



SWISSCO HOLDINGS LIMITED
Company Registration No: 200404711D

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

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 (First Quarter)		Increase/ (Decrease) %
		3 months ended		
		Unaudited 31/03/2016 US\$'000	Unaudited 31/03/2015 US\$'000	
Revenue		4,804	19,089	(74.8)
Cost of sales		(2,062)	(3,396)	(39.3)
Gross profit		2,742	15,693	(82.5)
Other income		385	201	91.5
Other (losses)/gains – net	1(a)(ii)	(4,653)	6,926	N/M
Administrative expenses		(1,563)	(2,579)	(39.4)
Other expenses	1(a)(ii)	(6,606)	(7,200)	(8.2)
Results from operating activities		(9,695)	13,041	
Finance income		866	710	
Finance costs		(2,780)	(2,902)	(4.2)
Share of results of associates and joint ventures		9,678	11,182	(13.5)
(Loss)/profit before income tax		(1,931)	22,031	N/M
Income tax credit/(expense)		24	(155)	N/M
(Loss)/profit after income tax		(1,907)	21,876	N/M
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		178	(140)	N/M
Other comprehensive income/(expense), net of tax		178	(140)	N/M
Total comprehensive income attributable to equity holders of the Company		(1,729)	21,736	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 (First Quarter)		
	<u>3 months ended</u>		
	<u>Unaudited</u> <u>31/03/2016</u> <u>US\$'000</u>	<u>Unaudited</u> <u>31/03/2015</u> <u>US\$'000</u>	<u>Increase/</u> <u>(Decrease)</u> <u>%</u>
<u>Other (losses)/gains, net include:</u>			
Foreign exchange (loss)/gain	(4,473)	4,741	N/M
(Loss)/gain on disposal of property, plant and equipment	(260)	2,283	N/M
<u>Other expenses include:</u>			
Depreciation of property, plant and equipment	(6,099)	(6,067)	1.0
Amortisation of intangible assets	(53)	(157)	(66.0)
Allowance of impairment loss on trade receivables	-	(205)	N/M
Impairment loss on available-for-sale financial assets	(84)	(772)	(89.0)
Gain/(loss) on disposal of available-for-sale financial assets	80	(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 31/03/2016 US\$'000	GROUP Audited 31/12/2015 US\$'000	COMPANY Unaudited 31/03/2016 US\$'000	COMPANY Audited 31/12/2015 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	22,736	37,555	4,744	11,461
Available-for-sale financial assets	343	1,315	-	-
Trade and other receivables	19,627	17,517	55,114	48,262
Inventories	45	72	-	-
Other current assets	3,713	9,704	59	68
	<u>46,464</u>	<u>66,163</u>	<u>59,917</u>	<u>59,791</u>
Non-current assets				
Subsidiaries	-	-	437,144	437,144
Associates	41,774	38,860	-	-
Joint ventures	116,760	102,950	39	39
Property, plant and equipment	317,729	322,878	7	7
Intangible assets	165	218	-	-
	<u>476,428</u>	<u>464,906</u>	<u>437,190</u>	<u>437,190</u>
Total assets	<u>522,892</u>	<u>531,069</u>	<u>497,107</u>	<u>496,981</u>
LIABILITIES				
Current liabilities				
Trade and other payables	14,751	19,024	2,540	1,803
Borrowings	83,142	78,211	3,723	3,623
Derivatives	-	-	4	4
Current income tax liabilities	942	1,325	-	-
	<u>98,835</u>	<u>98,560</u>	<u>6,267</u>	<u>5,430</u>
Non-current liabilities				
Borrowings	147,953	154,628	74,967	71,868
Deferred income tax liabilities	2,131	2,179	-	-
	<u>150,084</u>	<u>156,807</u>	<u>74,967</u>	<u>71,868</u>
Total liabilities	<u>248,919</u>	<u>255,367</u>	<u>81,234</u>	<u>77,298</u>
NET ASSETS	<u>273,973</u>	<u>275,702</u>	<u>415,873</u>	<u>419,683</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital*	188,518	188,518	371,222	371,222
Redeemable exchangeable preference shares**	36,750	36,750	-	-
Other reserves	654	476	259	259
Retained earnings	48,051	49,958	44,392	48,202
TOTAL EQUITY	<u>273,973</u>	<u>275,702</u>	<u>415,873</u>	<u>419,683</u>

* In accordance to the Financial Reporting Standards on accounting for a Very Substantial Acquisition ("VSA"), the share capital of the Group represents the share capital of the subsidiary, Scott and English Energy Pte Ltd ("Scott and English")

** 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;

	Group 31/03/2016 US\$'000	Group 31/12/2015 US\$'000
Secured	68,660	63,796
Unsecured	14,482	14,415
Total	<u>83,142</u>	<u>78,211</u>

(b) the amount repayable after one year;

