



SWISSCO HOLDINGS LIMITED

Company Registration No: 200404711D

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

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 1st quarter ended 31 March 2015 ("1Q2015").

The functional currency and reporting currency of the Group changed from Singapore dollars to United States dollars ("US\$") with effect from 1 October 2014. Accordingly, the consolidated financial statements of the Group for the applicable comparative period were translated and presented in US\$. All references to "\$" shall refer to "US\$".

The change in functional and reporting currency was determined on the basis that the US\$ better reflects the current and prospective economic substance of the underlying transactions and circumstances of the Group.

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

	Note	GROUP Unaudited 1Q2015 \$'000	GROUP Unaudited 1Q2014 \$'000	Increase/ (Decrease) %
Revenue		19,089	-	N/M
Cost of sales		(9,587)	-	N/M
Gross profit		9,502	-	N/M
Other income	1(a)(ii)	7,935	507	N/M
Less: Expenses				
Administrative expenses		(2,579)	(632)	N/M
Other expenses		(1,107)	-	N/M
Finance costs		(2,902)	(332)	N/M
Share of profits of associated companies		4,810	-	N/M
Share of profits of joint ventures		6,372	4,603	38.4
Profit before income tax		22,031	4,146	N/M
Income tax expense		(155)	-	N/M
Profit after income tax		21,876	4,146	N/M
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		(89)	(261)	(65.9)
Other comprehensive expense, net of tax		(89)	(261)	(65.9)
Total comprehensive income attributable to equity holders of the Company		21,787	3,885	N/M

N/M: Not Meaningful

Please see note 8 for explanation on the income statement review

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

	GROUP Unaudited 1Q2015 \$'000	GROUP Unaudited 1Q2014 \$'000	Increase/ (Decrease) %
<u>Other income</u>			
Foreign exchange gain (translation gain)	4,741	43	N/M
Gain on disposal of property, plant and equipment	2,283	-	N/M
Interest income	710	464	53.0
Others	201	-	N/M
	7,935	507	N/M
Depreciation of property, plant and equipment	(6,067)	(1)	N/M
Amortisation of intangible assets	(157)	-	N/M
Allowance of impairment loss on trade receivables	(205)	-	N/M
Impairment loss on available-for-sale financial assets	(772)	-	N/M
Finance costs	(2,902)	(332)	N/M
Loss on disposal of available-for-sale financial assets	(98)	-	N/M

N/M: Not Meaningful

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 31/03/2015 \$'000	GROUP Audited 31/12/2014 \$'000	COMPANY Unaudited 31/03/2015 \$'000	COMPANY Audited 31/12/2014 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	59,086	38,633	4,506	3,800
Available-for-sale financial assets	2,188	3,899	-	-
Trade and other receivables	18,826	21,505	55,273	75,041
Inventories	145	62	-	-
Other current assets	12,636	10,512	74	73
	<u>92,881</u>	<u>74,611</u>	<u>59,853</u>	<u>78,914</u>
Non-current assets				
Subsidiaries	-	-	437,184	437,184
Associated companies	32,433	27,600	-	-
Joint ventures	77,311	88,439	39	39
Property, plant and equipment	356,092	354,218	4	-
Intangible assets	701	832	-	-
	<u>466,537</u>	<u>471,089</u>	<u>437,227</u>	<u>437,223</u>
Total assets	<u>559,418</u>	<u>545,700</u>	<u>497,080</u>	<u>516,137</u>
LIABILITIES				
Current liabilities				
Trade and other payables	27,592	39,993	29,812	49,273
Borrowings	78,287	71,792	4,549	5,028
Derivatives	-	-	657	657
Current income tax liabilities	572	374	-	-
	<u>106,451</u>	<u>112,159</u>	<u>35,018</u>	<u>54,958</u>
Non-current liabilities				
Borrowings	174,184	176,405	74,621	77,843
Deferred income tax liabilities	2,689	2,829	-	-
	<u>176,873</u>	<u>179,234</u>	<u>74,621</u>	<u>77,843</u>
Total liabilities	<u>283,324</u>	<u>291,393</u>	<u>109,639</u>	<u>132,801</u>
NET ASSETS	<u>276,094</u>	<u>254,307</u>	<u>387,441</u>	<u>383,336</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital*	188,152	188,152	370,856	370,856
Redeemable exchangeable preference shares**	36,750	36,750	-	-
Other reserves	569	658	257	206
Retained earnings	50,623	28,747	16,328	12,274
TOTAL EQUITY	<u>276,094</u>	<u>254,307</u>	<u>387,441</u>	<u>383,336</u>

