



**Third Quarter Financial Statements and Dividend Announcement  
For the Financial Period Ended 30 September 2014**

**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 September 2014.

**CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                          | <b>GROUP</b>          |                |                | <b>GROUP</b>          |                |                |
|----------------------------------------------------------|-----------------------|----------------|----------------|-----------------------|----------------|----------------|
|                                                          | <b>3 months ended</b> |                |                | <b>9 months ended</b> |                |                |
|                                                          | <b>30 September</b>   |                |                | <b>30 September</b>   |                |                |
|                                                          | <b>2014</b>           | <b>2013</b>    | <b>+ / (-)</b> | <b>2014</b>           | <b>2013</b>    | <b>+ / (-)</b> |
|                                                          | <b>S\$'000</b>        | <b>S\$'000</b> | <b>%</b>       | <b>S\$'000</b>        | <b>S\$'000</b> | <b>%</b>       |
|                                                          | <b>Re-presented</b>   |                |                | <b>Re-presented</b>   |                |                |
| <b>Revenue</b>                                           | 39,746                | 33,533         | 18.5           | 113,761               | 104,153        | 9.2            |
| Cost of sales                                            | (30,265)              | (25,364)       | 19.3           | (86,169)              | (77,921)       | 10.6           |
| Gross profit                                             | 9,481                 | 8,169          | 16.1           | 27,592                | 26,232         | 5.2            |
| <b>Other item of income</b>                              |                       |                |                |                       |                |                |
| Financial income                                         | 21                    | 60             | (65)           | 83                    | 88             | (5.7)          |
| <b>Other items of expense</b>                            |                       |                |                |                       |                |                |
| Marketing and distribution costs                         | (1,522)               | (1,163)        | 30.9           | (3,841)               | (3,378)        | 13.7           |
| Administrative expenses                                  | (5,447)               | (4,718)        | 15.5           | (16,087)              | (13,936)       | 15.4           |
| Other income/(expense) - net                             | 42                    | (148)          | (>100)         | 1,233                 | 222            | >100           |
| Financial expenses                                       | (760)                 | (145)          | >100           | (255)                 | (1,031)        | (75.3)         |
| Share of losses in jointly controlled entity, net of tax | (9)                   | (2)            | (>100)         | (5)                   | 228            | (>100)         |
| <b>Profit before income tax</b>                          | 1,806                 | 2,053          | (12.0)         | 8,720                 | 8,425          | 3.5            |
| Income tax expense                                       | (453)                 | (392)          | 15.6           | (1,434)               | (1,324)        | 8.3            |
| <b>Profit for continuing operations</b>                  | 1,353                 | 1,661          | (18.5)         | 7,286                 | 7,101          | 2.6            |
| <b>Discontinued operations</b>                           |                       |                |                |                       |                |                |
| Loss from discontinued operations                        | -                     | (98)           | NM             | -                     | (926)          | NM             |
| <b>Profit for the period</b>                             | 1,353                 | 1,563          | (13.4)         | 7,286                 | 6,175          | 18.0           |
| <b>Profit/(Loss) attributable to:</b>                    |                       |                |                |                       |                |                |
| Owners of the Company                                    | 1,353                 | 1,592          | (15.0)         | 7,286                 | 6,461          | 12.8           |
| Non-controlling interest                                 | -                     | (29)           | NM             | -                     | (286)          | NM             |
|                                                          | 1,353                 | 1,563          | (13.4)         | 7,286                 | 6,175          | 18.0           |



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                     | <b>GROUP</b>          |                |                | <b>GROUP</b>          |                |                |
|---------------------------------------------------------------------|-----------------------|----------------|----------------|-----------------------|----------------|----------------|
|                                                                     | <b>3 months ended</b> |                |                | <b>9 months ended</b> |                |                |
|                                                                     | <b>30 September</b>   |                |                | <b>30 September</b>   |                |                |
|                                                                     | <b>Re-presented</b>   |                |                | <b>Re-presented</b>   |                |                |
|                                                                     | <b>2014</b>           | <b>2013</b>    | <b>+ / (-)</b> | <b>2014</b>           | <b>2013</b>    | <b>+ / (-)</b> |
|                                                                     | <b>S\$'000</b>        | <b>S\$'000</b> | <b>%</b>       | <b>S\$'000</b>        | <b>S\$'000</b> | <b>%</b>       |
| <b>PROFIT FOR THE PERIOD</b>                                        | 1,353                 | 1,563          | (13.4)         | 7,286                 | 6,175          | 18.0           |
| <b>Other comprehensive income:</b>                                  |                       |                |                |                       |                |                |
| Exchange differences on translating foreign operations              | (324)                 | (544)          | (40.4)         | (197)                 | 521            | (>100)         |
| Share of exchange difference on translating joint controlled entity | 40                    | 525            | (92.4)         | 84                    | 232            | (63.8)         |
| <b>Other comprehensive income for the period, net of tax</b>        | <u>(284)</u>          | <u>(19)</u>    | >100           | <u>(113)</u>          | <u>753</u>     | (>100)         |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                    | <u>1,069</u>          | <u>1,544</u>   | (30.8)         | <u>7,173</u>          | <u>6,928</u>   | 3.5            |
| <b>Total comprehensive income/(loss) attributable to:</b>           |                       |                |                |                       |                |                |
| Owners of the Company                                               | 1,069                 | 1,573          | (32.0)         | 7,173                 | 7,214          | (0.6)          |
| Non-controlling interest                                            | -                     | (29)           | NM             | -                     | (286)          | NM             |
|                                                                     | <u>1,069</u>          | <u>1,544</u>   | (30.8)         | <u>7,173</u>          | <u>6,928</u>   | 3.5            |



