



**Second Quarter Financial Statements and Dividend Announcement
For the Financial Period Ended 30 June 2015**

**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 2015.

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	GROUP			GROUP		
	3 months ended			6 months ended		
	30 June			30 June		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	40,815	38,001	7.4	77,669	74,015	4.9
Cost of sales	(31,110)	(28,989)	7.3	(59,300)	(55,904)	6.1
Gross profit	9,705	9,012	7.7	18,369	18,111	1.4
Other item of income						
Financial income	(214)	176	(>100)	190	674	(71.8)
Other items of expense						
Marketing and distribution costs	(1,349)	(1,106)	22.0	(2,717)	(2,319)	17.2
Administrative expenses	(5,127)	(5,369)	(4.5)	(10,166)	(10,640)	(4.5)
Other income/(expense) - net	306	(93)	(>100)	488	1,191	(59.0)
Financial expenses	(23)	(45)	(48.9)	(51)	(107)	(52.3)
Share of profit in jointly controlled entity, net of tax	6	7	(14.3)	6	4	50.0
Profit before income tax	3,304	2,582	28.0	6,119	6,914	(11.5)
Income tax expense	(666)	(420)	58.6	(1,264)	(981)	28.8
Profit for the period / Profit attributable to owners of the Company	2,638	2,162	22.0	4,855	5,933	(18.2)
Other comprehensive income:						
Foreign currency translation differences on foreign operations	(313)	(9)	>100	(658)	127	(>100)
Share of foreign currency translation difference on jointly controlled entity	-	48	(>100)	-	44	(>100)
Other comprehensive income for the period, net of tax	(313)	39	(>100)	(658)	171	(>100)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,325	2,201	5.6	4,197	6,104	(31.2)



- 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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Financial income:				
Interest income - bank	51	44	89	62
Foreign exchange (loss)/gain - net	(265)	132	101	612
	<u>(214)</u>	<u>176</u>	<u>190</u>	<u>674</u>
Financial expenses:				
Interest expense	(23)	(45)	(50)	(107)
Finance lease interest	-	-	(1)	-
	<u>(23)</u>	<u>(45)</u>	<u>(51)</u>	<u>(107)</u>
Other income/(expenses) - net				
Reversal/(Allowance) for doubtful trade receivables	113	(11)	116	(95)
Reversal/(Allowance) for doubtful other receivables	190	(150)	190	(150)
Bad debts written off (trade)	-	(5)	(12)	(33)
Bad debts written off (non-trade)	(28)	-	(28)	-
(Loss)/Gain on disposal of property, plant and equipment - net	(8)	45	(8)	1,263
Government grant income	4	5	135	112
Handling fee	33	21	68	38
Management fee income	-	-	-	26
Sales of scrap material	-	-	-	6
Others	2	2	27	24
	<u>306</u>	<u>(93)</u>	<u>488</u>	<u>1,191</u>
Profit before income tax is stated after charging:-				
Amortisation of intangible assets	(4)	(4)	(7)	(7)
Depreciation of property, plant and equipment	(435)	(456)	(880)	(1,131)



- 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 2015

	GROUP		COMPANY	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	36,804	38,405	128	145
Intangible assets	-	7	-	-
Goodwill	548	548	-	-
Held-to-maturity financial asset	250	250	250	250
Investments in subsidiaries	-	-	11,763	11,763
Investments in joint ventures	30	24	25	25
Deferred tax assets	434	449	-	-
Other assets	55	57	-	-
Other receivables	925	960	155	155
Total non-current assets	<u>39,046</u>	<u>40,700</u>	<u>12,321</u>	<u>12,338</u>
Current assets				
Inventories	5,068	4,200	-	-
Trade and other receivables	44,226	39,777	48,366	51,491
Prepayments	384	455	16	19
Cash and cash equivalents	26,533	24,804	17,864	13,389
	<u>76,211</u>	<u>69,236</u>	<u>66,246</u>	<u>64,899</u>
Assets classified as held for sale	15,116	15,116	-	-
Total current assets	<u>91,327</u>	<u>84,352</u>	<u>66,246</u>	<u>64,899</u>
Total assets	<u><u>130,373</u></u>	<u><u>125,052</u></u>	<u><u>78,567</u></u>	<u><u>77,237</u></u>



