



**First Quarter Financial Statements And Dividend Announcement
For the Financial Period Ended 31 March 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 31 March 2014.

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	GROUP		
	3 months ended		
	31 March		
	Re-presented		
	2014	2013	+ / (-)
	S\$'000	S\$'000	%
Revenue	36,014	33,806	6.5
Cost of sales	(26,915)	(25,071)	7.4
Gross profit	9,099	8,735	4.2
Other item of income			
Financial income	498	862	(42.1)
Other items of expense			
Marketing and distribution costs	(1,213)	(1,036)	17.1
Administrative expenses	(5,271)	(4,591)	14.8
Other income-net	1,284	261	>100
Financial expenses	(62)	(186)	(66.7)
Share of losses in jointly controlled entity, net of tax	(3)	(178)	(98.3)
Profit before income tax	4,332	3,867	12.0
Income tax expense	(561)	(496)	13.1
Profit from continuing operations	3,771	3,371	11.9
Discontinued operations			
Loss from discontinued operations	-	(714)	(100)
Profit for the period	3,771	2,657	41.9
Profit / (loss) attributable to:			
Owners of the Company	3,771	2,880	30.9
Non-controlling interests	-	(223)	(100)
	3,771	2,657	41.9



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	GROUP		
	3 months ended		
	31 March		
	2014	2013	+ / (-)
	Re-presented		
	S\$'000	S\$'000	%
PROFIT FOR THE PERIOD	3,771	2,657	41.9
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences foreign operations	136	1,318	(89.7)
Share of foreign currency translation jointly controlled entity	(4)	(129)	(96.9)
Other comprehensive income for the period, net of tax	<u>132</u>	<u>1,189</u>	(88.9)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>3,903</u>	<u>3,846</u>	1.5
Total comprehensive income/(loss) attributable to:			
Owners of the Company	3,903	4,069	(4.1)
Non-controlling interests	-	(223)	(100)
	<u>3,903</u>	<u>3,846</u>	1.5



- 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

	GROUP	
	3 months ended	
	31 March	
	2014	2013
	Re-presented	
	S\$'000	S\$'000
Financial income:		
Interest income - bank	18	12
Foreign exchange gain	480	850
	<u>498</u>	<u>862</u>
Financial expenses:		
Interest expense	(62)	(186)
	<u>(62)</u>	<u>(186)</u>
Other income/(expenses):		
Allowance for doubtful trade receivables	(84)	-
Bad debt written off	(28)	-
Gain on disposal of subsidiaries	-	133
Gain on disposal of property, plant and equipment, net	1,218	-
Government grant income	107	28
Handling fee	17	30
Management fee income	26	16
Inventory written off	-	(8)
Disposal of scrap material	6	54
Others	22	8
	<u>1,284</u>	<u>261</u>
Profit before income tax is stated after charging:-		
Amortisation of intangible assets	(3)	(12)
Depreciation of property, plant and equipment	(674)	(393)

Results of discontinued operations

	2014	2013
	S\$'000	S\$'000
Revenue	-	1,422
Expenses	-	(2,136)
Results from operating activities	<u>-</u>	<u>(714)</u>



Results of discontinued operations include the following expenses:

	2014 S\$'000	2013 S\$'000
Gain on disposal of property, plant and equipment,	-	18
Depreciation	-	(10)

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 31 MARCH 2014

	GROUP		COMPANY	
	31.03.14	31.12.13	31.03.14	31.12.13
		Re-presented		
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	40,681	44,485	89	99
Intangible assets	17	20	-	-
Goodwill	548	548	-	-
Investments in subsidiaries	-	-	11,763	11,763
Investments in joint ventures	717	724	699	696
Deferred tax assets	352	341	-	-
Other assets	59	57	-	-
Other receivables	1,294	1,268	-	-
Total non-current assets	<u>43,668</u>	<u>47,443</u>	<u>12,551</u>	<u>12,558</u>
Current assets				
Inventories	6,284	4,918	-	-
Trade and other receivables	38,944	38,208	53,787	56,482
Cash and cash equivalents	30,064	24,007	18,637	11,172
	75,292	67,133	72,424	67,654
Assets classified as held for sale	15,116	15,116	-	-
Total current assets	<u>90,408</u>	<u>82,249</u>	<u>72,424</u>	<u>67,654</u>
Total assets	<u>134,076</u>	<u>129,692</u>	<u>84,975</u>	<u>80,212</u>



