

SWISSCO INTERNATIONAL LIMITED
(COMPANY REGISTRATION NO: 200401051D)

Full Year Unaudited Financial Statement and Dividend Announcement

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

	31.12.05	31.12.04	Variance
	S\$'000	S\$'000	%age +/-(-)
Sales	13,890	8,529	+62.8%
Cost of sales	(9,647)	(6,480)	+48.9%
Gross profit	4,243	2,049	+107.1%
Other gains	10,325	4,357	+137.0%
Administrative expenses	(4,628)	(2,379)	+94.5%
Other expenses	(200)	(755)	-73.5%
Finance expenses	(136)	(348)	-60.9%
Profit from operation	9,604	2,924	+228.4%
Share of results of associated companies	2,044	1,110	+84.1%
Gain arising from restructuring of associates	1,201	0	NM
Gain arising from deemed disposal	196	0	NM
Profit before tax	13,045	4,034	+223.4%
Taxation	(565)	(162)	+248.8%
Profit after tax	12,480	3,872	+222.3%

NM – Not Meaningful

Notes to income statement :		
	31.12.05	31.12.04
	S\$'000	S\$'000
The profit after tax is determined after (charging)/crediting the following :		
Depreciation	(1,084)	(1,157)
Provision for discount allowed	(200)	0
Provision for impairment of receivables	0	(125)
Interest expense	(136)	(348)
Interest income	62	6
Exchange gain/(loss)	166	(61)
Gain on disposal of property, plant and equipment	9,440	4,332
Amortisation of deferred gain	190	15
Over provision of tax in prior year	11	0

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
	31.12.05	31.12.04	31.12.05	31.12.04
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	30,303	15,078	-	-
Investment in subsidiaries	-	-	7,686	7,686
Investment in associated companies	6,064	3,224	3,633	2,174
Available-for-sale financial asset	4	19	-	75
	36,371	18,321	11,319	9,935
Current assets				
Inventories	64	35	-	-
Trade debtors	3,380	2,165	-	-
Other debtors, deposits and prepayments	1,045	207	3,362	73
Due from subsidiaries (non-trade)	-	-	4,468	2,885
Due from associated companies (trade)	1,404	603	-	-
Fixed deposits	3,356	2,000	-	2,000
Cash and bank balances	850	1,734	19	47
	10,099	6,744	7,849	5,005

	The Group	The Group	The Company	The Company
	31.12.05	31.12.04	31.12.05	31.12.04
	S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities				
Trade and other payables	5,101	2,141	-	-
Other creditors and accruals	2,838	972	1,695	151
Due to associated companies (trade)	20	37	-	-
Provision for tax	674	301	-	-
Bank loans, current portion	3,581	212	-	-
Lease obligation, current portion	172	220	-	-
	12,386	3,883	1,695	151
Net current assets	(2,287)	2,861	6,154	4,854
Non-current liabilities				
Bank loans, non-current portion	1,316	583	-	-
Lease obligation, non-current portion	311	373	-	-
Deferred tax	100	120	-	-
Deferred gain	454	643	-	-
	2,181	1,719	-	-
Total net assets	31,903	19,463	17,473	14,789
Share capital and reserves				
Share capital	11,735	11,735	11,735	11,735
Share premium	3,916	3,916	3,916	3,916
Other reserves	(40)	-	30	-
Retained earnings	16,292	3,812	1,792	(862)
	31,903	19,463	17,473	14,789

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

Amount repayable in one year or less, or on demand

31.12.05		31.12.04	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
553	3,200	432	0

Amount repayable after one year

31.12.05

31.12.04

Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,627	0	956	0

The Group's borrowings include :

(a) Bank Term Loan 1

The 4-year term loan with a balance of S\$1,119,187 (2004 : NIL) as at 31 December 2005 was secured by one of the Group's vessels.

(b) Bank Term Loan 2

The 10-year term loan of S\$577,868 (2004 : S\$673,450) as at 31 December 2005 was secured by the Group's leasehold properties.

(c) Short Term Advances

Short term advances of S\$3,200,000 (2004 : NIL) as at 31 December 2005 were unsecured.

