SWISSCO

Company Registration No: 200404711D

SWISSCO HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

INTRODUCTION

On 30 July 2014, the Company, Swissco Holdings Limited, completed the acquisition of the entire paid up capital of Scott and English Energy Pte. Ltd. ("Scott and English") as set out in the Circular to shareholders dated 30 June 2014 following which: -

a) The Company on 30 July 2014 consolidated every two issued shares into one Consolidated share;
b) 452,380,952 shares were issued and allotted to satisfy the consideration on 30 July 2014.

The principal activities of the Enlarged Group upon the completion of the acquisition are as follows: -

a) Rig chartering;
b) Offshore support vessel chartering;
c) Ship repair; and
d) Maritime services

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

At Group Level

The acquisition has been accounted for as a reverse acquisition, as the shareholders of Scott and English become the majority shareholders in the Enlarged Group. The legal subsidiary, Scott and English is therefore considered the acquirer for accounting purposes.

Accordingly, the Group's consolidated financial statements for the period ended 30 September 2014 have been prepared as a continuation of Scott and English's financial statements where: -

(a) the assets and liabilities of the legal subsidiary (i.e. Scott and English) are recognised and measured at their pre-combination carrying amounts.

(b) the assets and liabilities of the legal parent (i.e. the Company and its subsidiaries, the Swissco Group) are recognised at fair value and measured in accordance with FRS103.

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the legal subsidiary (i.e. Scott and English) immediately before the business combination.

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (i.e. Scott and English) outstanding immediately before the business combination to the cost of reverse acquisition determined based on the share price of the Company at the acquisition date amounting to $201.2 million. However, the equity structure (i.e. the number and type of equity interests issued) reflects the equity structure of the Company, including the equity interests the legal parent issued to effect the combination.

(e) the comparative figures presented in these consolidated financial statements are those of the legal subsidiary (i.e. Scott and English).

(f) Earnings per share has been restated and reflects the results of the legal subsidiary (i.e. Scott and English) till the date of the acquisition, and the results of the enlarged group from the acquisition date onwards. In addition, the Earnings per share has been retrospectively adjusted to take into account the share consolidation of every two shares in the capital of the Company into one consolidated share.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the Swissco Group. Therefore, the cost of the reverse acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the Swissco Group at their fair values as at 30 July 2014. The Company is finalising the purchase price allocation. The excess of the cost of the reverse acquisition over the net fair value of those items, which is estimated to be $24.7 million, is recognised as intangibles on the consolidated balance sheet.

At Company Level

Reverse acquisition accounting applies only in the consolidated financial statements. Therefore, in the legal parent's (i.e. Swissco Holdings Limited's) separate financial statements, the investment in the legal subsidiary (i.e. Scott and English) was accounted for at their cost of $285 million based on the fair value of the equity instrument issued by the Company as at the acquisition date.

Notes:

· The Group's consolidated income statement for the 9 months ended 30 September 2014 refers to the Enlarged Group, which consists of the results of Scott and English for the period from 1 January to 30 September 2014 and results of Swissco Group for the period 1 August to 30 September 2014.

· The Group's consolidated income statement for the 9 months ended 30 September 2013 refers to the results of Scott and English for the period from 1 January to 30 September 2013.

· The Group's consolidated income statement for the period 1 July 2014 to 30 September 2014 refers to the Enlarged Group, which consists of the results of Scott and English for the period from 1 July to 30 September 2014 and results of Swissco Group and for the period 1 August to 30 September 2014.

· The Group's consolidated income statement for the period from 1 July 2013 to 30 September 2013 refers to the results of Scott and English for the period from July to September 2013.

· The Group's consolidated balance sheet as at 30 September 2014 refers to the Enlarged Group which consists of the assets and liabilities of Scott and English and Swissco Group as at 30 September 2014.

· The Group's consolidated balance sheet as at 31 December 2013 refers to the balance sheet of Scott and English.

· The Group's consolidated cash flow statement for the 9 months ended 30 September 2014 refers to the cashflows of Scott and English for the period for 1 January to 30 September 2014 and Swissco Group for the period 1 August to 30 September 2014.