*The Group's share capital amount differs from that of the Company as a result of accounting for a very substantial acquisition.

** Redeemable exchangeable preference shares issued by certain subsidiaries

Please see note 8 for explanation on the statement of financial position review

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 31/03/2015	
Secured	Unsecured
\$'000	\$'000
67,306	10,981

As at 31/12/2014	
Secured	Unsecured
\$'000	\$'000
61,121	10,671

(b) the amount repayable after one year;

As at 31/03/2015	
Secured	Unsecured
\$'000	\$'000
174,184	-

As at 31/12/2014	
Secured	Unsecured
\$'000	\$'000
176,405	-

Details of any collateral

The Group's bank borrowings were secured by the pledge of the Group's leasehold properties, rigs, certain vessels and a deposit.

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 1Q2015 \$'000	GROUP Unaudited 1Q2014 \$'000
Cash flows from operating activities		
Profit before income tax	22,031	4,146
Adjustments for:		
Share of profits of associated companies	(4,810)	-
Share of profits of joint ventures	(6,372)	(4,603)
Depreciation of property, plant and equipment	6,067	1
Amortisation of intangible assets	157	-
Finance costs	2,902	332
Interest income	(710)	(464)
Share option expense	51	-
Loss on disposal of available-for-sale financial assets	98	-
Impairment loss on available-for-sale financial assets	772	-
Gain on disposal of property, plant and equipment	(2,283)	-
Unrealised foreign exchange gain	(4,528)	-
Operating cash flows before changes in working capital	<u>13,375</u>	<u>(588)</u>
Changes in working capital:		
Trade and other receivables	2,678	1,259
Inventories	(83)	-
Other current assets	(2,124)	-
Trade and other payables	(13,292)	325
Net cash flows generated from operations	<u>554</u>	<u>996</u>
Income tax paid	(92)	-
Net cash flows generated from operating activities	<u>462</u>	<u>996</u>
Cash flows from investing activities		
Interest received	710	37
Loans to joint ventures	-	(1,230)
Repayment from joint ventures	17,500	-
Loan to associated companies	(22)	-
Proceeds from disposal of property, plant and equipment	19,447	-
Purchase of property, plant and equipment	(25,133)	(5)
Purchase of Intangible assets	(26)	-
Proceeds from sale of available-for-sale financial assets	708	-
Net cash flows from/(used in) investing activities	<u>13,184</u>	<u>(1,198)</u>
Cash flows from financing activities		
Loans from non-related parties	-	987
Interest paid	(1,849)	(332)
Proceeds from bank borrowings	29,835	-
Repayment of bank borrowings	(21,195)	-
Net cash flows generated from financing activities	<u>6,791</u>	<u>655</u>
Net increase in cash and cash equivalents	20,437	453
Cash and cash equivalents at beginning of financial period	37,298	773
Effects of currency translation on cash and cash equivalents	16	(182)
Cash and cash equivalents at end of financial period	<u>57,751</u>	<u>1,044</u>
Cash and cash equivalents at the end of the financial period include the following:		
Cash and cash equivalents	59,086	1,044
Deposits pledged	(1,335)	-
Cash and cash equivalents at the end of the financial period	<u>57,751</u>	<u>1,044</u>