- 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**

|                                                                | <b>GROUP</b>          |                | <b>GROUP</b>          |                |
|----------------------------------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                                                | <b>3 months ended</b> |                | <b>9 months ended</b> |                |
|                                                                | <b>30 September</b>   |                | <b>30 September</b>   |                |
|                                                                | <b>Re-presented</b>   |                | <b>Re-presented</b>   |                |
|                                                                | <b>2014</b>           | <b>2013</b>    | <b>2014</b>           | <b>2013</b>    |
|                                                                | <b>S\$'000</b>        | <b>S\$'000</b> | <b>S\$'000</b>        | <b>S\$'000</b> |
| <b>Financial income:</b>                                       |                       |                |                       |                |
| Interest income - bank                                         | 21                    | 60             | 83                    | 88             |
| <b>Financial expenses:</b>                                     |                       |                |                       |                |
| Interest expense                                               | (29)                  | (136)          | (136)                 | (495)          |
| Foreign exchange loss-net                                      | (731)                 | (9)            | (119)                 | (536)          |
|                                                                | <u>(760)</u>          | <u>(145)</u>   | <u>(255)</u>          | <u>(1,031)</u> |
| <b>Other (expenses)/income - net</b>                           |                       |                |                       |                |
| Allowance for doubtful trade receivables                       | 4                     | -              | (91)                  | -              |
| Allowance for doubtful other receivables                       | -                     | -              | (150)                 | -              |
| Write back of allowance for doubtful debts                     | -                     | -              | -                     | 42             |
| Bad debts written off (trade)                                  | (4)                   | (30)           | (37)                  | (32)           |
| Gain on disposal of subsidiaries                               | -                     | -              | -                     | 133            |
| Gain/(Loss) on disposal of property, plant and equipment - net | (20)                  | 2              | 1,243                 | 1              |
| Government grant income                                        | 19                    | 17             | 131                   | 64             |
| Handling fee                                                   | 27                    | 23             | 65                    | 76             |
| Allowance for obsolete stock                                   | -                     | (277)          | -                     | (300)          |
| Management fee income                                          | -                     | 128            | 26                    | 150            |
| Sales of scrap material                                        | -                     | (16)           | 6                     | 70             |
| Others                                                         | 16                    | 5              | 40                    | 18             |
|                                                                | <u>42</u>             | <u>(148)</u>   | <u>1,233</u>          | <u>222</u>     |
| Profit before income tax is stated after charging:-            |                       |                |                       |                |
| Amortisation of intangible assets                              | (3)                   | (3)            | (10)                  | (21)           |
| Depreciation of property, plant and equipment                  | (454)                 | (396)          | (1,585)               | (1,186)        |



|                                                                    | <b>GROUP</b>          |                | <b>GROUP</b>          |                |
|--------------------------------------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                                                    | <b>3 months ended</b> |                | <b>9 months ended</b> |                |
|                                                                    | <b>30 September</b>   |                | <b>30 September</b>   |                |
|                                                                    | <b>2014</b>           | <b>2013</b>    | <b>2014</b>           | <b>2013</b>    |
|                                                                    | <b>S\$'000</b>        | <b>S\$'000</b> | <b>S\$'000</b>        | <b>S\$'000</b> |
| <b><u>Results of discontinued operations</u></b>                   |                       |                |                       |                |
| Revenue                                                            | -                     | -              | -                     | 1,866          |
| Expenses                                                           | -                     | (98)           | -                     | (2,792)        |
| Results from discontinued operations                               | -                     | (98)           | -                     | (926)          |
| Results of discontinued operations include the following expenses: |                       |                |                       |                |
| Loss on disposal of property, plant and equipment                  | -                     | (2)            | -                     | (2)            |
| Depreciation on disposal of property, plant and equipment          | -                     | (2)            | -                     | (15)           |



- 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.

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

|                                    | <b>GROUP</b>          |                       | <b>COMPANY</b>       |                      |
|------------------------------------|-----------------------|-----------------------|----------------------|----------------------|
|                                    | <b>30.09.2014</b>     | <b>31.12.2013</b>     | <b>30.09.2014</b>    | <b>31.12.2013</b>    |
|                                    | <b>S\$'000</b>        | <b>S\$'000</b>        | <b>S\$'000</b>       | <b>S\$'000</b>       |
| <b>ASSETS</b>                      |                       |                       |                      |                      |
| <b>Non-current assets</b>          |                       |                       |                      |                      |
| Property, plant and equipment      | 39,422                | 44,485                | 154                  | 99                   |
| Intangible assets                  | 10                    | 20                    | -                    | -                    |
| Goodwill                           | 548                   | 548                   | -                    | -                    |
| Deferred tax assets                | 461                   | 341                   | -                    | -                    |
| Investments in subsidiaries        | -                     | -                     | 11,763               | 11,763               |
| Investments in joint ventures      | 50                    | 724                   | 35                   | 696                  |
| Other assets                       | 57                    | 57                    | -                    | -                    |
| Other receivables                  | 1,294                 | 1,268                 | 156                  | -                    |
| <b>Total non-current assets</b>    | <u>41,842</u>         | <u>47,443</u>         | <u>12,108</u>        | <u>12,558</u>        |
| <b>Current assets</b>              |                       |                       |                      |                      |
| Inventories                        | 5,647                 | 4,918                 | -                    | -                    |
| Trade and other receivables        | 41,839                | 38,208                | 46,814               | 56,482               |
| Cash and cash equivalents          | 19,752                | 24,007                | 10,403               | 11,172               |
|                                    | <u>67,238</u>         | <u>67,133</u>         | <u>57,217</u>        | <u>67,654</u>        |
| Assets classified as held for sale | 15,116                | 15,116                | -                    | -                    |
| <b>Total current assets</b>        | <u>82,354</u>         | <u>82,249</u>         | <u>57,217</u>        | <u>67,654</u>        |
| <b>Total assets</b>                | <u><u>124,196</u></u> | <u><u>129,692</u></u> | <u><u>69,325</u></u> | <u><u>80,212</u></u> |