· The Group's consolidated cash flow statement for the 9 months ended 30 September 2013 refers to the cash flows of Scott and English.

· The Company's balance sheet as at 30 September 2014 and 31 December 2013 refers to that of Swissco Holdings Limited.

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

The Board of Directors of Swissco Holdings Limited is pleased to announce the unaudited consolidated results of the Group for the 3rd quarter ("3Q2014") and nine months ended 30 September 2014 ("9M2014").

As the acquisition of Scott and English that was completed on 30 July 2014 has been accounted for as a reverse acquisition, the consolidated financial statements for the period ended 30 September 2014 have been prepared as a continuation of Scott and English's financial statements. Accordingly, t**he comparative numbers for the Group** *refer to the financial statements of Scott and English for the respective periods mentioned in the following pages.*

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year.

Consolidated Statement of Comprehensive Income

	GROUP Unaudited 3Q2014 ($'000)	**GROUP Unaudited 3Q2013 ($'000)**	**Inc/ (Decr) %**	**GROUP Unaudited 9M2014 ($'000)**	**GROUP Unaudited 9M2013 ($'000)**	**Inc/ (Decr) %**
Sales	35,878	-	n.m.	35,878	-	n.m.
Cost of sales	(27,653)	-	n.m.	(27,653)	-	n.m.
Gross profit	8,225	-	n.m	8,225	-	n.m.
Other income	602	995	(39.5)	1,771	999	77.3
Other gains/(losses) – net	279	(1)	n.m.	(12)	(2)	500.0
Less: Expenses						
Administrative	(2,353)	(177)	1,229.4	(4,453)	(222)	1,905.8
Finance	(933)	(948)	(1.6)	(1,828)	(1,033)	77.0
Share of profit of jointly controlled entities	5,151	5,966	(13.7)	16,949	14,294	18.6
Share of loss of associated companies	(10)	-	n.m.	(10)	-	n.m.
Profit before tax	10,961	5,835	87.8	20,642	14,036	47.1
Income tax expense	(529)	-	n.m.	(529)	-	n.m.
Profit, net of tax	10,432	5,835	78.8	20,113	14,036	43.3
Other Comprehensive Income/(Loss):						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	829	-	n.m.	627	-	n.m.
Financial assets, available for sale – fair value loss	(1,568)	-	n.m.	(1,568)	-	n.m.
Other Comprehensive Loss, Net of Tax	(739)	-	n.m.	(941)	-	n.m.
Total Comprehensive Income Attributable to Equity Holders of the Company	9,693	5,835	66.1	19,172	14,036	36.6

1(a)(ii) The total comprehensive income/(loss) attributable to equity holders of the Company include the following credits/(charges):-

	GROUP Unaudited 3Q2014 ($'000)	GROUP Unaudited 3Q2013 ($'000)	Inc/ (Decr) %	GROUP Unaudited 9M2014 ($'000)	GROUP Unaudited 9M2013 ($'000)	Inc/ (Decr) %
Depreciation	(2,291)	-	n.m.	(2,296)	-	n.m.
Write back of/(allowance for) impairment on trade and other receivables	223	-	n.m.	223	-	n.m.
Interest income	589	995	(40.8)	1,758	999	76.0
Interest expense	(933)	(948)	(1.6)	(1,828)	(1,033)	77.0
Foreign exchange (losses)/gains	244	(1)	n.m.	(47)	(2)	2,250
Net gain on disposal of property, plant and equipment	35	-	n.m.	35	-	n.m.

n.m. = not meaningful

Reverse takeover acquisition

Net Assets of the Acquiree	Provisional Fair Value ($'000)
Cash and cash equivalents	12,230
Financial assets, available-for- sale	11,172
Trade and other receivables	16,577
Inventories	244
Other current assets	49,057
Other non-current assets	1,665
Investment in joint ventures	1,172
Property, plant and equipment	234,135
Intangibles	6,103
Trade and other payables	(31,835)
Borrowings	(118,552)
Current tax liabilities	(1,202)
Deferred tax liabilities	(4,341)
Identifiable Net Assets Acquired by the Group during the period	176,425
Goodwill	24,732
Purchase consideration satisfied by issue of shares	201,157

