share option scheme	101	-	-	101
Employee share option scheme -Value of employee service	-	97	-	97
Dividend paid	-	-	(1,968)	(1,968)
Balance as at 30.06.08	27,020	86,645	68,907	182,572

2007	Share capital	Other reserves	Retained Earnings	Total
The Group (\$\$'000)				
Balance as at 01.01.07	25,825	32,817	27,242	85,884
Financial assets, available-for-sale				
-Fair value gains	-	27,143	-	27,143
Net profit	-	-	4,564	4,564
Total recognized income	-	27,143	4,564	31,707
Issue of shares pursuant to an employee share option scheme	156	-	-	156
Employee share option scheme				
-Value of employee service	-	33	-	33
Balance as at 31.03.07	25,981	59,993	31,806	117,780
Financial assets, available-for-sale				
-Fair value gains	-	33,953	-	33,953
Net profit	-	-	27,600	27,600
Total recognised income	-	33,953	27,600	61,553
Issue of shares pursuant to an employee share option scheme	515	-	-	515
Employee share option scheme				
-Value of employee service	-	88	-	88
Dividends paid	-	-	(1,781)	(1,781)
Balance as at 30.06.07	26,496	94,034	57,625	178,155

2008	Share capital	Other reserves	Retained earnings	Total
The Company (\$\$'000)				
Balance as at 01.01.08	26,919	128,243	31,661	186,823
Financial assets, available-for-sale				
-Fair value loss	-	(33,820)	-	(33,820)
Net loss recognised directly in equity	-	(33,820)	-	(33,820)
Net loss	-	-	(224)	(224)
Total recognized loss	-	(33,820)	(224)	(34,044)
Employee share option scheme				
-Value of employee service	-	97	-	97
Balance as at 31.03.08	26,919	94,520	31,437	152,876
Financial assets, available-for-sale				
-Fair value loss	-	(2,660)	-	(2,660)
Net loss	-	-	(924)	(924)
Total recognised loss	-	(2,660)	(924)	(3,584)
Issue of shares pursuant to an employee share option scheme	101	-	-	101
Employee share option scheme				
-Value of employee service	-	97	-	97
Dividends paid	-	-	(1,968)	(1,968)
Balance as at 30.06.08	27,020	91,957	28,545	147,522

2007 The Company (S\$'000)	Share capital	Other reserves	Retained Earnings	Total
Balance as at 01.01.07	25,825	38,968	2,672	67,465
Financial assets, available-for-sale -Fair value gains	-	28,681	-	28,681
Net loss	-	-	(314)	(314)
Total recognized income/(loss)	-	28,681	(314)	28,367
Issue of shares pursuant to an employee share option scheme	156	-	-	156
Employee share option scheme -Value of employee service	-	33	-	33
Balance as at 31.03.07	25,981	67,682	2,358	96,021
Financial assets, available-for-sale -Fair value gains	-	31,576	-	31,576
Net profit	-	-	38,115	38,115
Total recognised income/(loss)	-	31,576	38,115	69,691
Issue of shares pursuant to an employee share option scheme	515	-	-	515
Employee share option scheme -Value of employee service	-	88	-	88
Dividends paid	-	-	(1,781)	(1,781)
Balance as at 30.06.07	26,496	99,346	38,692	164,534

- 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 financial period, the Company has issued 17,875,792 new ordinary shares on the basis of 1 bonus share credited as fully paid at nil consideration for every 10 existing ordinary shares held by the shareholders of the Company. The Company has also issued 200,000 ordinary shares arising from the exercise of share options for S\$101,850. The new shares rank pari passu with the existing shares of the Company. The share capital has been increased from 178,757,925 issued and paid up shares to 196,833,717 issued and paid up shares accordingly.

The Company has granted options to subscribe for 1,100,000 shares to employee and directors during the financial period. The Company has 3,200,000 (2007 : 2,650,000) ordinary shares under option outstanding at the end of the financial period.

- 1(d)(iii) To show the 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.

	30.06.08	31.12.07
No of ordinary shares issued and paid up	196,833,717	178,757,925

The Company does not have any treasury shares as at 30 June 2008 and 31 December 2007.

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(e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or 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

The Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period compared to the audited financial statements for the financial year ended 31 December 2007.

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

Certain new standards, amendments and interpretations to existing standards have been published and they are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods. The adoption of these accounting standards, amendments and interpretations will not have a material impact on the Group's financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	1H08 ended 30.06.08	1H07 ended 30.06.07
Based on number of ordinary shares in issue (in cts)	5.37	16.52
Based on fully diluted number of ordinary shares (in cts)	5.36	16.41

The calculation of basic earnings per share for the half year ended 30 June 2008 and 30 June 2007 is based on weighted average number of 196,669,157 issued and fully paid ordinary shares and the weighted average number of 194,743,541 issued and fully paid up ordinary shares respectively.

The calculation of fully diluted earnings per share for the half year ended 30 June 2008 and 30 June 2007 is based on 197,311,088 shares and 195,985,956 shares respectively.

The calculation of the above earnings per share has been adjusted for the effects of the bonus issue of 17,875,792 ordinary shares on 10 April 2008.