(d) Finance Lease

The finance lease obligations of S\$482,779 (2004 : S\$592,760) are secured over the fixed assets of the Group with net book values amounting to approximately S\$732,616 (2004 : S\$803,611)

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

	31.12.05	31.12.04
	S\$000	S\$'000
Cash flows from operating activities		
Profit before tax	13,045	4,034
Adjustments for :		
Share of results of associated companies	(2,044)	(1,110)
Gain on disposal of property, plant and equipment	(9,440)	(4,332)
Gain arising from restructuring of associates	(1,201)	0
Gain arising from deemed disposal	(196)	0
Depreciation of property, plant and equipment	1,084	1,157
Employee share option benefit	30	0
Deferred gain	(190)	(15)
Share issue expenses	0	584
Interest expense, net	74	341
Operating profit before working capital changes	1,162	659

	31.12.05	31.12.04
	S\$'000	S\$'000
Changes in operating assets and liabilities :		
Inventories	(29)	9
Trade and other receivables	(2,017)	912
Other current assets	(398)	(2,739)
Trade and other payables	1,538	350
Cash generated/(used in) from operations	256	(809)
Income tax paid	(103)	(3)
Net cash inflow/(outflow) from operating activities	153	(812)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(25,629)	(5,481)
Proceeds from sale of property, plant and equipment	22,028	8,844
Net cash (outflow)/inflow from investing activities	(3,601)	3,363
Cash flows from financing activities :		
Issue of share capital	0	6,300
Share issue expense	0	(1,168)
Proceeds from borrowings	10,070	509
Repayment of borrowings	(6,076)	(1,833)
Interest paid	(74)	(341)
Net cash inflow from financing activities	3,920	3,467
Net increase in cash and cash equivalent held	472	6,018
Cash and cash equivalent at the beginning of the financial year	3,734	(2,284)
Cash and cash equivalent at the end of the financial year	4,206	3,734

(A) Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following :

	31.12.05	31.12.04
	S\$'000	S\$'000
Fixed deposits	3,356	2,000
Cash and bank balances	850	1,734
	4,206	3,734

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

As at 31.12.05 The Group (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.05 as reported previously	11,735	3,916		3,812	19,463
Effect on adopting FRS 39			1,791		1,791
As restated	11,735	3,916	1,791	3,812	21,254
Net profit	-	-	-	12,480	12,480
Currency translation differences	-	-	(70)	-	(70)
Total recognized gains	-	-	(70)	12,480	12,410
Reversal arising from restructuring of associates	-	-	(1,791)	-	(1,791)
Employee share option benefit	-	-	30	-	30
Balance as 31.12.05	11,735	3,916	(40)	16,292	31,903

As at 31.12.04 The Group (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.04*	1,559			11,072	12,631
Total recognized gain for the financial year				3,872	3,872
Issue of share capital	**	-	-	-	**
Adjustment arising from restructuring exercise	(1,559)	-	(8,376)	-	(9,935)
Excess of cash consideration over assets acquired				(2,756)	(2,756)
Transferred from retained earnings to reserve	-	-	8,376	(8,376)	-
Issue of share capital pursuant to restructuring	9,935	-	-	-	9,935
Issue of share capital pursuant to IPO	1,800	4,500	-	-	6,300
Share issue expenses	-	(584)	-	-	(584)
Balance @ 31.12.04	11,735	3,916	-	3,812	19,463

As at 31.12.05 The Company (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.05-as reported previously	11,735	3,916	-	(862)	14,789
Effect on adopting FRS 39	-	-	1,791	-	1,791
As restated	11,735	3,916	1,791	(862)	16,580
Net profit and total recognised gain for the financial year	-	-	-	2,654	2,654
Reversal arising from restructuring of associates	-	-	(1,791)	-	(1,791)
Employee share option benefit	-	-	30	-	30
Balance as at 31.12.05	11,735	3,916	30	1,792	17,473

As at 31.12.04 The Company (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 29.01.04	**	-	-	-	**
Recognised loss for the financial year	-	-	-	(862)	(862)
Issue of share capital in pursuant to restructuring	9,935	-	-	-	9,935
Issue of share capital in pursuant to IPO	1,800	4,500	-	-	6,300
Share issue expense	-	(584)	-	-	(584)
Balance as at 31.12.04	11,735	3,916	-	(862)	14,789

* These balances represent the share capital and retained earnings of the subsidiaries prior to the Restructuring Exercise.

** The Company issued 2 ordinary shares of S\$1.00 each

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 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

The Company has granted options on 1,165,000 shares to employees, directors and controlling shareholders during the financial year.

During the financial year, no share of the Company was allotted and issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (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.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 adopted the same accounting policies and methods of computation in the financial statements for the current financial year compared to the audited financial statements as at 31 December 2004. In addition, the Group has adopted all the new and revised Financial Reporting Standards ("FRS") that became effective for the Group for the financial year beginning 1 January 2005.