**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014 (Continued)**

|                                                     | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|-----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                     | <b>30.09.2014</b> | <b>31.12.2013</b> | <b>30.09.2014</b> | <b>31.12.2013</b> |
|                                                     | <b>S\$'000</b>    | <b>S\$'000</b>    | <b>S\$'000</b>    | <b>S\$'000</b>    |
| <b>EQUITY AND LIABILITIES</b>                       |                   |                   |                   |                   |
| <b>Equity</b>                                       |                   |                   |                   |                   |
| Share capital                                       | 40,249            | 39,881            | 40,249            | 39,881            |
| Retained earnings                                   | 38,818            | 40,788            | 680               | 5,644             |
| Revaluation reserves                                | 13,481            | 13,481            | -                 | -                 |
| Equity compensation reserve                         | -                 | 294               | -                 | 294               |
| Foreign currency translation reserve                | (2,727)           | (2,613)           | -                 | -                 |
| <b>Equity attributable to owners of the Company</b> | <b>89,821</b>     | <b>91,831</b>     | <b>40,929</b>     | <b>45,819</b>     |
| Non-controlling interest                            | (739)             | (739)             | -                 | -                 |
| <b>Total equity</b>                                 | <b>89,082</b>     | <b>91,092</b>     | <b>40,929</b>     | <b>45,819</b>     |
| <b>Non-current liabilities</b>                      |                   |                   |                   |                   |
| Deferred tax liabilities                            | 2,794             | 2,794             | -                 | -                 |
| Borrowings                                          | 3,342             | -                 | 3,342             | -                 |
| Finance leases                                      | 45                | -                 | -                 | -                 |
| <b>Total non-current liabilities</b>                | <b>6,181</b>      | <b>2,794</b>      | <b>3,342</b>      | <b>-</b>          |
| <b>Current liabilities</b>                          |                   |                   |                   |                   |
| Income tax payable                                  | 1,578             | 1,336             | -                 | 39                |
| Trade and other payables                            | 27,309            | 25,800            | 25,054            | 30,999            |
| Finance leases                                      | 20                | -                 | -                 | -                 |
| Borrowings                                          | 26                | 8,670             | -                 | 3,355             |
| <b>Total current liabilities</b>                    | <b>28,933</b>     | <b>35,806</b>     | <b>25,054</b>     | <b>34,393</b>     |
| <b>Total liabilities</b>                            | <b>35,114</b>     | <b>38,600</b>     | <b>28,396</b>     | <b>34,393</b>     |
| <b>Total equity and liabilities</b>                 | <b>124,196</b>    | <b>129,692</b>    | <b>69,325</b>     | <b>80,212</b>     |

|                                            | <b>GROUP</b>      |                   |
|--------------------------------------------|-------------------|-------------------|
|                                            | <b>30.09.2014</b> | <b>31.12.2013</b> |
| <u>Financial ratios</u>                    |                   |                   |
| Inventory turnover (days)                  | 18                | 17                |
| Trade receivables turnover (days)          | 93                | 94                |
| Gearing (total borrowings to total equity) | 0.04              | 0.10              |

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

Amount repayable in one year or less, or on demand

| 30.09.2014 |           | 31.12.2013 |           |
|------------|-----------|------------|-----------|
| Secured    | Unsecured | Secured    | Unsecured |
| S\$'000    | S\$'000   | S\$'000    | S\$'000   |
| -          | 26        | 8,504      | 166       |

Amount repayable after one year

| 30.09.2014 |           | 31.12.2013 |           |
|------------|-----------|------------|-----------|
| Secured    | Unsecured | Secured    | Unsecured |
| S\$'000    | S\$'000   | S\$'000    | S\$'000   |
| 3,342      | -         | -          | -         |

Details of any collateral:

The liabilities are secured by corporate guarantees from the Company and relate to:

- 1) Working capital financing obtained for subsidiaries; and
- 2) Loan obtained to finance the construction of 2 offices cum warehouse complexes and 1 residential property in Australia.

There are some borrowings that are also jointly and severally guaranteed by the Company and subsidiaries.

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

- a) 3 commercial properties in Singapore;
- b) 2 commercial properties in Australia;
- c) 2 residential properties in Australia;
- d) All other assets and undertakings of 2 subsidiaries in Australia;
- e) Fixed deposits.



- 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.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

|                                                                | <b>GROUP</b>          |                | <b>GROUP</b>          |                |
|----------------------------------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                                                | <b>3 months ended</b> |                | <b>9 months ended</b> |                |
|                                                                | <b>30 September</b>   |                | <b>30 September</b>   |                |
|                                                                | <b>2014</b>           | <b>2013</b>    | <b>2014</b>           | <b>2013</b>    |
|                                                                | <b>S\$'000</b>        | <b>S\$'000</b> | <b>S\$'000</b>        | <b>S\$'000</b> |
| <b>Operating activities</b>                                    |                       |                |                       |                |
| Profit for the period                                          | 1,353                 | 1,563          | 7,286                 | 6,175          |
| Adjustments for:                                               |                       |                |                       |                |
| Allowance for doubtful trade receivables                       | (4)                   | -              | 91                    | -              |
| Allowance for doubtful non trade receivables                   | -                     | -              | 150                   | -              |
| Write back of allowance for doubtful trade receivables         | -                     | -              | -                     | (42)           |
| Bad debts written off (trade)                                  | 4                     | 30             | 37                    | 32             |
| Allowance for obsolete stock                                   | -                     | 277            | -                     | 300            |
| Amortisation of intangible assets                              | 3                     | 3              | 10                    | 21             |
| Depreciation of property, plant and equipment                  | 454                   | 398            | 1,585                 | 1,201          |
| Interest income - bank                                         | (21)                  | (60)           | (83)                  | (88)           |
| Interest expense                                               | 29                    | 136            | 136                   | 495            |
| Gain on disposal of subsidiaries                               | -                     | -              | -                     | (133)          |
| (Gain)/Loss on disposal of property, plant and equipment - net | 20                    | 2              | (1,243)               | 1              |
| Share of results of jointly controlled entity                  | 9                     | 2              | 5                     | (228)          |
| Income tax expense                                             | 453                   | 392            | 1,434                 | 1,324          |
| Operating profit before working capital changes                | 2,300                 | 2,743          | 9,408                 | 9,058          |
| Trade and other receivables                                    | (607)                 | 2,014          | (3,909)               | (1,901)        |
| Inventories                                                    | 345                   | (551)          | (729)                 | 147            |
| Trade and other payables                                       | 351                   | (1,024)        | 1,520                 | (345)          |
| Cash generated from operations                                 | 2,389                 | 3,182          | 6,290                 | 6,959          |
| Interest paid                                                  | (29)                  | (136)          | (136)                 | (495)          |
| Interest received                                              | 21                    | 60             | 83                    | 88             |
| Income tax paid                                                | (626)                 | (293)          | (1,254)               | (882)          |
| Net cash from operating activities                             | 1,755                 | 2,813          | 4,983                 | 5,670          |