Please see note 8 for explanation on the statement of cash flows review

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 capitalization issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share Capital	Redeemable Exchangeable Preference shares	Other Reserves	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 01/01/2015	188,152	36,750	658	28,747	254,307
Total comprehensive income for the period	-	-	-	21,876	21,876
Currency translation differences arising from consolidation	-	-	(89)	-	(89)
As at 31/03/2015	188,152	36,750	569	50,623	276,094
As at 01/01/2014	30,419	-	(283)	12,839	42,975
Total comprehensive income for the period	-	-	-	4,146	4,146
Currency translation differences arising from consolidation	-	-	(261)	-	(261)
As at 31/03/2014	30,419	-	(544)	16,985	46,860

Company	Share Capital	Other Reserves	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
As at 01/01/2015	370,856	206	12,274	383,336
Share option plan	-	51	-	51
Total comprehensive income for the period	-	-	4,054	4,054
As at 31/03/2015	370,856	257	16,328	387,441
As at 01/01/2014	75,941	(2,657)	8,252	81,536
Employee share option plan – value of employee services	-	35	-	35
Total comprehensive income for the period	-	(493)	283	(210)
As at 31/03/2014	75,941	(3,115)	8,535	81,361

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.

Changes in the Company's share capital

There was no change in Company's share capital during the three months ended 31 March 2015.

There were unexercised options for 1,537,000 (based on consolidated shares) of unissued ordinary shares as at 31 March 2015 [31 March 2014: 1,700,000 (based on consolidated 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 31/03/2015	As at 31/12/2014
Total number of issued shares (excluding treasury shares)	671,430,704	671,430,704

The Company did not have any treasury shares as at 31 March 2015 and 31 December 2014.

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 have not been audited or 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.

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the audited financial statements for the financial year ended 31 December 2014.

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.

In the current financial period, the Group adopted all the applicable new and revised Singapore Financial Reporting Standards ("FRSs") and related Interpretations ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the financial statements.

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.

Earnings per share (US cents) based on:-

- a) weighted average number of ordinary shares on issue
- b) a fully diluted basis

GROUP 1Q2015	GROUP 1Q2014
3.258	0.916
3.141	0.916

Weighted average ordinary shares for calculation of:-

- a) weighted average number of ordinary shares on issue
- b) a fully diluted basis

671,430,704	452,380,952
696,469,010	452,380,952

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 31/03/2015	GROUP As at 31/12/2014	COMPANY As at 31/03/2015	COMPANY As at 31/12/2014
Net asset value per share (US cents)	35.65	32.40	57.70	57.09

The Group and Company's net asset per ordinary share as at 31 March 2015 is calculated based on existing issued share capital of 671,430,704 ordinary shares (31 Dec 2014: 671,430,704 ordinary shares).

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

(\$' million)	1Q 2015	1Q 2014
Drilling	11.0	-
Offshore Support Vessel Chartering ("OSV")	7.8	-
Ship Repair	0.3	-
Maritime Services	-	-
Total Revenue	19.1	-

In accordance with the requirements of the Financial Reporting Standards, the consolidated financial statements were prepared as a continuation of Scott and English's financial statements. The results for the quarter ended 31 March 2015 comprised contribution from Scott and English's drilling segment as well as the OSV segment, while the results for the comparative quarter ended 31 March 2014 only comprised contribution from Scott and English's drilling segment.

The Group's drilling segment currently owns two rigs and jointly owns seven rigs. These rigs have secured long term contracts of up to five years. Two wholly-owned rigs commenced charter with effect from 30 September 2014 and contributed \$11.0 million of charter revenue in 1Q2015.

Revenue from OSV chartering, ship repair and maritime services segments was \$8.1 million for 1Q2015. OSV chartering forms the main bulk of the revenue derived from a fleet of 38 vessels in 1Q2015.

