



**Second Quarter Financial Statements and Dividend Announcement
For the Financial Period Ended 30 June 2017**

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

1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Board of Directors of Sinwa Limited is pleased to announce the unaudited results of the Group for the financial period ended 30 June 2017.

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	GROUP			GROUP		
	3 months ended		+ / (-)	6 months ended		+ / (-)
	30 June			30 June		
	2017	2016		2017	2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	44,417	41,340	7.4	84,204	82,060	2.6
Cost of sales	(34,474)	(31,260)	10.3	(65,004)	(62,270)	4.4
Gross profit	<u>9,943</u>	<u>10,080</u>	(1.4)	<u>19,200</u>	<u>19,790</u>	(3.0)
Other item of income						
Financial income	55	75	(26.7)	103	135	(23.7)
Other items of expense						
Marketing and distribution costs	(2,124)	(2,086)	1.8	(3,962)	(3,388)	16.9
Administrative expenses	(5,144)	(5,240)	(1.8)	(9,917)	(10,562)	(6.1)
Other income/(expense) - net	136	104	30.8	245	343	(28.6)
Financial expenses	(117)	(219)	(46.5)	(118)	(798)	(85.2)
Share of profit in jointly controlled entity, net of tax	<u>3</u>	<u>9</u>	(66.7)	<u>15</u>	<u>24</u>	(37.5)
Profit before income tax	<u>2,752</u>	<u>2,723</u>	1.1	<u>5,566</u>	<u>5,544</u>	0.4
Income tax expense	<u>(705)</u>	<u>(559)</u>	26.1	<u>(1,223)</u>	<u>(1,146)</u>	6.7
Profit for the period / Profit attributable to owners of the Company	<u>2,047</u>	<u>2,164</u>	(5.4)	<u>4,343</u>	<u>4,398</u>	(1.3)
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences on foreign operations	<u>(118)</u>	<u>(465)</u>	(74.6)	<u>156</u>	<u>(481)</u>	>100
Other comprehensive income for the period, net of tax	<u>(118)</u>	<u>(465)</u>	(74.6)	<u>156</u>	<u>(481)</u>	>100
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,929</u>	<u>1,699</u>	13.5	<u>4,499</u>	<u>3,917</u>	14.9



1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Financial income:				
Interest income - bank	<u>55</u>	<u>75</u>	<u>103</u>	<u>135</u>
Financial expenses:				
Interest expense on:				
- term loans	(16)	(17)	(30)	(36)
- obligation under finance leases	(2)	(2)	(3)	(3)
Foreign exchange loss – net	<u>(99)</u>	<u>(200)</u>	<u>(85)</u>	<u>(759)</u>
	<u>(117)</u>	<u>(219)</u>	<u>(118)</u>	<u>(798)</u>
Other income/(expenses) - net				
Reversal for doubtful trade receivables	47	3	47	-
Bad debts written off (trade)	(10)	-	(10)	-
Gain/(Loss) on disposal of property, plant and equipment - net	8	(5)	8	3
Property, plant and equipment written off	-	(5)	-	(5)
Government grant income	42	46	107	231
Handling fee	30	26	59	61
Others	<u>19</u>	<u>39</u>	<u>34</u>	<u>53</u>
	<u>136</u>	<u>104</u>	<u>245</u>	<u>343</u>
Profit before income tax is stated after charging:-				
Depreciation of property, plant and equipment	(519)	(501)	(1,012)	(1,005)



1(b) 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.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	41,676	38,479	60	77
Goodwill	548	548	-	-
Investments in subsidiaries	-	-	23,222	23,222
Investment in joint venture	57	42	25	25
Deferred tax assets	425	468	-	-
Other assets	55	55	-	-
Other receivables	356	356	86	86
Total non-current assets	<u>43,117</u>	<u>39,948</u>	<u>23,393</u>	<u>23,410</u>
Current assets				
Held-to-maturity financial asset	250	250	250	250
Inventories	4,899	4,651	-	-
Trade and other receivables	47,069	38,010	23,803	30,174
Prepayments	417	368	3	17
Cash, bank balances and fixed deposits	24,976	30,902	18,688	22,178
Total current assets	<u>77,611</u>	<u>74,181</u>	<u>42,744</u>	<u>52,619</u>
Total assets	<u>120,728</u>	<u>114,129</u>	<u>66,137</u>	<u>76,029</u>



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017 (Continued)