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 (Continued)**

|                                                                     | <b>GROUP</b>          |                | <b>GROUP</b>          |                |
|---------------------------------------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                                                     | <b>3 months ended</b> |                | <b>9 months ended</b> |                |
|                                                                     | <b>30 September</b>   |                | <b>30 September</b>   |                |
|                                                                     | <b>2014</b>           | <b>2013</b>    | <b>2014</b>           | <b>2013</b>    |
|                                                                     | <b>S\$'000</b>        | <b>S\$'000</b> | <b>S\$'000</b>        | <b>S\$'000</b> |
| <b>Investing activities</b>                                         |                       |                |                       |                |
| Repayment from/(Advances to) PRC licensees                          | -                     | 67             | (26)                  | 48             |
| Proceeds from disposal of property, plant and equipment             | (18)                  | -              | 5,645                 | 54             |
| Purchase of property, plant and equipment                           | (330)                 | (1,261)        | (1,203)               | (1,704)        |
| Joint Venture company                                               | (25)                  | -              | (25)                  | 23,687         |
| Proceeds from disposal of subsidiaries                              | -                     | -              | 650                   | 2,150          |
| Effect of foreign currency alignment on investing activities        | 1,119                 | 357            | 327                   | 1,376          |
| Net cash from/(used in) investing activities                        | 746                   | (837)          | 5,368                 | 25,611         |
| <b>Financing activities</b>                                         |                       |                |                       |                |
| Proceeds from borrowings                                            | 22                    | -              | 3,460                 | -              |
| Repayment of borrowing                                              | (153)                 | (5,016)        | (8,718)               | (7,495)        |
| Proceeds from bills financing                                       | -                     | -              | -                     | 4,952          |
| Repayment of bills financing                                        | -                     | -              | -                     | (6,269)        |
| Proceeds from finance leases                                        | -                     | -              | 74                    | -              |
| Repayment of finance leases                                         | (5)                   | (5)            | (9)                   | (27)           |
| (Repayment) /Advances from Non-controlling interest                 | -                     | (269)          | -                     | (299)          |
| Dividends paid                                                      | (5,890)               | (6,694)        | (9,256)               | (11,714)       |
| Fixed deposit pledge with bank                                      | -                     | -              | (3,522)               | -              |
| Effect of foreign currency alignment on financing activities        | (197)                 | 240            | (44)                  | (486)          |
| Net cash used in financing activities                               | (6,223)               | (11,744)       | (18,015)              | (21,338)       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         | <b>(3,722)</b>        | <b>(9,768)</b> | <b>(7,664)</b>        | <b>9,943</b>   |
| Cash and cash equivalents at beginning of period                    | 20,236                | 32,478         | 24,007                | 13,277         |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <b>(284)</b>          | <b>(3)</b>     | <b>(113)</b>          | <b>(513)</b>   |
| <b>Cash and cash equivalents at end of period</b>                   | <b>16,230</b>         | <b>22,707</b>  | <b>16,230</b>         | <b>22,707</b>  |
| <b>Analysis of the cash and cash equivalents</b>                    |                       |                |                       |                |
| Cash and cash equivalents                                           | 19,752                | 22,707         | 19,752                | 22,707         |
| Fixed deposit pledge with bank                                      | (3,522)               | -              | (3,522)               | -              |
| Cash and cash equivalents for the purpose of statement of cash flow | 16,230                | 22,707         | 16,230                | 22,707         |

**1(d) 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.**

| <b>GROUP</b>                                                  | <b>Total<br/>Equity</b> | <b>Non-<br/>controlling<br/>interest</b> | <b>Equity,<br/>attributable<br/>to owners<br/>of the<br/>Company</b> | <b>Share<br/>capital</b> | <b>Treasury<br/>shares</b> | <b>Capital<br/>reserve</b> | <b>Equity<br/>compensation<br/>reserve</b> | <b>Revaluation<br/>reserve</b> | <b>Retained<br/>earnings</b> | <b>Translation<br/>reserve</b> |
|---------------------------------------------------------------|-------------------------|------------------------------------------|----------------------------------------------------------------------|--------------------------|----------------------------|----------------------------|--------------------------------------------|--------------------------------|------------------------------|--------------------------------|
|                                                               | <b>S\$'000</b>          | <b>S\$'000</b>                           | <b>S\$'000</b>                                                       | <b>S\$'000</b>           | <b>S\$'000</b>             | <b>S\$'000</b>             | <b>S\$'000</b>                             | <b>S\$'000</b>                 | <b>S\$'000</b>               | <b>S\$'000</b>                 |
| <b>Balance at 1.01.2014</b>                                   | 91,092                  | (739)                                    | 91,831                                                               | 40,734                   | (961)                      | 108                        | 294                                        | 13,481                         | 40,788                       | (2,613)                        |
| Profit for the period                                         | 5,933                   | -                                        | 5,933                                                                | -                        | -                          | -                          | -                                          | -                              | 5,933                        | -                              |
| Foreign currency translation differences on foreign operation | 127                     | -                                        | 127                                                                  | -                        | -                          | -                          | -                                          | -                              | -                            | 127                            |
| Share of reserve of jointly controlled entities               | 44                      | -                                        | 44                                                                   | -                        | -                          | -                          | -                                          | -                              | -                            | 44                             |
| <b>Other comprehensive income</b>                             | 171                     | -                                        | 171                                                                  | -                        | -                          | -                          | -                                          | -                              | -                            | 171                            |
| <b>Total comprehensive income for the year</b>                | 6,104                   | -                                        | 6,104                                                                | -                        | -                          | -                          | -                                          | -                              | 5,933                        | 171                            |
| Share based payment                                           | 74                      | -                                        | 74                                                                   | -                        | -                          | -                          | 74                                         | -                              | -                            | -                              |
| Issue of share                                                | -                       | -                                        | -                                                                    | 368                      | -                          | -                          | (368)                                      | -                              | -                            | -                              |
| Dividends                                                     | (3,366)                 | -                                        | (3,366)                                                              | -                        | -                          | -                          | -                                          | -                              | (3,366)                      | -                              |
| <b>Total transactions with owners</b>                         | (3,292)                 | -                                        | (3,292)                                                              | 368                      | -                          | -                          | (294)                                      | -                              | (3,366)                      | -                              |
| <b>Balance at 30.06.2014</b>                                  | 93,904                  | (739)                                    | 94,643                                                               | 41,102                   | (961)                      | 108                        | -                                          | 13,481                         | 43,355                       | (2,442)                        |
| <b>Balance at 1.07.2014</b>                                   | 93,904                  | (739)                                    | 94,643                                                               | 41,102                   | (961)                      | 108                        | -                                          | 13,481                         | 43,355                       | (2,442)                        |
| Profit for the period                                         | 1,353                   | -                                        | 1,353                                                                | -                        | -                          | -                          | -                                          | -                              | 1,353                        | -                              |
| Foreign currency translation differences on foreign operation | (325)                   | -                                        | (325)                                                                | -                        | -                          | -                          | -                                          | -                              | -                            | (325)                          |
| Share of reserve of jointly controlled entities               | 40                      | -                                        | 40                                                                   | -                        | -                          | -                          | -                                          | -                              | -                            | 40                             |
| <b>Other comprehensive income</b>                             | (285)                   | -                                        | (285)                                                                | -                        | -                          | -                          | -                                          | -                              | -                            | (285)                          |
| <b>Total comprehensive income for the year</b>                | 1,068                   | -                                        | 1,068                                                                | -                        | -                          | -                          | -                                          | -                              | 1,353                        | (285)                          |
| Dividends/Total transaction with owners                       | (5,890)                 | -                                        | (5,890)                                                              | -                        | -                          | -                          | -                                          | -                              | (5,890)                      | -                              |
| <b>Balance at 30.09.2014</b>                                  | 89,082                  | (739)                                    | 89,821                                                               | 41,102                   | (961)                      | 108                        | -                                          | 13,481                         | 38,818                       | (2,727)                        |