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014 (Continued)

	GROUP		COMPANY	
	31.03.14	31.12.13	31.03.14	31.12.13
	Re-presented			
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY AND LIABILITIES				
Equity				
Share capital	40,249	39,881	40,249	39,881
Retained earnings	44,559	40,788	5,674	5,644
Revaluation reserve	13,481	13,481	-	-
Equity compensation reserve	-	294	-	294
Foreign currency translation reserve	(2,481)	(2,613)	-	-
Equity attributable to owners of the Company	95,808	91,831	45,923	45,819
Non-controlling interests	(739)	(739)	-	-
Total equity	95,069	91,092	45,923	45,819
Non-current liabilities				
Deferred tax liabilities	2,794	2,794	-	-
Finance leases	55	-	-	-
Total non-current liabilities	2,849	2,794	-	-
Current liabilities				
Income tax payable	1,947	1,336	39	39
Trade and other payables	27,192	25,800	35,670	30,999
Current portion of finance leases	19	-	-	-
Current portion of borrowings	7,000	8,670	3,343	3,355
Total current liabilities	36,158	35,806	39,052	34,393
Total liabilities	39,007	38,600	39,052	34,393
Total equity and liabilities	134,076	129,692	84,975	80,212

	GROUP	
	31.03.14	31.12.13
<u>Financial ratios</u>		
Inventory turnover (days)	20	17
Trade receivables turnover (days)	93	94
Gearing (total borrowings to total equity)	0.07	0.10



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

Amount repayable in one year or less, or on demand

31.03.2014		31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,853	166	8,504	166

Amount repayable after one year

31.03.2014		31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
55	-	-	-

Details of any collateral:

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

- 1) Working capital financing obtained for subsidiaries; and
- 2) Loans obtained to finance the construction of 2 office cum warehouse complexes and 2 residential properties 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.



- 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 31 MARCH 2014

	GROUP	
	3 months ended	
	31 March	
	2014	2013
		Re-presented
	S\$'000	S\$'000
Operating activities		
Profit for the period	3,771	2,657
Adjustments for:		
Allowance for doubtful trade receivables	84	-
Bad debt written off (trade)	28	-
Amortisation of intangible assets	3	12
Depreciation of property, plant and equipment	675	403
Interest income - bank	(18)	(12)
Interest expense	62	185
Gain on disposal of subsidiaries	-	(133)
Gain on disposal of property, plant and equipment, net	(1,218)	(18)
Inventory written off	-	8
Share of losses of jointly controlled entity	3	178
Income tax expenses	561	496
Operating profit before working capital changes	3,951	3,776
Trade and other receivables	(1,498)	(4,113)
Work in progress	-	487
Inventories	(1,366)	(398)
Trade and other payables	1,467	565
Cash generated from operations	2,554	317
Interest paid	(62)	(185)
Interest received	18	12
Income tax refund	38	94
Net cash from operating activities	2,548	238
Investing activities		
(Advances to)/Repayment from PRC licensees	(26)	79
Proceeds from disposal of property, plant and equipment	5,535	42
Purchase of property, plant and equipment	(510)	(167)
Jointly controlled entity	-	23,687
Proceeds from disposal of subsidiaries	650	1,500
Effect of foreign currency alignment on investing activities	(602)	(354)
Net cash from investing activities	5,047	24,787



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2014 (Continued)

	GROUP	
	3 months ended	
	31 March	
	2014	2013
		Re-presented
	S\$'000	S\$'000
Financing activities		
Repayment of term loans	(1,762)	-
Proceeds from bills financing	-	3,578
Repayment of bills financing	-	(3,095)
Repayment of finance leases	-	(10)
Effect of foreign currency alignment on financing activities	92	222
Net cash (used in)/from financing activities	<u>(1,670)</u>	<u>695</u>
Net increase in cash and cash equivalents	5,925	25,720
Cash and cash equivalents at beginning of period	24,007	13,277
Effect of exchange rate changes on		
cash and cash equivalents	<u>132</u>	<u>60</u>
Cash and cash equivalents at end of period	<u>30,064</u>	<u>39,057</u>