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY AND LIABILITIES				
Equity				
Share capital	41,963	41,963	41,963	41,963
Treasury shares	(961)	(961)	(961)	(961)
Other reserves	9,007	8,851	108	108
Retained earnings	25,032	24,782	8,065	11,573
Equity attributable to owners of the Company / Total equity	75,041	74,635	49,175	52,683
Non-current liabilities				
Deferred tax liabilities	2,673	2,666	-	-
Finance leases	57	84	-	-
Total non-current liabilities	2,730	2,750	-	-
Current liabilities				
Income tax payable	1,655	1,368	24	44
Trade and other payables	37,250	30,324	12,938	18,302
Finance leases	52	52	-	-
Borrowings	4,000	5,000	4,000	5,000
Total current liabilities	42,957	36,744	16,962	23,346
Total liabilities	45,687	39,494	16,962	23,346
Total equity and liabilities	120,728	114,129	66,137	76,029

	GROUP	
	30.06.2017	31.12.2016
Financial ratios		
Inventory turnover (days)	14	14
Trade receivables turnover (days)	99	87
Gearing (total borrowings to total equity)	0.05	0.07



1(c) Aggregate amount of the Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

30.06.2017		31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,052	-	5,052	-

Amount repayable after one year

30.06.2017		31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
57	-	84	-

The following assets in the Group were provided as securities for the credit facilities:

- a) 2 commercial properties in Singapore; and
- b) corporate guarantee provided by a subsidiary.



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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 30 JUNE 2017

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit for the period	2,047	2,164	4,343	4,398
Adjustments for:				
Reversal for doubtful trade receivables	(47)	(3)	(47)	-
Bad debts written off (trade)	10	-	10	-
Depreciation of property, plant and equipment	519	501	1,012	1,005
Interest income - bank	(55)	(75)	(103)	(135)
Interest expense	18	19	33	39
(Gain)/Loss on disposal of property, plant and equipment - net	(8)	5	(8)	(3)
Property, plant and equipment written off	-	5	-	5
Share of profit of joint venture, net	(3)	(9)	(15)	(24)
Income tax expenses	705	559	1,223	1,146
Operating profit before working capital changes	3,186	3,166	6,448	6,431
Trade and other receivables	(5,996)	2,945	(9,071)	2,306
Inventories	(547)	105	(248)	(652)
Trade and other payables	2,500	162	6,926	625
Cash generated (used in)/from operations	(857)	6,378	4,055	8,710
Interest paid	(18)	(19)	(33)	(39)
Interest received	55	75	103	135
Income tax paid	(848)	(1,081)	(878)	(1,246)
Net cash (used in)/from operating activities	(1,668)	5,353	3,247	7,560



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 (Continued)

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Proceeds from disposal of property, plant and equipment	21	6	21	14
Purchase of property, plant and equipment	(330)	(50)	(1,000)	(276)
Construction in progress	(530)	(1,952)	(3,066)	(3,244)
Effect of foreign currency alignment on investing activities	87	419	(158)	398
Net cash used in investing activities	<u>(752)</u>	<u>(1,577)</u>	<u>(4,203)</u>	<u>(3,108)</u>
Financing activities				
Proceeds from borrowings	-	1,000	-	1,000
Repayment of borrowings	-	(2,499)	(1,000)	(2,499)
Repayment of finance leases	(14)	(10)	(27)	(23)
Dividends paid	(4,093)	(5,969)	(4,093)	(5,969)
Fixed deposit pledge with bank	-	3,242	-	3,242
Effect of foreign currency alignment on financing activities	-	(153)	-	(1)
Net cash used in financing activities	<u>(4,107)</u>	<u>(4,389)</u>	<u>(5,120)</u>	<u>(4,250)</u>
Net (decrease)/increase in cash and cash equivalents	(6,527)	(613)	(6,076)	202
Cash and cash equivalents at beginning of period	31,627	24,424	30,902	23,624
Effect of exchange rate changes on cash and cash equivalents	<u>(124)</u>	<u>(465)</u>	<u>150</u>	<u>(480)</u>
Cash and cash equivalents at end of period	<u>24,976</u>	<u>23,346</u>	<u>24,976</u>	<u>23,346</u>



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.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