| <b>GROUP</b>                                                  | <b>Total<br/>Equity</b> | <b>Non-<br/>controlling<br/>interest</b> | <b>Equity<br/>attributable<br/>to owners<br/>of the<br/>Company</b> | <b>Share<br/>capital</b> | <b>Treasury<br/>shares</b> | <b>Capital<br/>reserve</b> | <b>Equity<br/>compensation<br/>reserve</b> | <b>Revaluation<br/>reserve</b> | <b>Retained<br/>earnings</b> | <b>Translation<br/>reserve</b> |
|---------------------------------------------------------------|-------------------------|------------------------------------------|---------------------------------------------------------------------|--------------------------|----------------------------|----------------------------|--------------------------------------------|--------------------------------|------------------------------|--------------------------------|
|                                                               | <b>S\$'000</b>          | <b>S\$'000</b>                           | <b>S\$'000</b>                                                      | <b>S\$'000</b>           | <b>S\$'000</b>             | <b>S\$'000</b>             | <b>S\$'000</b>                             | <b>S\$'000</b>                 | <b>S\$'000</b>               | <b>S\$'000</b>                 |
| <b>Balance at 1.01.2013</b>                                   | 95,398                  | (503)                                    | 95,901                                                              | 40,734                   | (961)                      | 108                        | -                                          | 13,481                         | 45,711                       | (3,172)                        |
| Profit for the period                                         | 4,612                   | (257)                                    | 4,869                                                               | -                        | -                          | -                          | -                                          | -                              | 4,869                        | -                              |
| Foreign currency translation differences on foreign operation | 1,065                   | -                                        | 1,065                                                               | -                        | -                          | -                          | -                                          | -                              | -                            | 1,065                          |
| Share of reserve of jointly controlled entity                 | (293)                   | -                                        | (293)                                                               | -                        | -                          | -                          | -                                          | -                              | -                            | (293)                          |
| <b>Other comprehensive income</b>                             | <b>772</b>              | <b>-</b>                                 | <b>772</b>                                                          | <b>-</b>                 | <b>-</b>                   | <b>-</b>                   | <b>-</b>                                   | <b>-</b>                       | <b>-</b>                     | <b>772</b>                     |
| <b>Total comprehensive income for the period</b>              | <b>5,384</b>            | <b>(257)</b>                             | <b>5,641</b>                                                        | <b>-</b>                 | <b>-</b>                   | <b>-</b>                   | <b>-</b>                                   | <b>-</b>                       | <b>4,869</b>                 | <b>772</b>                     |
| Disposal of subsidiaries                                      | 63                      | 63                                       | -                                                                   | -                        | -                          | -                          | -                                          | -                              | -                            | -                              |
| Dividends/Total transaction with owners                       | (5,020)                 | -                                        | (5,020)                                                             | -                        | -                          | -                          | -                                          | -                              | (5,020)                      | -                              |
| <b>Balance at 30.06.2013</b>                                  | <b>95,825</b>           | <b>(697)</b>                             | <b>96,522</b>                                                       | <b>40,734</b>            | <b>(961)</b>               | <b>108</b>                 | <b>-</b>                                   | <b>13,481</b>                  | <b>45,560</b>                | <b>(2,400)</b>                 |
| <b>Balance at 1.07.2013</b>                                   | <b>95,825</b>           | <b>(697)</b>                             | <b>96,522</b>                                                       | <b>40,734</b>            | <b>(961)</b>               | <b>108</b>                 | <b>-</b>                                   | <b>13,481</b>                  | <b>45,560</b>                | <b>(2,400)</b>                 |
| Profit for the period                                         | 1,563                   | (29)                                     | 1,592                                                               | -                        | -                          | -                          | -                                          | -                              | 1,592                        | -                              |
| Foreign currency translation differences on foreign operation | (80)                    | -                                        | (80)                                                                | -                        | -                          | -                          | -                                          | -                              | -                            | (80)                           |
| Share of reserve of jointly controlled entity                 | 61                      | -                                        | 61                                                                  | -                        | -                          | -                          | -                                          | -                              | -                            | 61                             |
| <b>Other comprehensive income</b>                             | <b>(19)</b>             | <b>-</b>                                 | <b>(19)</b>                                                         | <b>-</b>                 | <b>-</b>                   | <b>-</b>                   | <b>-</b>                                   | <b>-</b>                       | <b>-</b>                     | <b>(19)</b>                    |
| <b>Total comprehensive income for the period</b>              | <b>1,544</b>            | <b>(29)</b>                              | <b>1,573</b>                                                        | <b>-</b>                 | <b>-</b>                   | <b>-</b>                   | <b>-</b>                                   | <b>-</b>                       | <b>1,592</b>                 | <b>(19)</b>                    |
| Dividends/Total transaction with owners                       | (6,694)                 | -                                        | (6,694)                                                             | -                        | -                          | -                          | -                                          | -                              | (6,694)                      | -                              |
| <b>Balance at 30.09.2013</b>                                  | <b>90,675</b>           | <b>(726)</b>                             | <b>91,401</b>                                                       | <b>40,734</b>            | <b>(961)</b>               | <b>108</b>                 | <b>-</b>                                   | <b>13,481</b>                  | <b>40,458</b>                | <b>(2,419)</b>                 |



