

SWISSCO INTERNATIONAL LIMITED
(COMPANY REGISTRATION NO: 200401051D)

Full Year Financial Statement Announcement

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

Swissco International Limited (“the Company”) was incorporated in Singapore on 29 January 2004 and was listed on the Singapore Exchange Securities Trading Limited (“SGX”) on 16 November 2004. The Group was formed on 6 October 2004 pursuant to a restructuring exercise in connection with its initial public offer. For details of this restructuring exercise, please refer to the Company’s Prospectus dated 3 November 2004 (“the Prospectus”).

The Group’s consolidated income statement, balance sheet, statement of changes in equity and cash flow statement for the financial year ended 31 December 2004 have been prepared using the “pooling of interest” method. Under the pooling of interest method, the financial statements of the Group for the financial year ended 31 December 2004 and the comparatives for 2003 have been presented as if the Group has been in existence since the beginning of the periods being reported on and the assets and liabilities have been brought into the consolidated balance sheet at their existing carrying amounts.

	31.12.04	31.12.03	Variance
	S\$’000	S\$’000	%age +/-(-)
Turnover	8,529	12,129	-30%
Cost of sales	(6,480)	(8,039)	-19%
Gross profit	2,049	4,090	-50%
Other operating income	4,336	2,137	+103%
Administrative expenses	(2,379)	(1,849)	+29%
Other operating expenses	(756)	(341)	+122%
Profit from operation	3,250	4,037	-19%
Financial expenses, net	(341)	(266)	+28%
Share of results of associate companies	1,125	600	+88%
Profit before tax	4,034	4,371	-8%
Taxation	(162)	(280)	-42%
Profit after tax	3,872	4,091	-5%

Notes to Profit and Loss:		
	31.12.04	31.12.03
	S\$'000	S\$'000
Financial expenses, net comprise :		
Interest expense	(347)	(266)
Interest income	6	0
	(341)	(266)
The profit after tax is determined after charging the following :		
Depreciation	(1,157)	(1,129)
Gain on disposal of property, plant and equipment	4,332	2,029

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
	31.12.04	31.12.03	31.12.04
	S\$'000	S\$'000	S\$'000
Share capital and reserves			
Share capital	11,735	1,559	11,735
Share premium	3,916	0	3,916
Merger reserves	(60)	0	(60)
Retained earnings	3,872	11,072	(862)
	19,463	12,631	14,729
Fixed assets			
Property, plant and equipment	12,441	11,971	0
Investment in subsidiaries	0	0	7,686
Investment in associate companies	3,224	2,174	2,174
Other investments	19	19	15
	15,684	14,164	9,875
Current assets			
Stocks	35	43	0
Trade debtors	2,065	2,736	0
Other debtors, deposits and prepayments	2,945	207	73
Due from subsidiaries (non-trade)	0	0	2,885
Due from associate companies (trade)	603	869	0
Due from related companies (non-trade)	0	8,228	0
Fixed deposits	2,000	0	2,000
Cash and bank balances	1,734	1,025	47
	9,382	13,108	5,005
Current liabilities			
Trade payables	2,141	2,311	0
Other creditors and accruals	972	335	151

Due to associate companies (trade)	38	38	0
Due to related companies (non-trade)	0	5,557	0
Amount due to shareholders	0	59	0
Provision for tax	301	203	0
Bank overdraft	0	3,309	0
Bank term loans, current portion	252	718	0
Lease obligation, current portion	220	137	0
	3,924	12,667	151
Net current assets	5,458	441	4,854
Non-current liabilities			
Bank term loans, non-current Portion	543	1,539	0
Lease obligation, non-current Portion	373	315	0
Deferred tax	120	120	0
Deferred gain	643	0	0
	1,679	1,974	0
	19,463	12,631	14,729

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

Amount repayable in one year or less, or on demand

31.12.04

31.12.03

Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
472	0	4,164	0

Amount repayable after one year

31.12.04

31.12.03

Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
916	0	1,854	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, certain executive directors' properties and guaranteed jointly and severally by certain executive directors and their family members.

(b) Bank Term Loans

Two (2) term loans with a balance of S\$794,941 as at balance sheet date (FY03: Three (3) term loans with a balance of S\$2,256,901) on a tenure ranging from 5 to 10 years (FY03: tenure ranging from 4 to 10 years) were secured by Group's leasehold buildings, certain executive directors' properties and guaranteed jointly and severally by certain executive directors and their family members.