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP Unaudited As at 30/09/2014 ($'000)	GROUP Unaudited As at 31/12/2013 ($'000)	COMPANY Unaudited As at 30/09/2014 ($'000)	COMPANY Audited As at 31/12/2013 ($'000)
ASSETS				
Current assets				
Cash and cash equivalents	35,127	978	683	248
Financial assets, available-for- sale	9,604	-	-	-
Trade and other receivables	38,393	1,703	84,555	8,650
Inventories	233	-	-	-
Investment in associates	28,288	-	-	-
Other current assets	34,775	-	29	54
	146,420	2,681	85,267	8,952
Non-current assets				
Other receivables	-	-	-	357
Other non-current assets	1,699	-	-	-
Investment in subsidiaries	-	-	462,987	177,987
Investment in jointly controlled entities	69,484	55,329	50	50
Property, plant and equipment	407,898	5	-	-
Intangibles	30,835	-	-	-
	509,916	55,334	463,037	178,394
Total assets	656,336	58,015	548,304	187,346
LIABILITIES				
Current liabilities				
Trade and other payables	35,326	3,652	87,715	75,001
Borrowings	184,525	-	72,051	6,802
Current income tax liabilities	1,056	-	-	-
Deferred revenue	17,928	-	-	-
	238,835	3,652	159,766	81,803
Non-current liabilities				
Other payables	1,699	-	-	-
Borrowings	136,446	-	5,140	2,400
Deferred income tax liabilities	4,341	-	-	-
	142,486	-	5,140	2,400
Total liabilities	381,321	3,652	164,906	84,203
NET ASSETS	**275,015**	**54,363**	**383,398**	**103,143**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	239,461	38,000	378,572	92,672
Other reserves	(922)	-	89	190
Retained earnings	36,476	16,363	4,737	10,281
Total equity	**275,015**	**54,363**	**383,398**	**103,143**

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand;

As at 30/09/2014		As at 31/12/2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
($'000)	**($'000)**	**($'000)**	**($'000)**
97,872	86,653	-	-

(b) the amount repayable after one year;

As at 30/09/2014		As at 31/12/2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
($'000)	**($'000)**	**($'000)**	**($'000)**
136,446	-	-	-

Details of any collateral

The Group's borrowings were secured by the pledge of the Group's leasehold properties, certain rigs and vessels, and financial assets, available for sale.

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

	GROUP Unaudited 9M2014 ($'000)	GROUP Unaudited 9M2013 ($'000)	GROUP Unaudited 3Q2014 ($'000)	GROUP Unaudited 3Q2013 ($'000)
Cash flows from operating activities				
Net profit	20,113	14,036	10,432	5,835
Adjustments for:				
Income tax expense	529	-	529	-
Share of profits of jointly controlled entities	(16,949)	(14,294)	(5,151)	(5,966)
Share of losses of associates	10	-	10	-
Depreciation of property, plant and equipment	2,296	-	2,291	-
Interest expense	1,828	1,033	933	948
Interest income	(1,758)	(999)	(589)	(995)
Performance share and share option expense	19	-	19	-
Gain on disposal of property, plant & equipment	(35)	-	(35)	-
Operating cash flows before changes in working capital	6,053	(224)	8,439	(178)
Changes in working capital:				
Trade and other receivables	(20,113)	(9,295)	(9,428)	354
Inventories	11	-	11	-
Other assets	14,248	-	14,248	-
Deferred revenue	17,928	-	17,928	-
Trade and other payables	1,539	260	(2,048)	256
Net cash flows generated from/(used in) operations before tax	19,666	(9,259)	29,150	432
Income tax paid	(675)	-	(675)	-
Net cash flows generated from/(used in) operating activities	**18,991**	**(9,259)**	**28,475**	**432**
Cash flows from investing activities				
Interest received	1,758	9	589	-
Investments in jointly controlled entities	-	(32)	-	(12)
Loans to jointly controlled entities	-	(33,783)	-	(9,527)
Repayment of loan from jointly controlled entities	4,462	-	4,875	-
Loans to associates	(28,298)	-	(28,298)	-
Purchases and construction of property, plant and equipment	(176,019)	(6)	(175,982)	(6)
Net cash received from reverse acquisition	12,230	-	12,230	-
Net cash flows used in investing activities	**(185,867)**	**(33,812)**	**(186,586)**	**(9,545)**
Cash flows from financing activities				
Interest paid	(1,828)	-	(933)	-
Loans from holding company	-	33,853	-	9,597
Proceeds from issuance of ordinary shares	304	-	304	-
Proceeds from borrowings	206,130	-	196,725	-
Repayment of borrowings	(3,711)	-	(3,711)	-
Net cash flows generated from financing activities	**200,895**	**33,853**	**192,385**	**9,597**

