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Sinwa's FY2013 net profit surges to S\$6.8m on thriving core business

- Group's revenue increased 13.6% to \$139.4m fo FY2013 on the back of growth in the core business
- Improved balance sheet with gross gearing dropped to 10% and cash holding grew to S\$24.7m as at 31 December 2013
- Proposed final ordinary dividend of 1.0 cent per share, bringing total dividend to 4.5 cents per share for FY2013

Singapore, 25 February 2014 – Listed on the SGX Mainboard and Asia Pacific's leading marine, offshore supply and logistics player, **Sinwa Limited** ("Sinwa" or "the Group"), has announced its financial results for the full year ended 31 December 2013 ("FY2013"). Financial highlights of the results are mentioned below:

| Financial Highlights | FY2013 | FY2012 | Chg |
|---------------------------------------|--------------|--------------|------------------|
| | S\$'000 | S\$'000 | % |
| Revenue | 139,369 | 122,649 | 13.6 |
| Gross Profit | 34,414 | 32,216 | 6.8 |
| <i>Gross Profit Margin</i> | <i>24.7%</i> | <i>26.3%</i> | <i>(1.6) ppt</i> |
| Marketing & Distribution Costs | (4,620) | (4,178) | 10.6 |
| Administrative Expenses | (20,683) | (21,939) | (5.7) |
| Profit from Continuing Operations | 7,461 | (5,110) | N.M. |
| Profit Attributable to Equity Holders | 6,791 | (5,828) | N.M. |
| <i>Net Profit Margin</i> | <i>4.9%</i> | <i>-</i> | <i>N.M.</i> |
| Basic Earnings Per Share (cents) * | 2.03 | (1.74) | N.M. |

*Based on 334,679,335 ordinary shares

N.M. means Not Meaningful

ppt means percentage points

Review of Continuing Operations

The Group reported an increase of 13.6% in total revenue to S\$139.4m in FY2013. This was largely due to an enhanced customer base for the marine, offshore supply and logistics divisions, which achieved a 14.1% increase to S\$133.4 million in FY2013 as compared to S\$116.9 m a year ago.

Gross profit for FY2013 increased 6.8% to S\$34.4m. However, with increased turnover and stiff competition in the market, gross profit margin declined to 24.7% in FY2013 from 26.3% in FY2012.

The marketing and distribution costs grew in line with the revenue growth and increased 10.6% to S\$4.6 m in FY2013, mainly due to higher marketing and delivery charges incurred. With the disposal of the liftboat (KS Titan 2) in March 2013, administrative expenses decreased by 5.7% to S\$20.7m.

Consequently, the Group's net profit attributable to equity holders rose to S\$6.8m in FY2013 from a loss of S\$5.8m in FY2012, translating to basic earnings per share of 2.03 cents in FY2013.

The Group is in the midst of winding up its engineering business and if the loss from discontinued operations were not taken in, the Group's net profit would be S\$7.5 million for FY2013.

The Group has cash amounting to S\$24.7m as at 31 December 2013. Overall gross gearing has dropped to 10% together with reduction in inventory holdings.

The Board has proposed a final ordinary dividend of 1.0 cent per share. With this payout, the Group would have paid a total dividend of 4.5 cents per share for FY2013. This represents a dividend yield of 22.5% based on the closing stock price of S\$0.20 per share on 24 February 2014.

Outlook

Commenting on the Group's business outlook, Mr. Bruce Rann, Group CEO of Sinwa, said,

“We are delighted with this years’ set of results and we are pleased to propose a final ordinary dividend of 1.0 cent per share to reward our loyal shareholders.

While the offshore market is relatively stable, the general shipping industry is still plagued by overcapacity and volatile freight rates. We shall continue to review our business operations, concentrate on our core marine, offshore supply and logistics business and look for further opportunities throughout the Asia Pacific region.

ABOUT SINWA LIMITED (Bloomberg Ticker: SKS SP)

Sinwa Limited was listed on the SGX SESDAQ in February 2003 and was upgraded to the Main Board of the Singapore Exchange in April 2005.

Sinwa is Asia-Pacific's leading marine, offshore supply and logistics company servicing the general marine and offshore industry. Sinwa's main operations and head office are in Singapore, with subsidiaries and offices in Australia and China.

Founded in the 1960s, Sinwa's core business includes the supply of a wide range of ships' heavy deck and engine equipment, ships' spares, general hardware and provisions to the marine and offshore industry, and providing a full and comprehensive range of shipping agency, logistics, warehousing and related support services.

For more information, please visit www.sinwaglobal.com

Issued for and on behalf of Sinwa Limited

By Financial PR Pte Ltd

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