**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**  
(Continued)

| COMPANY                                                             | Total<br><u>equity</u><br>S\$'000 | Share<br><u>capital</u><br>S\$'000 | Treasury<br><u>shares</u><br>S\$'000 | Equity<br>Compensation<br><u>reserve</u><br>S\$'000 | Capital<br><u>reserve</u><br>S\$'000 | Retained<br><u>earnings</u><br>S\$'000 |
|---------------------------------------------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-----------------------------------------------------|--------------------------------------|----------------------------------------|
| <b>Balance at 1.01.2014</b>                                         | 45,819                            | 40,734                             | (961)                                | 294                                                 | 108                                  | 5,644                                  |
| Profit for the period/ Total<br>comprehensive income for the period | 5,033                             | -                                  | -                                    | -                                                   | -                                    | 5,033                                  |
| Issue of shares                                                     | 74                                | 368                                | -                                    | (294)                                               | -                                    | -                                      |
| Dividends                                                           | (3,366)                           | -                                  | -                                    | -                                                   | -                                    | (3,366)                                |
| Total transaction with owners                                       | (3,292)                           | 368                                | -                                    | (294)                                               | -                                    | (3,366)                                |
| <b>Balance at 30.06.2014</b>                                        | <b>47,560</b>                     | <b>41,102</b>                      | <b>(961)</b>                         | <b>-</b>                                            | <b>108</b>                           | <b>7,311</b>                           |
| <b>Balance at 1.07.2014</b>                                         | 47,560                            | 41,102                             | (961)                                | -                                                   | 108                                  | 7,311                                  |
| Profit for the period/ Total<br>comprehensive income for the period | (741)                             | -                                  | -                                    | -                                                   | -                                    | (741)                                  |
| Dividends/<br>Total transaction with owners                         | (5,890)                           | -                                  | -                                    | -                                                   | -                                    | (5,890)                                |
| <b>Balance at 30.09.2014</b>                                        | <b>40,929</b>                     | <b>41,102</b>                      | <b>(961)</b>                         | <b>-</b>                                            | <b>108</b>                           | <b>680</b>                             |
| <b>Balance at 1.01.2013</b>                                         | 50,315                            | 40,734                             | (961)                                | -                                                   | 108                                  | 10,434                                 |
| Profit for the period/ Total<br>comprehensive income for the period | (4,134)                           | -                                  | -                                    | -                                                   | -                                    | (4,134)                                |
| Dividends/<br>Total transaction with owners                         | (5,020)                           | -                                  | -                                    | -                                                   | -                                    | (5,020)                                |
| <b>Balance at 30.06.2013</b>                                        | <b>41,161</b>                     | <b>40,734</b>                      | <b>(961)</b>                         | <b>-</b>                                            | <b>108</b>                           | <b>1,280</b>                           |
| <b>Balance at 1.07.2013</b>                                         | 41,161                            | 40,734                             | (961)                                | -                                                   | 108                                  | 1,280                                  |
| Profit for the period/ Total<br>comprehensive income for the period | 6,097                             | -                                  | -                                    | -                                                   | -                                    | 6,097                                  |
| Dividends/<br>Total transaction with owners                         | (6,694)                           | -                                  | -                                    | -                                                   | -                                    | (6,694)                                |
| <b>Balance at 30.09.2013</b>                                        | <b>40,564</b>                     | <b>40,734</b>                      | <b>(961)</b>                         | <b>-</b>                                            | <b>108</b>                           | <b>683</b>                             |

- 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.**

**Sinwa Share Plan**

As at 30 September 2014, the number of share granted under the Sinwa Share Plan but yet to be released is 4,480,000. (30 September 2013: Nil).

**Number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer.**

|                                                                 | <b>30.09.2014</b>    | <b>30.09.2013</b>    |
|-----------------------------------------------------------------|----------------------|----------------------|
|                                                                 | <b>No. of Shares</b> | <b>No. of Shares</b> |
| Treasury shares                                                 | 2,177,532            | 2,177,532            |
|                                                                 | -----                | -----                |
| Number of issued ordinary shares<br>(excluding treasury shares) | 336,599,335          | 334,679,335          |
|                                                                 | -----                | -----                |
| Percentage (%)                                                  | 0.647%               | 0.651%               |
|                                                                 | -----                | -----                |

- 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.**

|                                                                 | <b>30.09.2014</b>    | <b>31.12.2013</b>    |
|-----------------------------------------------------------------|----------------------|----------------------|
|                                                                 | <b>No. of Shares</b> | <b>No. of Shares</b> |
| Number of issued ordinary shares<br>(excluding treasury shares) | 336,599,335          | 334,679,335          |
|                                                                 | -----                | -----                |

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 2013.

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2014. The adoption of these new/revised FRSs and INT FRSs 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 periods except for the accounting policies disclosed in item 5 below.