Net increase/(decrease) in cash and cash equivalents	34,019	(9,218)	34,274	484
Cash and cash equivalents, beginning balance	978	9,938	720	236
Effects of currency translation on cash and cash equivalents	130	-	133	-
Cash and cash equivalents, ending balance	**35,127**	**720**	**35,127**	**720**

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.

Group ($'000)	**Share Capital**	**Other Reserves**	**Retained Earnings / (Accumulated Losses)**	**Total Equity**
Previous Year:				
As at 01/01/2013	**13,000**	**-**	**(3,066)**	**9,934**
Total comprehensive income for the period	-	-	3,791	3,791
As at 31/03/2013	**13,000**	**-**	**725**	**13,725**
Total comprehensive income for the period	-	-	4,411	4,411
As at 30/06/2013	**13,000**	**-**	**5,136**	**18,136**
Total comprehensive income for the period	-	-	5,834	5,834
As at 30/09/2013	**13,000**	**-**	**10,970**	**23,970**
Current Year:				
As at 01/01/2014	**38,000**	**-**	**16,363**	**54,363**
Total comprehensive income for the period	-	32	5,250	5,282
As at 31/03/2014	**38,000**	**32**	**21,613**	**59,645**
Total comprehensive(loss)/ income for the period	-	(234)	4,431	4,197
As at 30/06/2014	**38,000**	**(202)**	**26,044**	**63,842**
Reverse acquisition of Scott and English	201,157	-	-	201,157
Employee share option plan – issue of new shares	304	19	-	323
Total comprehensive(loss)/ income for the period	-	(739)	10,432	9,693
As at 30/09/2014	**239,461**	**(922)**	**36,476**	**275,015**

Company ($'000)	**Share Capital**	**Other Reserves**	**Retained Earnings / (Accumulated Losses)**	**Total Equity**
Previous Year:				
As at 01/01/2013	**91,998**	**360**	**7,457**	**99,815**
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	-	242	242
As at 31/03/2013	**91,998**	**436**	**7,699**	**100,133**
Performance share plan – issue of new shares	317	(317)	-	-
Employee share option plan – issue of new shares	268	(56)	-	212
Employee share option plan – value of employee services	-	30	-	30
Dividend relating to 2012 paid	-	-	(3,472)	(3,472)
Total comprehensive income for the period	-	-	265	265
As at 30/06/2013	**92,583**	**93**	**4,492**	**97,168**
Employee share option plan – value of employee services	-	70	-	70
Total comprehensive income for the period	-	-	481	481
As at 30/09/2013	**92,583**	**163**	**4,973**	**97,719**

<u>Current Year</u>:				
As at 01/01/2014	**92,672**	**190**	**10,281**	**103,143**
Employee share option plan – value of employee services	-	45	-	45
Total comprehensive income for the period	-	-	360	360
As at 31/03/2014	**92,672**	**235**	**10,641**	**103,548**
Employee share option plan – issue of new shares	510	(34)	-	476
Employee share option plan – value of employee services	-	21	-	21
Dividend relating to 2013 paid	-	-	(4,359)	(4,359)
Total comprehensive income for the period	-	-	87	87
As at 30/06/2014	**93,182**	**222**	**6,369**	**99,773**
Issuance of shares to acquire Scott and English	285,000	-	-	285,000
Employee share option plan – issue of new shares	390	(133)	-	257
Total comprehensive loss for the period	-	-	(1,632)	(1,632)
As at 30/09/2014	**378,572**	**89**	**4,737**	**383,398**

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.