1(e) 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 31 MARCH 2014

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 1.1 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 entities	(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 31.3.2014	95,069	(739)	95,808	41,102	(961)	108	-	13,481	44,559	(2,481)

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 1.1 2013	95,398	(503)	95,901	40,734	(961)	108	-	13,481	45,711	(3,172)
Profit for the period	2,657	(223)	2,880	-	-	-	-	-	2,880	-
Foreign currency translation differences on foreign operation	1,318	-	1,318	-	-	-	-	-	-	1,318
Share of reserve of jointly controlled entity	(129)	-	(129)	-	-	-	-	-	-	(129)
Other comprehensive income	1,189	-	1,189	-	-	-	-	-	-	1,189
Total comprehensive income for the period	3,846	(223)	4,069	-	-	-	-	-	-	1,189
Disposal of subsidiaries/total transaction with owners	63	63	-	-	-	-	-	-	-	-
Balance at 31.3. 2013	99,307	(663)	99,970	40,734	(961)	108	-	13,481	48,591	(1,983)



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 (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 January 2014	45,819	40,734	(961)	294	108	5,644
Profit for the period/total comprehensive income for the period	30	-	-	-	-	30
Issue of shares/ total transaction with owners	74	368	-	(294)	-	-
Balance at 31 March 2014	<u>45,923</u>	<u>41,102</u>	<u>(961)</u>	<u>-</u>	<u>108</u>	<u>5,674</u>
Balance at 1 January 2013	50,315	40,734	(961)	-	108	10,434
Total comprehensive income for the period	(4,378)	-	-	-	-	(4,378)
Balance at 31 March 2013	<u>45,937</u>	<u>40,734</u>	<u>(961)</u>	<u>-</u>	<u>108</u>	<u>6,056</u>

1(f)(i) 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.

Changes in the Company's issued and fully paid up share capital (excluding 2,177,532 ordinary shares held as treasury shares) during first quarter FY2014 (1Q14) are as follows:

	No of shares	Share capital S\$000
As at 1.1.2014	334,679,335	40,734
Issuance of new shares under Sinwa Share Plan	1,920,000	368
As at 31.3.2014	<u>336,599,335</u>	<u>41,102</u>

Sinwa Share Plan

As at 31 March 2014, the number of share granted under the Sinwa Share Plan but yet to be released is 4,480,000. (31 March 2013: Nil).



- 1(f)(ii) Number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer.**

	31.03.2014	31.12.2013
	No. of Shares	No. of Shares
Treasury shares	2,177,532	2,177,532
	-----	-----
Number of issued ordinary shares (excluding treasury shares)	336,599,335	334,679,335
	-----	-----
Percentage (%)	0.647%	0.651%
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- 1(f)(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.**

	31.03.2014	31.12.2013
	No. of Shares	No. of Shares
Number of issued ordinary shares (excluding treasury shares)	336,599,335	334,679,335
	-----	-----

- 1(f)(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 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.

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.**

	GROUP	
	31.03.2014	31.03.2013
(a) Basic (cents)	1.12	0.86
(b) Diluted (cents)	1.11	0.86

The basic earnings per share for 3 months period ended is computed based on the weighted average number of 336,322,002. (2013: 334,679,335)

The diluted earnings per share for 3 months period ended 31 March 2014 is 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	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) 31 March 2014	28.46	13.64
(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**

Continuing Operations

The Group's revenue for the three months period ended 31 March 2014 (1Q14) increased by 6.5% to \$36.0 million compared to \$33.8 million for the three months period ended 31 March 2013 (1Q13).

The increase in revenue was mainly due to the increase in revenue from the marine and offshore supply business. It increased to \$34.6 million in 1Q14 from \$32.3 million in 1Q13. The increase in marine and offshore supply business was due to the Company's increased customer base.