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

	GROUP		COMPANY	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY AND LIABILITIES				
Equity				
Share capital	40,618	40,618	40,618	40,618
Retained earnings	43,113	39,951	11,846	5,993
Revaluation reserves	14,009	14,009	-	-
Foreign currency translation reserve	(3,632)	(2,974)	-	-
Total equity	94,108	91,604	52,464	46,611
Non-current liabilities				
Deferred tax liabilities	2,910	2,844	-	-
Finance leases	30	40	-	-
Borrowings	-	2,709	-	2,709
Total non-current liabilities	2,940	5,593	-	2,709
Current liabilities				
Income tax payable	1,779	1,445	14	-
Trade and other payables	28,942	25,848	23,505	27,375
Current portion of finance leases	20	20	-	-
Current portion of borrowings	2,584	542	2,584	542
Total current liabilities	33,325	27,855	26,103	27,917
Total liabilities	36,265	33,448	26,103	30,626
Total equity and liabilities	130,373	125,052	78,567	77,237

	GROUP	
	30.06.2015	31.12.2014
<u>Financial ratios</u>		
Inventory turnover (days)	15	13
Trade receivables turnover (days)	96	92
Gearing (total borrowings to total equity)	0.03	0.04



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

Amount repayable in one year or less, or on demand

30.06.2015		31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,604	-	562	-

Amount repayable after one year

30.06.2015		31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
30	-	2,749	-

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

- a) 3 commercial properties in Singapore;
- b) 2 residential properties in Australia; and
- c) Certain fixed deposits.



- 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 THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit for the period	2,638	2,162	4,855	5,933
Adjustments for:				
(Reversal)/Allowance for doubtful trade receivables	(113)	11	(116)	95
(Reversal)/Allowance for doubtful non trade receivables	(190)	150	(190)	150
Bad debts written off (trade)	-	5	12	33
Bad debts written off (non-trade)	28	-	28	-
Amortisation of intangible assets	4	4	7	7
Depreciation of property, plant and equipment	435	456	880	1,131
Interest income - bank	(51)	(44)	(89)	(62)
Interest expense	23	45	51	107
Loss/(Gain) on disposal of property, plant and equipment - net	8	(45)	8	(1,263)
Share of results of jointly controlled entity	(6)	(7)	(6)	(4)
Income tax expense	666	420	1,264	981
Operating profit before working capital changes	3,442	3,157	6,704	7,108
Trade and other receivables	(3,849)	(1,804)	(4,105)	(3,302)
Inventories	418	292	(868)	(1,074)
Trade and other payables	1,450	(298)	3,095	1,169
Cash generated from operations	1,461	1,347	4,826	3,901
Interest paid	(23)	(45)	(51)	(107)
Interest received	51	44	89	62
Income tax paid	(767)	(666)	(849)	(628)
Net cash from operating activities	722	680	4,015	3,228



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 (Continued)

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Advances to PRC licensees	-	-	-	(26)
Proceeds from disposal of property, plant and equipment	5	128	5	5,663
Purchase of property, plant and equipment	(66)	(363)	(130)	(873)
Proceeds from disposal of subsidiaries	-	-	-	650
Effect of foreign currency alignment on investing activities	349	(190)	768	(792)
Net cash from/(used in) investing activities	288	(425)	643	4,622
Financing activities				
Proceeds from borrowings	-	3,438	-	3,438
Repayment of borrowing	(516)	(6,803)	(516)	(8,565)
Proceeds from finance leases	-	74	-	74
Repayment of finance leases	(5)	(4)	(10)	(4)
Dividends paid	(1,693)	(3,366)	(1,693)	(3,366)
Fixed deposit pledge with bank	633	(3,522)	633	(3,522)
Effect of foreign currency alignment on financing activities	(49)	61	(151)	153
Net cash used in financing activities	(1,630)	(10,122)	(1,737)	(11,792)
Net (decrease)/increase in cash and cash equivalents	(620)	(9,867)	2,921	(3,942)
Cash and cash equivalents at beginning of period	24,274	30,064	21,078	24,007
Effect of exchange rate changes on cash and cash equivalents	(287)	39	(632)	171
Cash and cash equivalents at end of period	23,367	20,236	23,367	20,236
<u>Analysis of the cash and cash equivalents</u>				
Cash, bank balances and fixed deposits	26,533	23,758	26,533	23,758
Less: Fixed deposits pledged with bank	(3,166)	(3,522)	(3,166)	(3,522)
Cash and cash equivalents for the purpose of consolidated statement of cash flow	23,367	20,236	23,367	20,236