GROUP	Total equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Retained earnings S\$'000	Translation reserve S\$'000
Balance at 1.01.2017	74,635	41,963	(961)	108	12,835	24,782	(4,092)
Foreign currency translation differences on foreign operations	274	-	-	-	-	-	274
Other comprehensive income, net of tax	274	-	-	-	-	-	274
Profit for the period	2,296	-	-	-	-	2,296	-
Total comprehensive income for the period	2,570	-	-	-	-	2,296	274
Balance at 31.03.2017	77,205	41,963	(961)	108	12,835	27,078	(3,818)
Balance at 1.04.2017	77,205	41,963	(961)	108	12,835	27,078	(3,818)
Foreign currency translation differences on foreign operations	(118)	-	-	-	-	-	(118)
Other comprehensive income, net of tax	(118)	-	-	-	-	-	(118)
Profit for the period	2,047	-	-	-	-	2,047	-
Total comprehensive income for the period	1,929	-	-	-	-	2,047	(118)
Dividends / Total transaction with owners of the Company	(4,093)	-	-	-	-	(4,093)	-
Balance at 30.06.2017	75,041	41,963	(961)	108	12,835	25,032	(3,936)
Balance at 1.01.2016	91,119	41,963	(961)	108	14,009	40,256	(4,256)
Foreign currency translation differences on foreign operations	(16)	-	-	-	-	-	(16)
Other comprehensive income, net of tax	(16)	-	-	-	-	-	(16)
Profit for the period	2,234	-	-	-	-	2,234	-
Total comprehensive income for the period	2,218	-	-	-	-	2,234	(16)
Balance at 31.03.2016	93,337	41,963	(961)	108	14,009	42,490	(4,272)
Balance at 1.04.2016	93,337	41,963	(961)	108	14,009	42,490	(4,272)
Foreign currency translation differences on foreign operations	(465)	-	-	-	-	-	(465)
Other comprehensive income, net of tax	(465)	-	-	-	-	-	(465)
Profit for the period	2,164	-	-	-	-	2,164	-
Total comprehensive income for the period	1,699	-	-	-	-	2,164	(465)
Dividends / Total transaction with owners of the Company	(5,969)	-	-	-	-	(5,969)	-
Balance at 30.06.2016	89,067	41,963	(961)	108	14,009	38,685	(4,737)



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017
(Continued)

COMPANY	Total equity	Share capital	Treasury shares	Capital reserve	Retained earnings
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.01.2017	52,683	41,963	(961)	108	11,573
Profit for the period / Total comprehensive income for the period	538	-	-	-	538
Balance at 31.03.2017	53,221	41,963	(961)	108	12,111
Balance at 1.04.2017	53,221	41,963	(961)	108	12,111
Profit for the period / Total comprehensive income for the period	47	-	-	-	47
Dividends / Total transaction with owners	(4,093)	-	-	-	(4,093)
Balance at 30.06.2017	49,175	41,963	(961)	108	8,065
Balance at 1.01.2016	54,106	41,963	(961)	108	12,996
Loss for the period / Total comprehensive income for the period	(237)	-	-	-	(237)
Balance at 31.03.2016	53,869	41,963	(961)	108	12,759
Balance at 1.04.2016	53,869	41,963	(961)	108	12,759
Profit for the period / Total comprehensive income for the period	(723)	-	-	-	(723)
Dividends / Total transaction with owners	(5,969)	-	-	-	(5,969)
Balance at 30.06.2016	47,177	41,963	(961)	108	6,067



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 the number of shares that may be issued on conversion of all the outstanding convertibles, , if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Number of shares held as treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer.

	30.06.2017	30.06.2016
	No. of Shares	No. of Shares
Treasury shares	2,177,532	2,177,532
	-----	-----
Number of issued ordinary shares (excluding treasury shares)	341,079,335	341,079,335
	-----	-----
Percentage (%)	0.638%	0.638%
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1(d)(iii) To show 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.

	30.06.2017	31.12.2016
	No. of Shares	No. of Shares
Number of issued ordinary shares (excluding treasury shares)	341,079,335	341,079,335
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1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures in this announcement have not been audited or reviewed.



3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.**

The Group and the Company have applied the same accounting policies and method of computation as in the most recently audited financial statements for the year ended 31 December 2016.

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.**

There has been no change in the accounting policies and methods of computation adopted by the Group and the Company for the current reporting period compared to the audited financial statements as at 31 December 2016 except for the adoption of new/revised SFRS that are mandatory for financial year beginning on or after 1 January 2017. The adoption of these FRS does not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period under review.

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			
	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
(a) Basic (cents)	0.60	0.63	1.27	1.29
(b) Diluted (cents)	0.60	0.63	1.27	1.29

The basic earnings per share for 3 months period ended is computed based on the weighted average number of 341,079,335. (2Q16: 341,079,335).

The basic earnings per share for 6 months period ended is computed based on the weighted average number of 341,079,335. (1H16: 341,079,335).

The diluted earnings per share for 3 months period ended for the quarter and 6 months period ended 30 June 2017 is 341,079,335 (Q216 and 1H16: 341,079,335) computed based on the weighted average number of shares issued during the period.



7. **Net asset value (for the issuer and Group) per ordinary share based on the 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	COMPANY
The total number of issued shares excluding treasury shares at the end of the:		
(a) current financial period reported on	341,079,335	341,079,335
(b) immediately preceding financial year	341,079,335	341,079,335
Net asset value per issued ordinary shares as at (cents)		
(a) 30 June 2017	22.00	14.42
(b) 31 December 2016	21.88	15.45

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**

The Group's revenue increased by \$3.1 million to \$44.4 million for the second quarter ended 30 June 2017 ("2Q17") and \$2.1 million to \$84.2 million for the first half of the year ended 30 June 2017 ("1H17") compared to the corresponding periods in FY2016.