<u>Changes in the Company's share capital</u>

The movement in the Company's issued and fully paid-up share capital from 1 July 2014 to 30 September 2014 were as follows:

Issued share capital

	No. of Shares	**Share capital (S$'000)**
At 1 July 2014	437,298,565	93,182
Shares consolidation (every 2 shares into 1 consolidated share)	(218,649,283)	-
Fractional shares disregarded for the purpose of the share consolidation	(30)	-
	218,649,252	93,182
Issuance of new shares @ $0.63 per share	452,380,952	285,000
Issue of shares from the exercise of Share Option Scheme	400,500	390
As at 30 September 2014	671,430,704	378,572

On 13 August 2014, the Company issued 400,500 new ordinary shares pursuant to exercise of options under Employee Share Option Scheme, at an exercise price of 40.4 cents per share for 37,500 shares, 53.8 cents per share for 113,000 shares and 0.834 cents per share for 250,000 shares, amounting to $390,000.

There were unexercised options for 1,662,000 (based on consolidated shares) of unissued ordinary shares as at 30 September 2014 [30 September 2013: 1,875,000 (based on consolidated shares)].

The share capital of the Company as at 30 September 2014 is 671,430,704 ordinary shares (excluding treasury shares) [30 September 2013: 435,023,565 ordinary shares (excluding treasury shares)].

The Company does not have any treasury shares.

1(d)(iii) 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.

	As at 30/09/2014	As at 31/12/2013
Total number of issued shares (excluding treasury shares)	671,430,704	435,373,565

The Company did not have any treasury shares as at 30 September 2014 and 31 December 2013 respectively.

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. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures are not required to be audited and have not been reviewed by the Company's auditors.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

On 1 January 2014, the Group and the Company adopted the new or revised Singapore Financial Reporting Standards ("FRS"), which are effective for the financial period beginning 1 January 2014.

The following are the FRS that are relevant to the Group and the Company:

- FRS 32 : Offsetting Financial Assets and Financial Liabilities (Effective for annual periods beginning on or after 1 January 2014)
- FRS 110 and FRS 27 : Consolidated Financial Statements and Separate Financial Statements (Revised) (Effective for annual periods beginning on or after 1 January 2014)
- FRS 111 and FRS 28 : Joint Arrangement and Investment in Associates and Joint Ventures (Revised) (Effective for annual periods beginning on or after 1 January 2014)
- FRS 112 : Disclosure of Interests in Other Entities (Effective for annual periods beginning on or after 1 January 2014)

Other than the adoption of FRS 103 Business Combination pertaining to reverse accounting acquisition, the adoption of the above FRS did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the financial position and results of the Group and the Company.

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.

See item 4 above.

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

	GROUP 3Q2014	GROUP 3Q2013	GROUP 9M2014	GROUP 9M2013
Earnings per share (cents) based on:-				
a) weighted average number of ordinary shares on issue	1.739	1.290	4.006	3.103
b) a fully diluted basis	1.738	1.290	4.004	3.103
Weighted average ordinary shares for calculation of:-				
a) weighted average number of ordinary shares on issue	599,940,491	452,380,952*	502,107,976	452,380,952*
b) a fully diluted basis	600,149,910	452,380,952*	502,317,395	452,380,952*

*Restated

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 financial period reported on; and

(b) immediately preceding financial year.

	GROUP As at 30/09/2014	GROUP As at 31/12/2013	COMPANY As at 30/09/2014	COMPANY As at 31/12/2013
Net asset value per ordinary share (cents)	40.96	12.02	57.10	23.69

Note:-

The Group and Company net asset per ordinary share as at 30 September 2014 is calculated based on existing issued share capital of 671,430,704 ordinary shares.

The Group net asset per ordinary share as at 31 Dec 2013 was calculated based on the issued share capital of the Group of 452,380,952 for illustrative and comparative purpose.

The Company net asset per ordinary share as at 31 Dec 2013 was calculated based on issued share capital of 435,373,565.

