

SWISSCO INTERNATIONAL LIMITED
(COMPANY REGISTRATION NO: 200401051D)

Half Year Financial Statement Announcement for the Period Ended 30 June 2005

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

	30.06.05	30.06.04	Variance
	S\$'000	S\$'000	%age +/-
Turnover	7,193	4,215	+70.7%
Cost of sales	(4,992)	(3,383)	+47.6%
Gross profit	2,201	832	+164.5%
Other operating income	5,224	1,965	+165.8%
Administrative expenses	(1,484)	(912)	+62.7%
Other operating expenses	(211)	(32)	+559.4%
Profit from operation	5,730	1,853	+209.2%
Financial expenses	(83)	(159)	-47.8%
Share of results of associated companies	867	440	+97.0%
Profit before tax	6,514	2,134	+205.2%
Taxation	90	0	NM
Profit after tax	6,424	2,134	+201.0%

NM – Not Meaningful

Notes to income statement :	30.06.05	30.06.04
	S\$'000	S\$'000
The profit after tax is determined after charging/(crediting) the following :		
Impairment charge for trade receivables	211	17
Depreciation	598	603
Exchange (gain)/loss	(55)	14
Gain on disposal of property, plant and equipment	(5,154)	(1,952)

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
	30.06.05	31.12.04	30.06.05	31.12.04
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed assets				
Property, plant & equipment	19,730	15,078	0	0
Investment in subsidiaries	0	0	7,686	7,686
Investment in associated companies	4,040	3,224	2,174	2,174
Available-for-sale financial assets	19	19	15	15
	23,789	18,321	9,875	9,875
Current assets				
Inventories	78	35	0	0
Trade debtors	4,271	2,231	0	0
Other debtors, deposits and prepayments	855	308	13	73
Due from subsidiaries (non-trade)	0	0	4,677	2,885
Due from associated companies (trade)	567	437	0	0
Fixed deposits	0	2,000	0	2,000
Cash and bank balances	3,720	1,734	50	47
	9,491	6,745	4,740	5,005
Current liabilities				
Trade payables	2,097	988	0	0
Other payables and accruals	2,327	2,125	194	151
Due to associated companies (trade)	12	38	0	0
Provision for tax	330	301	0	0
Bank overdraft	821	0	0	0
Bank term loans, current portion	95	252	0	0
Lease obligation, current portion	163	220	0	0
	5,845	3,924	194	151
	3,646	2,821	4,546	4,854
Non-current liabilities				
Bank term loans, non-current portion	531	543	0	0
Lease obligation, non-current portion	306	373	0	0
Deferred tax	101	120	0	0
Deferred gain	630	643	0	0
	1,568	1,679	0	0
	25,867	19,463	14,421	14,729

	The Group	The Group	The Company	The Company
	30.06.05	31.12.04	30.06.05	31.12.04
	S\$'000	S\$'000	S\$'000	S\$'000
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	(20)	0	30	0
Retained earnings	10,236	3,812	(1,260)	(922)
	25,867	19,463	14,421	14,729

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

Amount repayable in one year or less, or on demand

30.06.05		31.12.04	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,079	0	472	0

Amount repayable after one year

30.06.05		31.12.04	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
837	0	916	0

The Group's borrowings comprise:

(a) Bank Overdraft

The bank overdraft and facilities are secured by the mortgage of the Group's leasehold buildings and corporate guarantee from the Holding Company.

(b) Bank Term Loans

One (1) term loan with a balance of S\$626,315 as at balance sheet date (FY04: Two (2) term loans with a balance of S\$794,941) on a tenure of 10 years (FY04: tenure ranging from 5 to 10 years) was secured by Group's leasehold buildings and corporate guarantee from the Holding Company.

(c) Finance Lease

The finance lease obligations are secured over the fixed assets of the Group with net book values amounting to approximately S\$670,796 (FY04: S\$805,558)

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

	30.06.05	30.06.04
	S\$000	S\$000
Cash flows from operating activities		
Profit before tax	6,514	2,134
Adjustments for :		
Share of results of associated companies	(867)	(440)
Gain on disposal of property, plant and equipment	(5,154)	(1,952)
Depreciation of property, plant and equipment	598	603
Deferred income	(13)	(2)
Interest expense	83	159
Employee share option benefit	30	0
Operating profit before working capital changes	1,191	502
Changes in operating assets and liabilities		
Inventories	(42)	9
Trade and other receivables	(2,070)	4,087
Other current assets	(648)	(578)
Trade and other payables	1,282	(5,744)
Cash used in operations	(287)	(1,724)
Income tax paid	(79)	(30)
Net cash outflow from operating activities	(366)	(1,754)
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,995)	(2,786)
Proceeds from sale of property, plant and equipment	11,900	4,227
Net cash (outflow)/inflow from investing activities	(95)	1,441
Cash flows from financing activities		
Proceeds from borrowings	0	203
Repayment of borrowings	(290)	(328)
Interest paid	(83)	(159)
Net cash inflow from financing activities	(373)	(284)
Net increase in cash and cash equivalent held	(834)	(597)
Cash and cash equivalent at the beginning of the financial period	3,733	(2,284)
Cash and cash equivalent at the end of the financial period	2,899	(2,881)

(A) Cash and cash equivalents

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

	30.06.05	30.06.04
	S\$'000	S\$'000
Bank overdraft	(821)	(3,303)
Fixed Deposit	0	0
Cash and bank balances	3,720	422
	2,899	(2,881)