- 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 2015

GROUP	Total equity	Non- controlling interest	Equity, attributable to owners of the Company	Share capital	Treasury shares	Capital reserve	Equity compensation reserve	Revaluation reserve	Retained earnings	Translation reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.01.2015	91,604	-	91,604	41,471	(961)	108	-	14,009	39,951	(2,974)
Profit for the period	2,217	-	2,217	-	-	-	-	-	2,217	-
Foreign currency translation differences on foreign operation	(345)	-	(345)	-	-	-	-	-	-	(345)
Other comprehensive income	(345)	-	(345)	-	-	-	-	-	-	(345)
Total comprehensive income for the year	1,872	-	1,872	-	-	-	-	-	2,217	(345)
Balance at 31.03.2015	93,476	-	93,476	41,471	(961)	108	-	14,009	42,168	(3,319)
Balance at 1.04.2015	93,476	-	93,476	41,471	(961)	108	-	14,009	42,168	(3,319)
Profit for the period	2,638	-	2,638	-	-	-	-	-	2,638	-
Foreign currency translation differences on foreign operation	(313)	-	(313)	-	-	-	-	-	-	(313)
Other comprehensive income	(313)	-	(313)	-	-	-	-	-	-	(313)
Total comprehensive income for the year	2,325	-	2,325	-	-	-	-	-	2,638	(313)
Dividends/total transaction with owners	(1,693)	-	(1,693)	-	-	-	-	-	(1,693)	-
Balance at 30.06.2015	94,108	-	94,108	41,471	(961)	108	-	14,009	43,113	(3,632)



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015
(Continued)

GROUP	Total equity	Non- controlling interest	Equity attributable to owners of the Company	Share capital	Treasury shares	Capital reserve	Equity compensation reserve	Revaluation reserve	Retained earnings	Translation reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.01.2014	91,092	(739)	91,831	40,734	(961)	108	294	13,481	40,788	(2,613)
Profit for the period	3,771	-	3,771	-	-	-	-	-	3,771	-
Foreign currency translation differences on foreign operation	136	-	136	-	-	-	-	-	-	136
Share of reserve of jointly controlled entity	(4)	-	(4)	-	-	-	-	-	-	(4)
Other comprehensive income	132	-	132	-	-	-	-	-	-	132
Total comprehensive income for the period	3,903	-	3,903	-	-	-	-	-	3,771	132
Share based payment	74	-	74	-	-	-	74	-	-	-
Issue of share	-	-	-	368	-	-	(368)	-	-	-
Total transactions with owners	74	-	74	368	-	-	(294)	-	-	-
Balance at 31.03.2014	95,069	(739)	95,808	41,102	(961)	108	-	13,481	44,559	(2,481)
Balance at 1.04.2014	95,069	(739)	95,808	41,102	(961)	108	-	13,481	44,559	(2,481)
Profit for the period	2,162	-	2,162	-	-	-	-	-	2,162	-
Foreign currency translation differences on foreign operation	(9)	-	(9)	-	-	-	-	-	-	(9)
Share of reserve of jointly controlled entity	48	-	48	-	-	-	-	-	-	48
Other comprehensive income	39	-	39	-	-	-	-	-	-	39
Total comprehensive income for the period	2,201	-	2,201	-	-	-	-	-	2,162	39
Dividends / Total transaction with owners	(3,366)	-	(3,366)	-	-	-	-	-	(3,366)	-
Balance at 30.06.2014	93,904	(739)	94,643	41,102	(961)	108	-	13,481	43,355	(2,442)



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015
(Continued)