Cost of sales for 1Q2015 comprised mainly depreciation for the drilling segment, 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 joint ventures, gain on disposal of vessels of \$2.3 million and foreign exchange gain of \$4.7 million arising mainly from Singapore Dollar financial liabilities, due to the appreciation of the United States dollar against the Singapore dollar.

Administrative expenses comprised mainly staff costs and other general administrative expenses.

Other expenses include impairment loss on available-for-sale financial assets of \$0.8 million.

Finance costs relate mainly to interest on bank borrowings, interest on bonds, 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 associated companies - Two jointly owned rigs commenced operations in September 2014, contributing to the share of profits of associated companies of \$4.8 million in 1Q2015 (1Q2014: Nil).

Share of profits of joint ventures - The commencement of charter for an accommodation rig in 1Q2015 contributed to higher share of profits of joint ventures of \$6.4 million compared to that in 1Q2014 of \$4.6 million.

Consolidated Statement of Financial Position

Current assets

The Group's current assets as at 31 March 2015 amounted to \$92.9 million, an increase of \$18.3 million as compared to 31 December 2014. The increase was mainly due to higher cash and cash equivalents arising from loan repayments

from its joint ventures and proceeds received from disposal of two vessels. This is offset by lower trade and other receivables balances during the period.

Non-current assets

The Group's non-current assets as at 31 March 2015 amounted to \$466.5 million as compared to \$471.1 million as at 31 December 2014, a decrease by \$4.6 million. The decrease is mainly due to the repayment of loans by the joint ventures, offset by the share of results of associated companies and joint ventures for the period ended 31 March 2015.

Liabilities

The Group's total liabilities decreased by \$8.1 million to \$283.3 million as at 31 March 2015. The decrease is mainly due to lower trade and other payables.

As at 31 March 2015, the Group is in a net current liabilities position of \$13.6 million. The Group manages its working capital requirements using short term borrowings. The Group expects to be able to rollover its short term borrowings and together with positive cash flows from its operations, to meet its obligations as and when they fall due.

Statement of Cash Flows

The Group generated net cash inflow of \$13.4 million from its operating activities before changes in working capital. Working capital movement included decrease of \$2.7 million in trade and other receivables, increase of \$2.1 million in other current assets and decrease of \$13.3 million in trade and other payables.

Net cash inflow from investing activities included cash inflow from the proceeds on disposal of two vessels of 19.4 million, proceeds from sale of the available-for-sale financial assets of \$0.7 million and the repayment from joint ventures of \$17.5 million, and cash outflow from the purchase of a new yard at 21 Tuas Road, a service rig and three vessels amounting to \$25.1 million.

Net cash generated from financing activities amounted to \$6.8 million, consisting of \$29.8 million of proceeds from loans drawn down to fund the acquisition of property at 21 Tuas Road and vessels, and the repayment of borrowings of \$21.2 million and interest payment of \$1.8 million.

Net gearing as at 31 March 2015 was 0.70 times.

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

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 oil and gas industry is currently facing challenges from the impact of lower crude oil prices, reduced upstream budgetary capital spending by oil companies, excess offshore rigs capacity and reduction in charter day rates.

The Group's drilling business remains stable with long term charter contracts, but its charter day rates will come under pressure in 2015 in the face of the weaker oil and gas industry fundamentals. The Group will continue to explore opportunities to increase its fleet size and procure new charter contracts selectively and accretively.

The Group's OSV segment owns and operates thirty eight (38) vessels and expects to take delivery of five (5) more vessels in 2015. It will continue to focus on increasing its vessels' utilisation rate and will also review processes to be more cost efficient.

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.

Not applicable.

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). There was no interested person transaction under Rule 920(1)(a)(ii) for the first quarter ended 31 March 2015.

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

We, Lim How Teck and Tan Fuh Gih, 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 first quarter ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim How Teck
Chairman

Tan Fuh Gih
Executive Director

12 May 2015