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:-

(a) 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; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

(S$' million)	**3Q & 9M**
Offshore Support Vessel (OSV) Chartering	9.0
Ship Repair	0.5
Maritime Services	26.4
Total Revenue	**35.9**

Contribution from OSV chartering, ship repair and maritime services segments commenced from August to September 2014. Revenue from charter of OSV was $9.0m whereas maritime services segment registered revenues of $26.4m with the delivery of two vessels to its customers. Compared to the corresponding period last year, OSV chartering continues to register higher revenue as a result of more vessels owned and operated (2013: 32 vessels; 2014: 33 vessels). The fleet also comprised higher value vessels that earned higher rate and margins.

Cost of sales for 3Q2014 and 9M2014 comprised mainly cost of vessels acquired for sale under the maritime services as well as depreciation, crew, maintenance and fuel costs for the OSV chartering segment.

Other income comprised mainly interest income earned from loans provided to jointly controlled entities.

Administrative expenses comprised mainly staff costs, travelling costs and costs incurred for the acquisition of Scott and English.

Finance costs relate mainly to bank borrowings, interest on shareholders' loans and corporate guarantee fees payable to a joint venture partner for the provision of corporate guarantee to the banks.

Share of profits of jointly controlled entities - The rigs owned by the Group's 50% owned joint ventures have long term contracts and contributions have been stable.

For 3Q2014, share of profits of jointly controlled entities decreased 13.7% due mainly to provision of deferred tax provided for in 3Q2014 and loss of $0.5 million from the joint venture with Hadi International Marine Services Pte Ltd.

For 9M2014, share of profit increased 18.6% due to full contribution from 3 rigs operating in Latin America in FY2014. In 9M2013, one of these rigs commenced charter only in July 2013.

Consolidated Balance Sheet

Current assets

Current assets include trade and other receivables of $38.4 million, other current assets of $34.8 million, financial assets available for sale of $9.6 million and cash of $35.1 million.

Trade and other receivables of the OSV chartering, ship repair and maritime services segments amounted to $23.5 million. Rig chartering segment has other receivables of $14.9 million mainly due to deposit placed for the acquisition of rig of $9.2 million, short term loan granted to jointly controlled entity of $3.38 million and prepaid facility fees and expenses amounting to $1.39 million.

Financial assets available for sale represent quoted shares held.

Investment in associates of $28.3 million. Scott and English provided loan of $28.3 million to the associates for the purchase of two rigs in September 2014.

Other current asset of $34.8 million represents mainly progress payments to ship yards for vessels under-construction that are contracted for sale with expected delivery within the next 12 months.

Non-current assets

Non-current assets include the followings: -

1. Property, plant and equipment comprised the followings: -

    - investment in vessels of $246.1 million;
    - investment in rigs of $152.76 million; and
    - others $9.04 million

2. Investment in jointly controlled entities ("JCE") of $69.48 million. This relates to the Group's investment in JCE that owned four rigs. The investment cost is $38K and the balance relates to loans granted to the JCE and share of profits.

3. Intangibles of $24.7 million represent the excess of the cost of the reverse acquisition over the net fair value of identifiable assets and liabilities. Management is in the process of finalising the purchase price allocation.

Liabilities

Total liabilities include trade and other payables of $37.0 million, borrowings of $321.0 million and deferred gain of $17.9 million.

Trade and other payables of the OSV chartering, ship repair and maritime services segments amounted to $29.7 million, whereas $14.9 million of other payables are customers' deposit placed for the purchase of vessels. Other payables of $7.3 million relating to the rig chartering segment, was mainly from the loan due Kim Seng Holdings Pte Ltd ("KSH") amounting to $5.07 million. KSH is a substantial shareholder of Swissco Holdings Limited. The loan was fully repaid in October 2014.

Total borrowings of $321.0 million included a short-term bridging loan of $65.0 million to facilitate the acquisition of the four rigs on 30 September 2014, which largely resulted in the negative working capital of $92.4 million as at 30 September 2014. The bridging loan has been repaid in October 2014 with the proceeds from the issuance of redeemable exchangeable preference shares by its subsidiaries and proceeds from the bond issuance.

Deferred revenue of $17.9 million was attributable to advance payments received from its charterers, and will be amortised over the tenor of the charter contracts.

Cash Flow Statement

The Group generated $6.1 million from its operating activities before working capital movement. Working capital movement includes mainly increase in trade and other receivables of $20.1 million, decrease in other current assets of $14.2 million and decrease in deferred revenue of $17.9 million. After working capital movement and tax payments of $0.7 million, the Group generated $19.0 million from its operating activities.