(c) Finance Lease

The finance lease obligations are secured over the fixed assets of the Group with net book values amounting to approximately S\$805,558 (2003: S\$572,900)

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

	31.12.04	31.12.03
	S\$000	S\$'000
Cash flows from operating activities		
Profit before tax	4,034	4,371
Adjustments for :		
Share of results of associate companies	(1,125)	(600)
Gain on disposal of property, plant and equipment	(4,332)	(2,029)
Depreciation of property, plant and equipment	1,157	1,129
Share issue expenses	584	0
Interest expense, net	341	266
Operating profit before working capital changes	659	3,137
Changes in operating assets and liabilities		
Stock	9	9
Trade and other receivables	912	1,424
Other current assets	(2,739)	(96)
Trade and other payables	350	527
Cash (used in)/generated from operations	(809)	5,001
Income tax paid	(3)	(36)
Net cash (outflow)/inflow from operating activities	(812)	4,965
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,481)	(8,229)
Proceeds from sale of property, plant and equipment	8,844	5,460
Other investments	0	(15)
Loans to related companies	0	(1,869)
Net cash inflow /(outflow) from investing activities	3,363	(4,653)
Cash flows from financing activities		
Issue of share capital	6,300	0
Share issue expense	(1,168)	0

Proceeds from borrowings	509	758
Repayment of borrowings	(1,833)	(349)
Interest paid	(341)	(266)
Net cash inflow from financing activities	3,467	143
Net increase in cash and cash equivalent held	6,018	455
Cash and cash equivalent at the beginning of the financial year	(2,284)	(2,739)
Cash and cash equivalent at the end of the financial year	3,734	(2,284)

(A) Cash and cash equivalents

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

	31.12.04	31.12.03
	S\$'000	S\$'000
Bank overdraft	0	(3,309)
Fixed deposits	2,000	0
Cash and bank balances	1,734	1,025
	3,734	(2,284)

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 31.12.04 The Group (S\$'000)	Share capital	Share Premium	Merger reserves	Retained earnings	Total
Balance as 01.01.04*	1,559	-	-	11,072	12,631
Total recognized gain for the financial year	-	-	-	3,872	3,872
Issue of share capital	**	0	0	0	**
Adjustment arising from restructuring exercise	(1,559)	-	(11,132)	-	(12,691)
Transferred from retained earnings to reserve	-	-	11,072	(11,072)	-
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 as 31.12.04	11,735	3,916	(60)	3,872	19,463

	Share capital	Share premium	Merger reserves	Retained earnings	Total
As at 31.12.03 The Group (S\$'000)					
Balance as at 01.01.03	1,559	-	-	6,981	8,540
Total recognized gain for the financial year	-	-	-	4,091	4,091
Balance @ 31.12.03	1,559	-	-	11,072	12,631

	Share capital	Share premium	Merger reserves	Retained earnings	Total
As at 31.12.04 The Company (S\$'000)					
Balance as at 29.01.04	**	-	-	-	**
Recognised loss for the financial year	-	-	-	(862)	(862)
Adjustment arising from restructuring exercise	-	-	(60)	-	(60)
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	(60)	(862)	14,729

* 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 was incorporated in Singapore on 29th January 2004 as a public limited company with an initial 2 ordinary shares of S\$1.00 each, issued and fully paid up.

During the year, the shareholders of the Company approved:

1. the subdivision of each ordinary share of S\$1.00 in our authorized as well as our issued share capital into 50 ordinary shares of S\$0.02 each (the "Share Split");

2. the consolidation of 4 ordinary shares of S\$0.02 each in the authorized as well as our issued share capital into 1 ordinary share of S\$0.08 each (the "Share Consolidation");

The Company increased its share capital by 124,192,925 shares of S\$0.08 each fully issued and paid up each pursuant to the Restructuring Exercise

The Company increased its share capital further by another 22,500,000 ordinary shares of S\$0.08 each in pursuant to the initial public offering

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**

Not applicable

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**

	31.12.04	31.12.03
Based on weighted average number of ordinary shares in issue (in cts)	3.07	3.29

The calculation of earnings per share for the financial year ended 31 December 2004 is based on the weighted average number of ordinary shares in issue of 126,067,925 shares. The calculation of earnings per share for the financial year ended 31 December 2003 have been computed based on the pre-invitation share capital of 124,192,925 shares.