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

The Group

As at 30.06.05 (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as 01.01.05	11,735	3,916	-	3,812	19,463
Total recognized gain for the financial period	-	-	-	6,424	6,424
Employee share option - value of employee service	-	-	30	-	30
Currency translation difference			(50)	-	(50)
Balance as 30.06.05	11,735	3,916	(20)	10,236	25,867
As at 30.06.04 (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 period	-	-	-	2,134	2,134
Balance @ 30.06.04	1,559	-	-	13,206	14,765

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

The Company

As at 30.06.05 (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.05	11,735	3,916	-	(922)	14,729
Recognised loss for the financial period	-	-		(338)	(338)
Employee share option-value of employee service	-	-	30	-	30
Balance as at 30.06.05	11,735	3,916	30	(1,260)	14,421

As at 30.06.04 (S\$'000)	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.04	-	-	-	-	-
Recognised loss for the financial period	-	-	-	(24)	(24)
Issue of share capital	**	-	-	-	**
Balance as at 30.06.04	**	-	-	(24)	(24)

** 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**

Not Applicable

- 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 by the Company's auditors.

- 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**

Refer to paragraph 5

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**

Changes in accounting policies

In 2005, the Group and the Company adopted the Financial Reporting Standard (FRS) below.

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 39 (revised 2004) Financial Instruments: Recognition and Measurement
FRS 102 Share-based Payment
FRS 103 Business Combinations

The adoption of the above FRS does not have any material impact on the financial statements presented except for the following:

FRS102 –Share-based Payment

The Group's share options are equity-settled, share-based compensation plans. FRS 102 requires the Group and the Company to recognise 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 recognised 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 FRS 102 on the net profit of the Group and the Company for the half year ended 30 June 2005 was a charge of S\$30k.

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

	30.06.05	30.06.04
Based on weighted average number of ordinary shares in issue (in cts)-basic/diluted	4.38	1.72

The calculation of earnings per share for the financial period ended 30 June 2005 is based on the existing 146,692,925 issued and fully paid ordinary shares. The calculation of earnings per share for the financial period ended 30 June 2004 have been computed based on the pre-invitation 124,192,925 issued and fully paid ordinary shares.

As at 30 June 2005, the Company has not issued any equity instrument that has a dilutive effect on earnings per share.

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 Group	The Company	The Company
	30.06.05	31.12.04	30.06.05	31.12.04
Net asset value per ordinary share based on existing share capital as at the end of the period (cts)	17.63	13.27	9.83	10.04
Number of shares used in computing net asset value per ordinary share	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 30 June 2005 and 31 December 2004 were 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**

Group Income Statement

In the Group's maiden Interim Report for the first half year ended 30 June 2005, our Group registered a turnover of S\$7.2 million, an increase of 71% over the turnover of S\$4.2 million for the same period last year. Consequently, for this first half year, our Group posted net profit of S\$6.4 million as compared with the net profit of S\$2.1 million for the same period last year.

Of the record net profit for the first half of 2005, S\$5.1 million came from the opportunistic disposal of vessels as the Group capitalised on the buoyant market for used tonnage. Our Group also took the opportunity to reconfigure and upgrade our fleet in line with our policy to scale up the offshore support vessels value chain.

Turnover for our marine logistic support business in the marine and oil & gas business rose to S\$5.7 million for the first half of 2005 from S\$3.0 million for the same period last year. The first half year net operating profit for marine logistic business was S\$675K compared with a loss of S\$428K for the same period last year.

Our ship-repair and maintenance business also saw an improved turnover of S\$1.5 million for the first half year of 2005 compared with the turnover of S\$1.2 million for the first half year of 2004. However, net profit for the first half year of 2005 fell to S\$67K compared with S\$237K for the same period last year. This is due to our stringent procedure to take an impairment charge for our trade receivables.

Increase in administrative and other operating expenses is due mainly to the Group's full realisation of the post-IPO staffing cost.

Contributions from our associated companies in the ship chartering and engineering operations remain strong. For the first half of 2005, contributions jumped to S\$867K from S\$440K for the first half of 2004.

Group Balance Sheet

The increase in property, plant and equipment is due mainly to vessels which the Group took delivery in the first half of 2005.

The increase in trade debtors and trade payables for the marine logistic support business is attributed mainly to higher sales in the second quarter of the financial year.

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

Not applicable

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

Against the backdrop of increasingly higher oil price trend, we expect the marine industry and in particular the oil & gas industry to remain buoyant. This would continue to drive demands for offshore vessels and barges as well as for ship repair and maintenance services for the rest of the current financial year.

Demand for used tonnage continues to remain firm. Should the opportunity present itself, our Group will seize the opportunity to maximise the returns on its investments.

The delivery of our 6 new vessels currently under construction is expected in the third and fourth quarters of 2005. Consequently, we expect to enjoy progressive contributions from them for the remaining period of the year as and when they join the fleet.

The Directors expect our Group to continue to be profitable for the second half of 2005.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the 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 or recommended

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\$216,000 paid for the use of the premises at No 9 Pandan Road Singapore 609257

The Company has no shareholder mandate pursuant to Rule 720 of the Listing Manual.

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
5 August 2005

The listing of the shares of Swissco International Limited on the SGX-SESDAQ was sponsored by Phillip Securities Pte Ltd.