	Group 31/03/2016 US\$'000	Group 31/12/2015 US\$'000
Secured	74,775	84,924
Unsecured	73,178	69,704
Total	<u>147,953</u>	<u>154,628</u>

Details of any collateral

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

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 (Year-to-date)	
	Unaudited 31/3/2016 US\$'000	Unaudited 31/3/2015 US\$'000
Cash flows from operating activities		
(Loss)/profit before income tax	(1,931)	22,031
Adjustments for:		
Share of results of associates and joint ventures	(9,678)	(11,182)
Depreciation of property, plant and equipment	6,099	6,067
Amortisation of intangible assets	53	157
Finance costs	2,780	2,902
Interest income	(866)	(710)
Share option expense	-	51
(Gain)/loss on disposal of available-for-sale financial assets	(80)	98
Impairment loss on available-for-sale financial assets	84	772
Loss/(gain) on disposal of property, plant and equipment	260	(2,283)
Unrealised foreign exchange loss/(gain)	4,287	(4,528)
Operating cash flows before changes in working capital	1,008	13,375
Changes in working capital:		
Trade and other receivables	(1,253)	2,678
Inventories	27	(83)
Other current assets	5,992	(2,124)
Trade and other payables	(6,303)	(13,292)
Net cash flows (used in)/generated from operations	(529)	554
Income tax paid	(411)	(92)
Net cash flows (used in)/generated from operating activities	(940)	462
Cash flows from investing activities		
Interest received	9	710
Loans to an associate and joint ventures	(7,046)	(22)
Repayment from joint ventures	-	17,500
Proceeds from disposal of property, plant and equipment	265	19,447
Purchase of property, plant and equipment	(1,445)	(25,133)
Purchase of Intangible assets	-	(26)
Proceeds from sale of available-for-sale financial assets	1,005	708
Net cash flows (used in)/from investing activities	(7,212)	13,184
Cash flows from financing activities		
Interest paid	(582)	(1,849)
Net decrease in restricted cash	1,649	-
Proceeds from bank borrowings	3,560	29,835
Repayment of bank borrowings	(9,822)	(21,195)
Net cash flows (used in)/from financing activities	(5,195)	6,791
Net (decrease)/increase in cash and cash equivalents	(13,347)	20,437
Cash and cash equivalents at beginning of the financial period	30,736	37,298
Effects of currency translation on cash and cash equivalents	177	16
Cash and cash equivalents at end of the financial period	17,566	57,751
Cash and cash equivalents at end of the financial period include the following:		
Cash and cash equivalents	22,736	59,086
Less: Restricted cash	(5,170)	(1,335)
Cash and cash equivalents at end of the financial period	17,566	57,751

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
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 01/01/2016	188,518	36,750	476	49,958	275,702
Loss for the period	-	-	-	(1,907)	(1,907)
Currency translation differences arising from consolidation	-	-	178	-	178
Total comprehensive income for the period	-	-	178	(1,907)	(1,729)
As at 31/03/2016	188,518	36,750	654	48,051	273,973
As at 01/01/2015	188,152	36,750	658	28,747	254,307
Profit for the period	-	-	-	21,876	21,876
Currency translation differences arising from consolidation	-	-	(140)	-	(140)
Total comprehensive income for the period	-	-	(140)	21,876	21,736
Employee share option plan - value of employee services	-	-	51	-	51
Total contribution by and distribution to owners	-	-	51	-	51
As at 31/03/2015	188,152	36,750	569	50,623	276,094

Company	Share Capital	Other Reserves	Retained Earnings	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
As at 01/01/2016	371,222	259	48,202	419,683
Loss for the period	-	-	(3,810)	(3,810)
Total comprehensive income for the period	-	-	(3,810)	(3,810)
As at 31/03/2016	371,222	259	44,392	415,873
As at 01/01/2015	370,856	206	12,274	383,336
Profit for the period	-	-	4,054	4,054
Total comprehensive income for the period	-	-	4,054	4,054
Employee share option plan – value of employee services	-	51	-	51
Total contribution by and distribution to owners	-	51	-	51
As at 31/03/2015	370,856	257	16,328	387,441

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.

There was no change in Company's share capital during the three months ended 31 March 2016.

As at 31 March 2016, there were unexercised options for 962,000 (31 March 2015: 1,537,000) of unissued ordinary 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 31/03/2016	As at 31/12/2015
Total number of issued shares (excluding treasury shares)	672,448,704	672,448,704

The Company did not have any treasury shares as at 31 March 2016 and 31 December 2015.

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 2015.

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 2016. The adoption of these new/revised FRSs and INT FRSs is presently assessed not to have a 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.