The increase in revenue was mainly due to higher sales from the marine and offshore supply business in Singapore and Thailand operations.

Group's gross profit margin for both quarter and half year was lower at 22.4% for 2Q17 from 24.4% for 2Q16 and 22.8% for 1H17 from 24.1% for 1H16. The decrease in profit margin was mainly due to the change in sales mix with higher proportion of sales with lower margin.

Marketing and distribution expenses for 2Q17 was \$2.1 million which was \$0.1 million higher compare to 2Q16; and for 2H17 was \$4.0 million which was \$0.6 million higher compare to 1H16. Higher marketing and distribution expenses for both the quarter and the half year was due to higher distribution costs.

Administrative expenses decreased by \$0.1 million to \$5.1 million in 2Q17 from \$5.2 million in 2Q16 and \$0.6 million to \$9.9 million in 1H17 from \$10.5 million in 1H16. The decrease for the quarter and half year was mainly due to lower staff costs, legal and professional fees.

Net other income for the second quarter was higher by \$0.1 million which the increase was mainly due to doubtful debts reversal recorded in 2Q17 and no reversal of doubtful debts in 2Q16. For the half year, net other income was lower by \$0.1 million as compared to the same period last year mainly attributed by lower government grant income which mainly consists of wage credit scheme and temporary employment credit.

Financial income for both the quarter and the half year pertains to interest from bank.

Financial expenses had decreased for the quarter from \$0.2 million in 2Q16 to \$0.1 million in 2Q17 and \$0.8 million in 1H16 to \$0.1 million in 1H17, mainly attributed to lower foreign exchange loss.

The Group's profit before income tax for both the quarter and the half year remained stable at \$2.7 million and \$5.5 million respectively, compared to the same quarter and half year in FY2016.



Appreciation of the Australian dollar for this half year under review, had resulted in a gain of \$156,000 arising from the foreign currency translation differences on foreign operation as compare to a loss of \$0.5 million for 1H16. For the second quarter in 2Q17, the depreciation in Australian dollar had resulted in loss of \$118,000 recorded in the other comprehensive income.

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

Net cash inflow from operating activities for this half year was lower at \$3.2 million as compared to \$7.6 million in 1H16. For the quarter 2Q17, net cash used in operating activities was \$1.7 million, as compared to the same quarter last year with net cash inflow of \$5.4 million from operating activities. Lower cash from operating activities was mainly due to slower payment received from customers.

For the quarter 2Q16, lower net cash used in investing activities as compared to same period last year was due to lower progressive payment for the construction of new warehouse. Higher net cash outflow for the half year in investing activities was due to plant and equipment purchased for use in the new warehouse.

For both the quarter and the half year, net cash outflow in financing activities was \$4.1 million in 2Q17 as compared to \$4.4 million in 2Q16; and \$5.1 million in 1H17 as compared to \$4.3 million in 1H16.

Non-current assets

Property, plant and equipment had increased by \$3.2 million to \$41.7 million as at 30 June 2017 from \$38.5 million as at 31 December 2016. The increase was mainly attributed by the construction-in-progress of new warehouse.

Current Assets

Inventories increased to \$4.9 million as at 30 June 2017 from \$4.7 million as at 31 December 2016. The increase in inventories was mainly due to higher sales orders.

Trade and other receivables increased to \$47.1 million as at 30 June 2017 from \$38.0 million as at 31 December 2016 was mainly due to slower debtor turnover.

Cash and cash equivalents decreased from \$30.9 million as at 31 December 2016 to \$25.0 million as at 30 June 2017, mainly due to the progress payment of new warehouse construction, repayment of short term borrowings and dividend payment.

Current liabilities

Current liabilities increased to \$43.0 million as at 30 June 2017 from \$36.7 million as at 31 December 2016. The increase was mainly due to higher trade and other payables.

9. Where 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 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.**

Intense competition in both the sluggish general shipping and the bleak offshore markets continue to restrict profit margins in the first half of this year. However, despite these very challenging conditions, Sinwa has managed to turn in a set of respectable financials, and expects to remain profitable for FY2017.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes, the Board wishes to declare an interim tax exempt dividend of \$0.005 per share to reward shareholders.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

The interim dividend will be paid on 11 September 2017.

(d) Books closure date

The Share Transfer books and Register of Members of the Company closed on 29 August 2017 for the purpose of determining shareholders' entitlement to the interim tax exempt dividend of \$0.005 per share.

- 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 interested person transactions ("IPT"), 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 shareholders' general mandate for interested person transactions.

- 14. Negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual**

We, Sim Yong Teng and Bruce William Rann, being two directors of Sinwa Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of the Group and the Company for the period ended 30 June 2017 to be false or misleading in any material aspect.



15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company has procured undertakings in the format set up in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Bruce William Rann
Chief Executive Officer/Executive Director
7 August 2017