COMPANY	Total <u>equity</u> S\$'000	Share <u>capital</u> S\$'000	Treasury <u>shares</u> S\$'000	Equity Compensation <u>reserve</u> S\$'000	Capital <u>reserve</u> S\$'000	Retained. <u>earnings</u> S\$'000
Balance at 1.01.2015	46,611	41,471	(961)	-	108	5,993
Loss for the period / Total comprehensive income for the period	(63)	-	-	-	-	(63)
Balance at 31.03.2015	46,548	41,471	(961)	-	108	5,930
Balance at 1.04.2015	46,548	41,471	(961)	-	108	5,930
Profit for the period / Total comprehensive income for the period	7,609	-	-	-	-	7,609
Dividends / Total transaction with owners	(1,693)	-	-	-	-	(1,693)
Balance at 30.06.2015	52,464	41,471	(961)	-	108	11,846
Balance at 1.01.2014	45,819	40,734	(961)	294	108	5,644
Profit for the period / Total comprehensive income for the period	30	-	-	-	-	30
Share-based payments	74	-	-	74	-	-
Issue of shares	-	368	-	(368)	-	-
Total transaction with owners	74	368	-	(294)	-	-
Balance at 31.03.2014	45,923	41,102	(961)	-	108	5,674
Balance at 1.04.2014	45,923	41,102	(961)	-	108	5,674
Profit for the period / Total comprehensive income for the period	5,003	-	-	-	-	5,003
Dividends / Total transaction with owners	(3,366)	-	-	-	-	(3,366)
Balance at 30.06.2014	47,560	41,102	(961)	-	108	7,311

- 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 June 2015, the number of share granted under the Sinwa Share Plan but yet to be released is 2,560,000 (30 June 2014: 4,480,000).

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

	30.06.2015	30.06.2014
	No. of Shares	No. of Shares
Treasury shares	2,177,532	2,177,532
	-----	-----
Number of issued ordinary shares (excluding treasury shares)	338,519,335	336,599,335
	-----	-----
Percentage (%)	0.643%	0.647%
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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.**

	30.06.2015	31.12.2014
	No. of Shares	No. of Shares
Number of issued ordinary shares (excluding treasury shares)	338,519,335	338,519,335
	-----	-----

- 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.

Except as disclosed in paragraph 5 below, 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 2014.

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 2015. 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.

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 109 - Financial Instruments

FRS 109 supersedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets, particularly the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

b) FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 January 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

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	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
(a) Basic (cents)	0.73	0.64	1.43	1.76
(b) Diluted (cents)	0.72	0.63	1.42	1.74

The basic earnings per share for 3 months period ended is computed based on the weighted average number of 338,519,335. (2Q14: 336,599,335).

The basic earnings per share for 6 months period ended is computed based on the weighted average number of 338,519,335. (1H14: 336,461,434).

The diluted earnings per share for 3 months period ended for the quarter and 6 months period ended 30 June 2015 is 341,079,335 (Q214 and 1H14: 341,079,335) 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.**

	GROUP	COMPANY
The total number of issued shares excluding treasury shares at the end of the:		
(a) current financial period reported on	338,519,335	338,519,335
(b) immediately preceding financial year	336,599,335	336,599,335
Net asset value per issued ordinary shares as at (cents)		
(a) 30 June 2015	27.80	15.50
(b) 31 December 2014	27.06	13.77

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 \$2.8 million to \$40.8 million for the quarter ended 30 June 2015 (2Q15) and \$3.7 million to \$77.7 million for the first half of the year ended 30 June 2015 (1H15) compared to the corresponding periods in FY2014.

The increase in revenue was mainly due to higher sales from the marine and offshore supply business as a result of increased in the Group's customer base and higher sales from existing customers.

Gross margin for the quarter was constant at 23.8% for 2Q15 from 23.7% for 2Q14. For the half year, gross margin decreased to 23.7% for 1H15 from 24.5% for 1H14. The compression of margin was due to the competitive market condition.

Marketing and distribution cost was higher by \$0.2 million for the quarter and \$0.4 million for the half year. Higher marketing and distribution costs for both quarter and half year were due to higher sales.

Administrative expenses had decreased by \$0.3 million to \$5.1 million in 2Q15 and \$0.4 million to \$10.2 million in 1H15. The decreased for the quarter was due to higher professional expenses in 2Q14 as compared to current quarter. Decreased for the half year was attributed by higher professional expenses and depreciation charges as compared to 1H14, which the later was due to accelerated charge for certain property, plant and equipment.

Other income – net for the quarter was \$0.3 million in 2Q15 compared to other expense – net of \$0.1 million in 2Q14. This increase was due to reversal of doubtful debts. Other income was lower for the half year at \$0.5 million in 1H15 compared to \$1.2 million in 1H14, mainly due to gains from the disposal of Anchor Handling Tug (AHT) in first quarter of 2014.

Financial income had decreased by \$0.4 million for 2Q15 and \$0.5 million for 1H15. The fall was due to foreign exchange losses for 2Q15, while for 1H15, due to lower foreign exchange gain.