As at 31 December 2004, the Company does not have any equity instruments that have 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 Company	
	31.12.04	31.12.03	31.12.04	31.12.03
Net asset backing per ordinary share based on existing share capital as at the end of the period (cts)	13.27	10.17	10.08	NA
Number of shares used in computing Net Asset	146,692,950	124,192,925	146,692,950	124,192,925

The net asset value per ordinary share of the Group and the Company as at 31 December 2004 were calculated based on the issued share capital of the Company of 146,692,950 shares as at 31 December 2004. For comparative purpose, the net asset value per ordinary share of the Company as at 31 December 2003 was calculated based on its pre-invitation share capital of 124,192,925 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

The Group registered a net profit of S\$3.9m (FY03: S\$4.1m) on a lower turnover of S\$8.5m (FY03: S\$12.1m). The lower turnover is attributable to mainly lower charter income as a result of disposal of vessels. This has resulted in gross profits being reduced by 50% from S\$4.1m to S\$2.0m. Administration and other operating expenses increased significantly in FY04 and are mainly due to the Groups' restructuring and IPO expenses which are non-recurring.

However, gains largely from disposal of vessels, ship repair business and better contributions from associate companies helped the Group to offset the lower charter income in FY04.

Our marine logistics support business to the maritime and oil and gas industries saw a reduced turnover due to fewer vessels in operation as a result of disposal of vessels. Gross profits fell as chartered in third party vessels provided lower margins. However, the gains from other income of S\$4.3m in FY04 (S\$2.0m in FY03) arising from the disposal of vessels compensated for the lower gross profits.

Our ship repair and maintenance business saw an increase in turnover to S\$2.8m in FY04 as compared to S\$2.5m in FY03. This is attributable to higher demand for ship repairs and maintenance services as a result of the buoyant marine industry. The ship repair and maintenance business made a profit after tax of S\$249k in FY04 (S\$43k in FY03) due to improved cost control and no further requirement to provide for write down of the ship supply business, that has since ceased.

The Group also saw an improved contribution of additional S\$0.5m from the associate companies in FY04 in their ship chartering and engineering operations.

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

The Group expects the marine industry to remain buoyant in the current year. With oil prices at current levels, growth in the oil and gas sector would likely to continue to be sustained. Consequently, we expect demand for offshore support vessels and barges as well as ship repair and maintenance services to continue into FY05.

The Group has started taking delivery of our new vessels in the first quarter of FY05 and will continue taking delivery of vessels up to the end of the year. Therefore, we expect contributions from these vessels progressively. We also expect to see continued contributions from the associate companies in FY05.

The Directors are therefore cautiously optimistic that the Group will continue to be profitable in FY05.

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**

Segment Information

Financial year ended 31 December 2004	Marine logistics	Ship repair	Trading of marine equipment	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales : External sales	5,968	2,775	64	(278)	8,529
Segment result	3,798	371	(57)		4,112
Unallocated cost					(862)
Profit from operations					3,250
Finance cost, net					(341)
Share of associate results					1,125
Profit before tax					4,034
Income tax expense					(162)
Profit after tax					3,872
Segment Assets	17,756	2,722	56	(827)	19,707
Associate companies					3,239
Unallocated assets					2,135
Consolidated total assets					25,081
Segment liabilities	6,893	1,450	193	(3,712)	4,824
Deferred gain	634				643
Unallocated liabilities					151
Consolidated total liabilities					5,618
Other segment items:					
Capital expenditure:					
Property, plant and equipment	7,065	36			7,101
Depreciation	1,006	150	1		1,157

Financial year ended 31 December 2003	Marine logistics	Ship repair	Trading of marine equipment	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales : External sales	8,492	2,545	1,352	(260)	12,129
Segment result	3,885	279	(127)		4,037
Unallocated cost					
Profit from operations					4,037
Finance cost, net					(266)
Share of associate results					600
Profit before tax					4,371
Income tax expense					(280)
Profit after tax					4,091
Segment Assets	23,150	2,870	305	(1,227)	25,098
Associate companies					2,174
Unallocated assets					
Consolidated total assets					27,272
Segment liabilities	13,635	1,848	385	(1,227)	14,641
Unallocated liabilities					
Consolidated total liabilities					14,641
Other segment items:					
Capital expenditure:					
Property, plant and equipment	8,326	285			8,611
Depreciation	996	125	8		1,129

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

Please refer to paragraph (8).

15. A breakdown of sales

Please refer to paragraph (13).

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-FY2004

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

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

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
28 February 2005

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