FRS 1 (revised 2004) Presentation of Financial Statements
FRS 2 (revised 2004) Inventories
FRS 8 (revised 2004) Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004) Events after the Balance Sheet Date
FRS 16 (revised 2004) Property, Plant & Equipment
FRS 17 (revised 2004) Leases
FRS 21 (revised 2004) The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004) Related Party Disclosures
FRS 27 (revised 2004) Consolidated and Separate Financial Statements
FRS 28 (revised 2004) Investments in Associates
FRS 32 (revised 2004) Financial Instruments: Disclosure and Presentation
FRS 33 (revised 2004) Earnings per Share
FRS 36 (revised 2004) Impairment of Assets
FRS 38 (revised 2004) Intangible Assets
FRS 39 (revised 2004) Financial Instruments: Recognition and Measurement
FRS 102 (revised 2004) Share-based Payment
FRS 103 Business Combinations

The adoption of these new and revised FRS did not have any significant financial impact to the Group except for the following :

FRS 39 – Financial Instruments : Recognition and Measurement

Under FRS 39 (revised 2004), the investments in equity interests of other companies are classified as “available-for-sale financial assets” and are initially recognized at fair value and subsequently measured at fair values at the balance sheet date.

The change was effected prospectively from 1 January 2005 and consequently affected the following balance sheet items as at 1 January 2005.

Group and Company	
S\$'000	
Increase in :	
Available-for-sale financial asset	<u>1,791</u>
Fair value reserve	<u>1,791</u>

FRS 102 – Share-based Payment

The Group's share options are equity-settled, share-based compensation plans. FRS 102 requires the Group and the Company to recognize an expense in the income statement for share options granted after 22 November 2002 and not vested as at 1 January 2005, the effective date of FRS 102.

The total amount of the expense is arrived at by multiplying the total number of share options that are expected to be vested and the fair value of each option determined at the date of grant. The total amount of the expenses is recognized over the share options' vesting period. At each reporting date, the amount expensed should be adjusted to reflect the Group's and the Company's best estimate of the number of share options that will be vested.

The impact of the adoption of FRS102 on the net profit of the Group and the Company for the full year ended 31 December 2005 was a charge of S\$30k.

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

None

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

	31.12.05	31.12.04
Based on year end number of ordinary shares in issue (in cts)	8.51	3.07
Based on fully diluted number of ordinary shares (in cts)	8.50	NA

The calculation of earnings per share for the financial year ended 31 December 2004 and 31 December 2005 is based on the existing 146,692,925 issued and fully paid ordinary shares.

The calculation of fully diluted earnings per share for the financial year ended 31 December 2005 is based on 146,827,740 shares

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	The Group		The Company	
	31.12.05	31.12.04	31.12.05	31.12.04
Net asset backing per ordinary share based on existing share capital as at the end of the period (cts)	21.75	13.27	11.91	10.08
Number of shares used in computing Net Asset	146,692,925	146,692,925	146,692,925	146,692,925

The net asset value per ordinary share of the Group and the Company as at 31 December 2005 and 31 December 2004 was calculated based on 146,692,925 issued and fully paid ordinary shares.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. 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

In the last financial year, the Group performed well in its two core businesses of marine logistics support services to the maritime and oil & gas industries and its ship repair and maintenance services. The overall performance was boosted by contributions from associated companies and significantly from the disposal of vessels.

For FY 2005, the Group registered a higher turnover of S\$13.9m (FY04 : S\$8.5m). The higher turnover is attributed to the increase in revenue from offshore vessel chartering and ship repair services. The Group's net profit for FY 2005 was a record of S\$12.5m (FY04 : S\$3.9m). Our gross profit increased from S\$2.0m in FY04 to S\$4.2m in FY05. Administrative expenses increased from S\$2.4m in FY04 to S\$4.6m in FY05 primarily due to the recognition of the service agreements for its key executives and the resultant performance bonus plan. However, financial and other expenses saw a decrease from S\$1.1m in FY04 to S\$336k in FY05.

On 25 August 2005, the Company entered into a restructuring agreement to restructure the associated companies. This is achieved by the Company acquiring 27.5% of Swiber Holdings, the consideration of which is to give up the Company's shares in associates and APECS. This exercise has resulted in a gain from restructuring of associated companies of S\$1.2m

On 17 October 2005, Swiber Holdings Pte Ltd, the associated company of the Group, has increased its issued and fully paid up share capital from S\$12m to S\$15m by an allotment of an additional three million ordinary shares of S\$1 par value each at S\$2.34 per share to a new shareholder and an independent and unrelated party. As a result of the issue of new shares, the Company's shareholding in Swiber Holdings is diluted from 27.5% to 22% of the total enlarged issued and fully paid capital of Swiber Holdings. This has given rise to a gain from deemed disposal of S\$196k.