**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.**

**a) FRS 110 Consolidated Financial Statements and FRS 27 Separate Financial Statements**

FRS 110 replaces the control assessment criteria and consolidation requirement in FRS 27 and INT FRS 12, Consolidation-Special Purpose Entities. FRS 110 defines the principle of control and established a new control model as the basis of determining which entities are to be consolidated in the consolidated financial statements. FRS 27 remains as standard applicable only to separate financial statements. With the adoption of FRS 110, management is required to exercise more judgement than under the current requirement of FRS 27 in order to determine which entities are controlled by the Group.

With the adoption of this standard, the management does not expect any changes to the entities being consolidated by the Group.

**b) FRS 111 Joint Arrangement and FRS 28 Investment in Associates and Joint Ventures**

FRS 111 supersedes FRS 31, Interest in Joint Ventures and INT FRS 13, Jointly Controlled Entities – Non-Monetary Contributions by Ventures. FRS 111 classifies a joint venture arrangement either as a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. Under FRS 111, all joint ventures must be accounted for under equity method, as described in the revised FRS 28, and proportionate consolidation is prohibited. These changes will take effect from the financial year beginning on 1 January 2014 with full retrospective application.

The Group's investments in Yakki International Pte Ltd and Nordic International Limited were consolidated into the financial statement of the Group using the proportionate consolidation method under FRS 31. With the adoption FRS 111, the Group is required to use equity method to consolidate the financial of these two joint venture entities instead. This will have an impact on the presentation of the Group's statements of financial position as at 31 March 2014 and the figures of the immediate preceding year. Management does not expect the adoption of FRS 111 to have any material net impact on its financial position or performance of the Group.

c) FRS 112 Disclosure of interests in Other Entities

FRS 112 is a new standard which prescribes comprehensive disclosure requirements for all types of interest in other entities. It requires an entity to disclose information that helps users to assess the nature and financial effects of relationships with subsidiaries, associates, joint arrangements and unconsolidated structured entities. This new standard is likely result in more extensive disclosures in the financial statements. However, there will be no impact on the financial position or financial performance of the Group.

**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.**

|                     | <b>GROUP</b>          |                   |                       |                   |
|---------------------|-----------------------|-------------------|-----------------------|-------------------|
|                     | <b>3 months ended</b> |                   | <b>9 months ended</b> |                   |
|                     | <b>30.09.2014</b>     | <b>30.09.2013</b> | <b>30.09.2014</b>     | <b>30.09.2013</b> |
| (a) Basic (cents)   | 0.40                  | 0.48              | 2.17                  | 1.93              |
| (b) Diluted (cents) | 0.40                  | 0.48              | 2.14                  | 1.93              |

The basic earnings per share for 3 months period ended is computed based on the weighted average number of 336,599,335. (2013: 334,679,335).

The basic earnings per share for 9 months period ended is computed based on the weighted average number of 336,507,906. (2013: 334,679,335).

The diluted earnings per share for 3 months period ended 30 September 2014 and 9 months period ended 30 September 2014 is 341,079,335 (Q313: 334,679,335, 9M13: 334,679,335) computed based on the weighted average number of shares issued during the period and the full potential dilutive effect of shares under the Sinwa Share Plan.

**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.

|                                                                                | <b>GROUP</b> | <b>COMPANY</b> |
|--------------------------------------------------------------------------------|--------------|----------------|
| The total number of issued shares excluding treasury shares at the end of the: |              |                |
| (a) current financial period reported on                                       | 336,599,335  | 336,599,335    |
| (b) immediately preceding financial year                                       | 334,679,335  | 334,679,335    |
| Net asset value per issued ordinary shares as at (cents)                       |              |                |
| (a) 30 September 2014                                                          | 26.68        | 12.16          |
| (b) 31 December 2013                                                           | 27.44        | 13.69          |

**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 \$6.2 million to \$39.7 million for three months period ended 30 September 2014 (3Q14) and \$9.6 million to \$113.8 million for the nine months period ended 30 September 2014 (9M14) compared to the corresponding periods in FY2013.

The increase in revenue for 3Q14 and 9M14 was mainly due to higher revenue recorded from the marine offshore supply business in Singapore and Australia.

Gross margin decreased to 23.9% in 3Q14 from 24.4% in 3Q13. It decreased to 24.3% for the period 9M14 from 25.2% for 9M13. The decrease in gross margin was mainly due to the disposal of our Anchor Handling Tug (AHT) in first quarter of 2014 and thus no chartering income was earned after the disposal. The secondary reason was a compression of margin in our marine supply business due to competition.

Marketing and distribution cost increased by \$0.4 million to \$1.5 million in 3Q14. For the period 9M14, marketing and distribution cost increased to \$3.8 million from \$3.4 million in 9M13. The increase was mainly due to higher marketing and distribution costs associated with higher sales.

Administrative expenses increased by \$0.7 million in 3Q14 to \$5.4 million and \$2.2 million to \$16.1 million in 9M14. The increases were mainly due to higher staff costs and accelerated depreciation of some fixed assets.

The Group recorded an Other income – net of \$42,000 in 3Q14 compared to an Other expense- net of \$148,000 for 3Q13. The net other expenses for 3Q13 included an allowance for slow moving stock of \$277,000 offset by a management fee income of \$128,000 whereas for 3Q14 no such expenses/income were provided for/received.

Other income -net increased by \$1.0 million for 9M14 from \$0.2 million for 9M13 mainly due to gains from the disposal of AHT.

Financial expenses increased by \$0.6 million in 3Q14 to \$0.7 million from \$0.1 million for 3Q13. The increased in financial expenses for 3Q14 was mainly due to reversal of forex exchange gain of \$0.7 million resulted from the strengthening of Singapore dollar against Australian dollar. Finance expenses for 9M14 recorded a decrease of \$0.7 million to \$0.3 million. The decrease was mainly due to lower foreign exchange loss incurred.

With the adoption of FRS 111 Joint Arrangement and FRS 28 Investment in Associate and Joint Venture, the Company has re-presented its share of results of jointly controlled entity from proportionate consolidation method to equity method. Under this equity method, the Group presented its share of result of jointly controlled entity as share of losses of jointly controlled entity for the current and comparative period.