Financial expenses for 2Q15 had decreased from \$45,000 in 2Q14 to \$23,000, and for 1H15 decrease from \$107,000 in 1H14 to \$51,000. The decrease is mainly due to lower interest expenses from lower borrowings.

The Group's net profit for 2Q15 was \$2.6 million compared to \$2.2 million for 2Q14. The increase in net profit was mainly due to increase in revenue which was partially offset by a higher marketing and distribution costs. Decreased in half year's net profit from \$5.9 million in 1H14 to \$4.9 million in 1H15 was mainly attributed to the recognition of gain on disposal of AHT in first quarter 2014.

Depreciation in Australian dollar had resulted in loss of \$0.7 million for the half year in 1H15 as compared to gain of \$0.1 million in 1H14, recorded in the other comprehensive income which mainly due to exchange differences on translating the financial statements of foreign operations.

(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 the quarter had increased marginally mainly due higher profit for the period. Net cash inflow from operating activities for the half year had recorded an increase of \$0.8 million from \$3.2 million for 1H14 to \$4.0 million for 1H15. This increase was mainly due to higher cash generated from operation as a result of better working capital management.

For the quarter, net cash inflow from investing activities in 2Q15 was \$0.3 million compared to net cash outflow of \$0.4 million in 2Q14, mainly due to effect of foreign currency alignment on investing activities. For the half year, net cash inflow decreased from \$4.6 million in 1H14 to \$0.6 million in 2Q15 mainly due to the proceeds from the disposal of AHT.

Lower net cash used in financing activities for 2Q15 and 1H15 was mainly due to lower net repayment of borrowings and payment of dividend.

Non-current assets

The decreased in property, plant and equipment to \$36.8 million as at 30 June 2015 from \$38.4 million as at 31 December 2014, was mainly due to depreciation charge and translation difference of fixed assets in foreign operations.

Current Assets

Inventories increased to \$5.1 million as at 30 June 2015 from \$4.2 million as at 31 December 2014. The increase in inventories was mainly due to lower inventory level maintained at last year end and in anticipation of demand from customer.

Increase in trade and other receivables to \$44.2 million as at 30 June 2015 from \$39.8 million as at 31 December 2014 was in line with higher sales.

Equity

The foreign currency translation reserve decreased from negative \$3.0 million as of 31 December 2014 to negative \$3.6 million as at 30 June 2015. This was mainly due to the weakening of Australian dollar against the Singapore dollar.

Non-current liabilities

Total non-current liabilities decreased from \$5.6 million as at 31 December 2014 to \$2.9 million as at 30 Jun 2015 was mainly due to the borrowings is repayable within the next 12 months.



Current liabilities

Trade and other payables increased from \$25.8 million as of 31 December 2014 to \$28.9 million as of 30 June 2015. The increase was in line with higher level of inventories and increase in business volume.

Total current liabilities increased from \$27.9 million as of 31 December 2014 to \$33.3 million as of 30 June 2015. The increase was due to higher payables and the reclassification of bank borrowings which is repayable within next 12 months.

- 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 overall shipping and offshore industry remain somewhat moribund. Freight rates, especially that of bulkers, have yet to be anywhere near breakeven, although we are beginning to see new tonnage activities in South Korean and Chinese ship-yards. The impact of low crude oil prices and the imminent entry of Iranian oil into the global market could well dampen offshore exploration and other related activities further, resulting in lower charter and take up rates for drilling, seismic and other offshore vessels.

On the other hand, with more offshore rigs operating in Asia than the whole of North America, Mexico and Europe combined; there are opportunities in Asia, especially in Thailand, Myanmar, Indonesia and other areas to participate in the demand for supply and logistical support services for these areas.

We plan to continue our focus in strategic expansion in this region, and have as of March this year, commence operations in Bangkok and Songkla.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes, the Board wishes to declare a special dividend of \$0.0225 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?

Yes, an interim tax exempt dividend of \$0.0175 per share (which consists of a special dividend \$0.0125 per share from the proceeds of disposal of AHT and an interim dividend of \$0.005 per share for FY2014) was declared and paid on 10 September 2014.

(c) Date payable

The special dividend will be paid on 3 September 2015.

(d) Books closure date

The Share Transfer books and Register of Members of the Company closed on 25 August 2015 for the purpose of determining shareholders' entitlement to the special dividend of \$0.0225 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, 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 June 2015 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
3 August 2015