The Group's marine logistics support services to the maritime and oil & gas industries saw an increase in turnover as our new offshore vessels joined the Group's fleet throughout the year to contribute to our gross profit. Gains from other income was S\$9.4m in FY05 compared to S\$4.3m in FY04. The gains came mainly from vessel disposals. The Group took the opportunity to capitalize on the buoyant used tonnage market to upgrade and reconfigure its fleet. The increase in demand for offshore support vessels and other types of vessels has enabled the Group to dispose of its vessels and replace them with newer and more specialized offshore support vessels.

The Group's ship repair and maintenance services saw an increase in turnover from S\$2.8m in FY04 to S\$4.1m in FY05. Against the backdrop of the continued buoyant marine industry, demand for ship repair and maintenance was strong last year. With better credit and cost control measures, the Group's ship repair and maintenance business made a Profit After Tax of S\$657K in FY05 (FY04 : S\$249K)

Contributions from associated companies, which offer offshore engineering and shipping services also saw an increase from S\$1.1m in FY04 to S\$2.0m in FY05. This contributed to the Group's overall results.

Balance Sheet

Fixed assets have increased substantially due to the delivery of new offshore vessels during the year, which are high in value. Besides, the Group has also made progressive payments towards the new-buildings for expected delivery in FY06.

Increase in cost of investment in associated companies is due to their contributions during the year.

Similarly, the higher billings recorded have resulted in high amount owing from trade debtors and associated companies.

As a result of increased capital expenditure, there is an increase in trade and other payables and accruals which include executive performance bonus.

Bank borrowings have increased as the Group has drawn down loans to take delivery of new offshore vessels.

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

The Group did not make a forecast or prospect statement.

10. A commentary at the date of the announcement of the 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

With the current bullish trend on the continued demand for energy, specifically for oil & gas the industry is expected to remain buoyant in the current year. Oil price has seen sustainable support at current high levels which indicate a continued growth potential in the exploration and production activities in the industry and a corresponding flow through of demand in the supporting industries.

The Group therefore expects the strong demand for our offshore support vessels, barges and our ship repair and maintenance services to continue in FY06.

The Directors are therefore cautiously optimistic that the Group will be profitable in FY06.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Ordinary	Special
Dividend Type	Cash, first and final	Cash, first and final
Dividend Amount per share	0.2 cent per ordinary share (tax exempt 1-tier)	0.8 cent per ordinary share (tax exempt 1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Date of payment of dividend will be announced at later date.

(d) Books closure date

Notice of book closure will be announced at a later date.

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

Not Applicable

**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

Segment Information

Financial year ended 31 December 2005	Marine logistics	Ship repair	Trading of marine equipment	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales : External sales	9,901	4,132		(143)	13,890
Segment result	9,697	861	0	(148)	10,410
Gain arising from restructuring of associated companies					1,201
Gain arising from deemed disposal					196
Unallocated cost					(670)
Profit from operations					11,137
Finance cost					(136)
Share of associated results					2,044
Profit before tax					13,045
Income tax expense					(565)
Profit after tax					12,480

Financial year ended 31 December 2005	Marine logistics	Ship repair	Trading of marine equipment	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment Assets	36,787	3,327	40	(239)	39,915
Associated companies					6,064
Unallocated assets					491
Consolidated total assets					46,470
Segment liabilities	12,745	1,064	53	(7,597)	6,265
Deferred Gain					454
Unallocated liabilities					7,848
Consolidated total liabilities					14,567
Other segment items:					
Capital expenditure:	28,896				28,896
Depreciation	964	120			1,084

Financial year ended 31 December 2004	Marine logistics	Ship repair	Trading of marine equipment	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales : External sales	5,968	2,775	64	(278)	8,529
Segment result	3,820	371	(57)		4,134
Unallocated cost					(862)
Profit from operations					3,272
Finance cost					(348)
Share of associates results					1,110
Profit before tax					4,034
Income tax expense					(162)
Profit after tax					3,872
Segment Assets	17,756	2,722	56	(827)	19,707
Associated companies					3,224
Unallocated assets					2,134
Consolidated total assets					25,065
Segment liabilities	5,628	1,011	193	(3,712)	3,120
Deferred gain					643
Unallocated liabilities					1,839
Consolidated total liabilities					5,602
Other segment items:					
Capital expenditure:					
Property, plant and equipment	8,075	44			8,119
Depreciation	1,006	150	1		1,157

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

	Sales for FY2005 (S\$'000)	Operating profit for FY2005 (S\$'000)
First half	7,193	6,424
Second half	6,697	6,431
Total	13,890	12,855

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	293	0
Special	1,174	0
Total	1,467	0

17 Interested Persons Transactions-FY2005

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\$432,000 paid for the use of the premises at No 9 Pandan Road Singapore 609257

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
27 February 2006