Share of losses from joint venture company for 3Q14 and 9M14 compared to 3Q13 and 9M13 was due to cessation of the operation of joint venture company –Yakki International subsequent to the disposal of its liftboat in first quarter 2013.

Discontinued operations refers to the engineering division –Sinwa Engineering Pte Ltd and its subsidiaries which was announced on 14 December 2013 by the Company that the division will be voluntarily wound up. No cost was incurred for the current period as the engineering division has ceased operation and is in the process of winding up. The loss of \$0.1 million incurred in 3Q13 and \$1.0 million in 9M13 included the costs of repatriation of foreign workers, dormitory and office rental as well as costs incurred in completing the projects on hand.

The Group's net profit for 3Q14 was \$1.4 million which marginally lower than \$1.6 million recorded in 3Q13. The decrease in profit for 3Q14, was mainly due to an increase in marketing and distribution expenses, administrative expenses and finance expenses. For 9M14, the increase of profit from \$6.2 million in 9M13 to \$7.3 million was mainly due to an increase in revenue and gain on disposal of AHT partially offset by an increase in administrative expenses.

**(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 decreased from \$2.8 million for 3Q13 to \$1.8 million for 3Q14. Net cash inflow for 9M14 recorded a decrease of \$0.7 million from \$5.7 million for 9M13 to \$5.0 million. Lower net cash inflow from the operating activities for 3Q14 and 9M14 was mainly due to higher working capital requirement and income tax paid.

Cashflow from investing activities in 3Q14 was a net cash inflow of \$0.7 million compared to net cash outflow of \$0.8 million in 3Q13. Net cash inflow for 3Q14 was mainly due to the effect of currency alignment of assets held in Australian currency. Whereas for 3Q13, the net cash outflow was due to the purchase of property, plant and equipment. Cash inflow for 9M14 decreased to \$5.4 million from \$25.6 million in 9M13. The decreased was mainly due to a repayment of \$23.7 million of shareholder loan by the joint venture company –Yakki subsequent to its disposal of liftboat –KS Titan 2 and the receipts of sale proceeds from the disposal of the AMS Group.

Net cash used in financing activities 3Q14 and 9M14 was mainly due to the net repayment of borrowings, fixed deposit pledged with bank for secure a long term loan and payment of dividend.

**Non-current assets**

The decreased in property, plant and equipment to \$39.4 million as at 30 September 2014 from \$44.5 million as at 31 December 2013 was mainly due to the disposal of AHT in March 2014.

Increased in deferred tax assets was due to the recognition of tax lossess by our Australian subsidiaries.

The decreased in investment in joint ventures from \$0.7 million as of 31 December 2013 to \$50,000 as of 30 September 2014 was mainly due to the repayment of shareholders loan by the joint venture company –Yakki International Pte Ltd. The shareholders loan due by Yakki was treated as quasi loan and being treated as part of investment costs.

**Current Assets**

Inventories increased to \$5.6 million as at 30 September 2014 from \$4.9 million as at 31 December 2013. The increase in inventories was meant to meet higher sales orders.

Trade and other receivables registered an increased of \$3.6 million from \$38.2 million as at 31 December 2013 to \$41.8 million as at 30 September 2014 in line with higher sales for the period ended 30 September 2014.

Assets classified as held for sale refers to the investment in joint venture entity –Nordic International Limited. With the adoption of FRS 111 Joint Arrangement, the Group has reclassified the investment in Nordic from proportionate consolidation method to equity method. As of 30 September 2014, this investment is still pending for the court decision for it final valuation. As such, this investment continues to be classified as assets held for sale.

### **Equity**

Share capital increased to \$40.2 million as of 30 September 2014 from \$39.9 million as of 31 December 2013. The increase in share capital is due to the issuance of 1,920,000 share under the Sinwa Share Plan.

### **Non Current liabilities**

Total non-current liabilities increased from \$2.8 million as of 31 December 2013 to \$6.2 million as of 30 September 2014. The increase was mainly due to the refinancing of short term loan into a long term loan.

### **Current liabilities**

Trade and other payables increased from \$25.8 million as of 31 December 2013 to \$27.3 million as of 30 September 2014. The increase was in line with higher level of inventories and increase in business volume.

Current liabilities decreased from \$35.8 million as of 31 December 2013 to \$28.9 million as of 30 September 2014. The decreased was mainly because the Group made a repayment of \$5.1 million bank loans and refinanced \$3.3 million short term loans into a long term loan.

**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.**

The shipping industry, having experienced one of its longest downturn in recent history, is currently seeing some indications of a slow recovery. We are seeing increasing activities in Chinese and South Korean ship-yards as ship-owners are acquiring more LNG and clean product tonnage, reflecting future market demands for these vessels, particularly as older vessels are being scrapped.

The offshore/oil & gas segment is expected to remain resilient in this region, and we believe there are some opportunities to be tapped with the increased deployment of offshore exploration rigs in the Gulf of Thailand, and in the Bay of Bengal/Andaman Sea off the Myanmar coast.

Competition in the Marine and Offshore Supply market continues to be razor keen. Meanwhile ship-owners are increasingly turning to global sourcing to stretch their reduced operating budgets, and this in turn, will place additional pressures on the industry players to further sharpen their competitive edge.

This competitive situation is further expected to be aggravated by higher staffing and manpower costs as a result of MOM's current quota restrictions on recruitment of foreign manpower, leading to substantial increases in staffing (and retention) costs with little or no corresponding increases in productivity.

It is a daunting challenge ahead for us - and for the industry. With the constraints of a tight labour market and increasingly escalating manpower costs, the Company will be increasing its focus on further expansion into other markets, besides Australia and China where we currently operate in.



**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

None.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

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

None.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

**12. If no dividend has been declared/recommendeded, 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, Tan Lay Ling and Bruce William Rann, being two directors of Sinwa Limited (the "Company"), do hereby confirm on behalf of the 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 September 2014 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD**

Tan Lay Ling  
Executive Chairman

Bruce William Rann  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Bruce William Rann  
Chief Executive Officer  
6 November 2014