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Sinwa posts record quarterly net profit of S\$3.8 million for 1Q2014

- **Group’s revenue continues to grow steadily, up 6.5% y-o-y to S\$36.0 million for 1Q2014 on organic growth in the core business.**
- **Gross profit increased 4.2% y-o-y.**
- **Earnings per share increased 30.2% to 1.12 cents**

Singapore, 8 May 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 three months ended 31 March 2014 (“1Q2014”). Financial highlights of the results are mentioned below:

Financial Highlights	1Q2014	1Q2013	Chg
	S\$’000	S\$’000	%
Revenue	36,014	33,806	6.5
Gross Profit	9,099	8,735	4.2
<i>Gross Profit Margin</i>	25.3%	25.8%	(0.5) ppt
Marketing & Distribution Costs	(1,213)	(1,036)	17.1
Administrative Expenses	(5,271)	(4,591)	14.8
Net Other Income	1,284	261	>100.0
Profit from Continuing Operations	3,771	3,371	11.9
Profit Attributable to Equity Holders	3,771	2,880	30.9
<i>Net Profit Margin</i>	10.5%	8.5%	2.0 ppt
Basic Earnings Per Share (cents) *	1.12	0.86	30.2

* Based on 336,322,002 and 334,679,335 weighted average number of ordinary shares in issue for 1Q2014 and 1Q2013 respectively
ppt means percentage points

Review of Continuing Operations

The Group reported an increase of 6.5% year-on-year (“y-o-y”) in total revenue to S\$36.0 million for 1Q2014. This was largely due to an enlarged customer base for the Group’s core marine, offshore supply and logistics business.

Gross profit for the Group’s continuing operations improved 4.2% y-o-y to S\$9.1 million for 1Q2014, up from S\$8.7 million.

The marketing and distribution costs grew 17.1% y-o-y to S\$1.2 million for 1Q2014, mainly due to higher marketing and delivery charges associated with higher sales. Accelerated depreciation for some fixed assets in 1Q2014 as well as higher provision for staff costs resulted in 14.8% y-o-y increase in administrative expenses to S\$5.3 million.

Notably, the Group recorded S\$1.3 million in net other income for 1Q2014, an increase of S\$1.0 million over that of 1Q2013, due mainly to gains from the sale of Anchor Handling Tug (“AHT”). The sale of the AHT is part of the Group’s on-going divestments of non-core businesses in order to focus on their core marine, offshore supply and logistics business.

Consequently, the Group’s net profit attributable to equity holders rose 30.9% y-o-y to S\$3.8 million for 1Q2014, translating to a basic earnings per share of 1.12 cents in 1Q2014.

Outlook

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

***“We are delighted to announce that Sinwa has once again achieved an excellent set of results for our first quarter of FY2014 on our thriving core business. Going forward, we will continue to concentrate our resources onto our core marine and offshore supply and logistics business, and we will continue to look for opportunities to enhance our client base throughout the Asia Pacific Region.*”**

The outlook for the offshore market remains optimistic and we plan to further expand our supply and logistics operations to this promising sector to unlock further value for our shareholders.”

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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