(Loss)/earnings per share (US cents) based on:

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

GROUP (First Quarter) 3 months ended	
31/03/2016	31/03/2015
(0.284)	3.258
(0.284)	3.141

Weighted average ordinary shares for calculation of:

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

672,448,704	671,430,704
724,883,604	696,469,010

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 31/03/2016	GROUP As at 31/12/2015	COMPANY As at 31/03/2016	COMPANY As at 31/12/2015
Net asset value per share (US cents)	35.28	35.53	61.84	62.41

The Group and Company's net asset per ordinary share as at 31 March 2016 is calculated based on existing issued share capital of 672,448,704 ordinary shares (31 Dec 2015: 672,448,704 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

(US\$' million)	GROUP (First Quarter) 3 months ended	
	31/3/2016	31/3/2015
Drilling	-	11.0
Offshore Support Vessels ("OSV")	4.8	8.1
Total Revenue	4.8	19.1

No revenue was derived from the Drilling division in 1Q2016 as the two wholly-owned rigs were off-charter since 2H2015.

Revenue from the OSV segment decreased by US\$3.3 million from US\$8.1 million in 1Q2015 to US\$4.8 million in 1Q2016. The decrease was mainly due to lower utilisation and charter day rates in 1Q2016.

Gross profit margin for 1Q2016 was 57.1% as compared to 82.2% in 1Q2015 due to the off-charter of the drilling rigs.

Other (losses)/gains, net comprised mainly net loss on disposal of vessels of US\$0.3 million (1Q2015: net gain on disposal of vessels of US\$2.3 million) and net foreign exchange loss of US\$4.5 million (1Q2015: net foreign exchange gain of US\$4.7 million) arising mainly from Singapore dollar financial liabilities due to the weakening of the United States dollar against the Singapore dollar.

Administrative expenses comprised mainly staff costs and other general administrative expenses. The decrease of US\$1.0 million from US\$2.6 million in 1Q2015 to US\$1.6 million in 1Q2016 was attributable mainly to lower staff salaries and related costs.

Other expenses for 1Q2016 comprised mainly depreciation on property, plant and equipment of US\$6.1 million (1Q2015: US\$6.1 million) and impairment loss on available-for-sale financial assets of US\$0.1 million (1Q2015: US\$0.8 million).

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

Share of results of associates and joint ventures amounted to US\$9.7 million in 1Q2016 (1Q2015: US\$11.2 million). The decrease was mainly attributable to the off-charter of a drilling rig in 4Q2015.

Consolidated Statement of Financial Position

Current assets

The Group's current assets as at 31 March 2016 amounted to US\$46.5 million, a decrease of US\$19.7 million as compared to US\$66.2 million as at 31 December 2015. The decrease was mainly due to lower cash and cash equivalents and other current assets.

Non-current assets

The Group's non-current assets as at 31 March 2016 amounted to US\$476.4 million as compared to US\$464.9 million as at 31 December 2015, an increase of US\$11.5 million. The increase is mainly due to loans to an associate and joint ventures, and share of results from associates and joint ventures.

Liabilities

The Group's total liabilities decreased by US\$6.5 million to US\$248.9 million as at 31 March 2016. The decrease is mainly due to lower trade and other payables and bank borrowings.

As at 31 March 2016, the Group is in a net current liabilities position of US\$52.3 million. The Group expects to be able to rollover its short term borrowings and is working on other measures to meet its obligations as and when they fall due.

Statement of Cash Flows

Net cash outflow from operating activities amounted to US\$0.9 million for 1Q2016.

Net cash outflow from investing activities amounted to US\$7.2 million. This was mainly due to loans to an associate and joint ventures of US\$7.0 million and purchase of property, plant and equipment of US\$1.4 million, offset by the proceeds from sale of available-for-sale financial assets of US\$1.0 million.

Net cash outflow from financing activities amounted to US\$5.2 million. This was attributable mainly to the repayment of borrowings of US\$9.8 million and interest payment of US\$0.6 million, offset by proceeds from loans drawn down of US\$3.6 million and decrease in restricted cash of US\$1.6 million.

Net gearing as at 31 March 2016 was 0.76 times (31 December 2015: 0.71 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.

We expect the oil and gas industry fundamentals to stay weak for the rest of 2016. Oil companies' capital spending will continue to decline, and charter day rates are likely to remain depressed. The industry is also experiencing excess offshore rigs supply, with many rigs likely to remain idle for a protracted period. The Group will focus on its efforts to maintain adequate liquidity and to secure any charter contract opportunities that become available.

As for the OSV segment, the Group will streamline its operations to improve efficiency and reduce its operating costs. Marketing efforts are stepped up to improve its vessels' utilisation rate.

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 disclosable under Rule 920(1)(a)(ii) for the first quarter ended 31 March 2016.

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 2016 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Undertakings under Rule 720(1) Appendix 7.7 have been obtained from all directors and executive officers.

BY ORDER OF THE BOARD

Lim How Teck
Chairman

Tan Fuh Gih
Executive Director

12 May 2016