Increase in trade and other receivables relates mainly to the deposits and short term loan granted to jointly controlled entities.

Other assets represents progress payments to shipyards for ship building contracts that are earmarked for sale. The decrease was due to the delivery of two vessels in 3Q2014.

Deferred revenue relates to advance payments received from rigs charterers.

Net cash used in investing activities included cash outflow of $176.0 million representing acquisition of property, plant and equipment and shareholder loans granted to associates of $28.3 million. Included in the acquisition of property, plant and equipment are rigs acquisition made on 30 September 2014 as well as progress payments for the construction of vessels.

Loans to associates were for the acquisition of new rigs during the period. The loans was subsequently paid in October 2014.

Net cash generated from financing activities for 9M2014 of approximately $200.8 million was due mainly to loans drawn down to fund the acquisition of the four rigs on 30 September 2014.

As a result of the above, there was a net increase in cash and cash equivalents of $35.1 million for the 9M2014.

Net gearing as at 30 September 2014 was 1.04 times. The net proceeds from redeemable exchangeable preference shares of US$35.7 million in October 2014 will reduce the net gearing ratio.

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

Not applicable, the Group has not disclosed any forecast or prospect statements to its shareholders previously.

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.

The Group completed the acquisition of four more mobile offshore drilling units on 30 September 2014. With this acquisition, the Group's drilling business segment increases its fleet size to eight, of which the Group currently owns two rigs and jointly owns six rigs. These rigs have secured long term contracts of up to five years. The four newly acquired rigs will contribute positively to Group's results with effect from 1 October 2014. The accommodation rig that is currently undergoing upgrade and refurbishment is scheduled to commence charter in the quarter ending 31 December 2014 ("4Q2014").

The Group's OSV segment as at 30 September 2014 owned and operated 34 vessels and expects to take delivery of 3 more vessels during 4Q2014. This, together with the maritime services' scheduled delivery of vessels to its customers, will contribute positively to the Group's performance in 4Q2014.

On 16 October 2014, the Group issued S$100.0 million, in aggregate principal amount of 5.70 per cent. Notes due 2018 under its S$300.0 million, Multicurrency Medium Term Note Programme. The net proceeds will be used for general corporate purposes and working capital needs.

A subsidiary had entered into a joint venture with Union Offshore Ltd, in which the joint venture had secured a charter up to seven years with an approximate value of US$115.0 million to provide an offshore service unit to support the oil and gas activities of an oil company in Asia Pacific. The offshore service unit is to be deployed around 1Q2015, will have a positive impact on FY2015 results.

The management has carried out a review of the functional currency of the Company and certain subsidiaries and concluded that the functional currency of these companies should be changed from SGD to USD with effect from 1 October 2014, asthe USD better reflects the underlying transactions and circumstances of these companies subsequent to the acquisition of Scott and English. Scott and English's revenue, assets and its jointly controlled entities are primarily denominated in USD. Scott and English plans to expand its rig chartering business and this segment is expected to contribute significantly to the Group.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

The directors do not recommend the payment of a dividend for the current period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Kim Seng Holdings Pte Ltd	$3,389,933	n.a.

Note:-

Kim Seng Holdings Pte Ltd ("KSH"), is a substantial shareholder (5.86%) of Swissco Holdings Limited. KSH is a company in which Mr Tan Fuh Gih, (a director and controlling shareholder of the Company) and his immediate family members are shareholders. Scott and English is renting the premise at No. 4 Tuas Avenue 5 from KSH with effect from 15 April 2014. The rental amount for 9M2014 was $63,746. KSH granted loan amounted to $3,326,187 (inclusive of interest) to Scott and English. The loan was fully repaid on 31 October 2014.

14. Negative confirmation pursuant to Rule 705(5).

We, Tan Fuh Gih and Alex Yeo Kian Teong, being directors of Swissco Holdings Limited (the "Company"), do hereby confirm for and on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the third quarter and nine months ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Fuh Gih
Executive Chairman

Alex Yeo Kian Teong
Chief Executive Officer

12 November 2014