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 period reported on and (b) immediately preceding financial year

	The Group		The Company	
	30.06.08	31.12.07	30.06.08	31.12.07
Net asset backing per ordinary share based on existing share capital as at the end of the period (in S\$)	0.93	1.18	0.75	1.05
Number of shares used in computing Net Asset	196,833,717	178,757,925	196,833,717	178,757,925

The net asset value per ordinary share of the Group and the Company as at 30 June 2008 and 31 December 2007 was calculated based on 196,833,717 and 178,757,925 issued and fully paid ordinary shares respectively.

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 : any significant factors that affected the turnover, costs, and earnings of the group for financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss 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 saw a 60.6% increase in revenue from S\$7.4m (2Q07) to S\$11.8m (2Q08), reflecting the overall increase in the demand for offshore vessels as well as better utilization and higher charter rates. Gross profit also saw a jump from S\$3.6m (2Q07) to S\$6.6m (2Q08). Other gains-net were mainly attributed to the gain from disposal of a vessel and some equipment. Administrative expenses decreased due to lower accrual of performance bonus in 2Q08. Other operating expenses decreased due to reversal of impairment loss of receivables. Interest expense decreased due to lower cost of borrowings. Consequently, the Group's net profit for 2Q08 is at S\$5.7m. We reported a net profit of S\$27.6m in 2Q07, which included a gain of S\$29.4m from the disposal of long-term held financial assets.

The Group registered a 53.2% growth in turnover from S\$14.7m (1H07) to S\$22.5m (1H08) due to increase in the demand for offshore vessels. Consequently, gross profit jumped from S\$7.3m (1H07) to S\$12.2m (1H08). Gains from disposal of vessels and equipment totalling S\$3.1m offsetted against the foreign exchange loss of S\$798k, resulted in other gains-net of S\$2.3m for 1H08. In 1H07, the Group reported other gains-net of S\$31.4m mainly due to gain from disposal of long-term held financial assets and offset against foreign exchange loss of \$126k. Administrative expenses decreased due to lower accrual of performance bonus in 1H08. Other operating expenses decreased due to reversal of impairment loss of receivables. Interest expense decreased due to lower cost of borrowings. Consequently, the Group's net profit for 1H08 is S\$10.6m compared to S\$32.2m in 1H07, which included a gain of S\$29.4m from the disposal of long-term held financial assets.

The Group's marine logistic and chartering business to the oil and gas maritime industries continue to contribute to the Group's growth. Turnover rose from S\$6.3m (2Q07) to S\$10.6m (2Q08) mainly due to deployment of new vessels joining the fleet. Gross profit from this business segment grew from S\$3.2m (2Q07) to S\$6.1m (2Q08). Net profit stands at S\$7.0m (2Q08) compared to S\$2.6m (2Q07).

The Group's ship repair and maintenance business registered a turnover of S\$1.2m in 2Q08 as compared to S\$1.1m in 2Q07. Expenses decreased from S\$186k in 2Q07 to S\$99k in 2Q08 mainly as a result of write back of impairment loss of receivables. Hence, the net profit for this business stand at S\$388k as compared to S\$359k in 2Q07.

Consolidated Balance Sheet

Cash and bank balances decreased due to payments made towards delivery of new vessels and vessel under construction.

Financial assets, available-for-sale (AFS) decreased due to its lower stock market price.

Inventories increased due to purchases of steel plates for ship repair projects.

Investment in an associated company refers to 49% shareholdings in PT Swissco Indonesia.

Property, plant and equipment increased due to delivery of new offshore vessels during the period and progress payments made for vessels under construction.

Trade and other payables decreased due to partial payments of performance bonuses to executive directors, and payment for delivery of new vessels and vessel-in-construction.

Bank borrowings increased as the Group drew down new loans to pay for new vessels and vessels under construction.

Deferred gain represents 49% of the Swissco's share in the unrealized gain from the sale of vessel to PT Indonesia (associated company). The amount will be amortised on a straight-line basis over 20 years.

Cashflow Statement

The Group continued to generate strong cashflow from its operations for 1H08. The net cash provided by financing activities decreased due to lower borrowings and proceeds received from issuance of ordinary shares. There was a net decrease in cash and cash equivalents of S\$4.2m in 1H08; the Group's gearing ratio was at less than 0.1 times as at 30 June 2008.

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

The Group's results are consistent with the industry outlook as previously stated.

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

Despite the volatility of oil price, we still expect to see a sustained demand for our offshore vessels and related services for 3Q08. However, we also expect higher operating expenses due to the current global inflationary conditions.

The Group expects to take delivery of further 10 new vessels for the rest of the financial year, bringing the total fleet to 38 vessels. These will contribute progressively to the Groups' performance as and when they join the fleet. The Group will continue to capitalize on opportunities to maximize returns should they present themselves.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Not applicable

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared/recommendeded during the financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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

Not applicable.

14. 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

15. A breakdown of sales

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

17. Interested Persons 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)
Swissco Structural Mechanical Pte Ltd	Rental expense of S\$180,000 paid for the use of the premises at No 9 Pandan Road Singapore 609257

The Company has no shareholder mandate pursuant to Rule 920 of the SGX Listing Manual.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE SGX LISTING MANUAL

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the second quarter ended 30 June 2008 to be false and misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
13 August 2008