Gross profit margin for our continuing operations in 1Q14 rose 4.2% to \$9.1 million compared to \$8.7 million in 1Q13 as revenue increased.



Marketing and distribution costs in 1Q14 rose to \$1.2 million compared to \$1.0 million in 1Q13. The increase was mainly due to higher distribution costs associated with higher sales.

Administrative expenses increased to \$5.3 million in 1Q14 from \$4.6 million in 1Q13. The increase was mainly due to higher depreciation arising from the accelerated depreciation for some fixed assets and higher provisions for staff and professional expenses.

Net Other income for 1Q14 is higher than 1Q13 mainly due to gains from the disposal of Anchor Handling Tug of \$1.0 million and motor vehicles of \$0.2 million.

Financial expenses decreased to \$62,000 in 1Q14 from \$186,000 in 1Q13 due mainly to decrease in borrowings.

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.

The decrease in share of losses was due to the jointly controlled entity, Yakki International Pte Ltd, which had ceased operation subsequent to the disposal of the liftboat, KS Titan 2, in March 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 wind 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 \$0.7 million incurred in 1Q13 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 provided income tax expenses of \$0.6 million for 1Q14 compared to \$0.5 million for 1Q13. Higher provision of income tax was mainly due to higher profit for current period under review.

The Group's net profit for 1Q14 was \$3.8 million compared to \$2.7 million for 1Q13. The increase in net profit is mainly due to higher contribution from marine offshore supply operations and gains of \$1.0 million on the disposal of Anchor Handling Tug and \$0.2 million on the disposal of motor vehicles.

Other comprehensive income showed a gain of \$0.1 million in exchange differences on translating the financial statement in US dollar and Australian dollar for 1Q14 compared to gains of \$1.2 million for 1Q13.

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 was \$2.5 million for 1Q14 compared to \$0.2 million for 1Q13. The increase in net cash from operating activities was mainly due to higher profit for the period and partially offset by more trade receivables.

There was a net cash inflow from investing activities for 1Q14 of \$5.0 million compared to an inflow of \$24.8 million for 1Q13. The cash inflow for current period was mainly due to the proceeds from the disposal of Anchor Handling Tug of \$5.5 million. Whereas for 1Q13, the cash inflow was due to the repayment of shareholder loan of \$23.4 million Yakki International Pte Ltd subsequent to its disposal of the liftboat, KS Titan 2 and the partial receipt of the sales proceeds from the disposal of the AMS Group.

Net cash outflow of \$1.7 million in financing activities for 1Q14 was mainly due to repayment of bank loans.

Non-current Assets

Total non-current assets decreased to \$43.7 million as at 31 March 2014 from \$47.4 million as at 31 December 2013.

The decrease in property, plant and equipment to \$40.7 million as at 31 March 2014 from \$44.5 million as at 31 December 2013 was mainly due to the disposal of Anchor Handling Tug in March 2014.

Current Assets

Inventories increased to \$6.3 million as at 31 March 2014 from \$4.9 million as at 31 December 2013. The increase in inventories was mainly due to higher sales orders towards the end of the period.

Trade and other receivables registered a slight increase to \$38.9 million as at 31 March 2014 from \$38.2 million as at 31 December 2013 due to increase in trade receivables as a result of higher revenue.

The increase in cash and cash equivalents to \$30.1 million as at 31 March 2014 from \$24.0 million as at 31 December 2013 was mainly due to operating profits for the period, the proceeds from the disposal of the Anchor Handling Tug offset by repayment of bank loans

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 represented the investment in Nordic from proportionate consolidation method to equity method. As of 31 March 2014, this investment is still pending court decision for its final valuation. The investment continues to be classified as assets held for sale.

Current Liabilities

Current liabilities increased to \$36.2 million as at 31 March 2014 from \$35.8 million as at 31 December 2013. The increase is mainly due to the income tax provision for the current period, higher trade and other payables offset by the repayment of bank loans of \$1.7 million.



Equity

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

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 global shipping industry is slowly emerging from a protracted downturn with evidence of freight and charter rates beginning to firm. Despite this, the recovery is expected to be slow as there is still excess tonnage capacity in the market. On the other hand, the offshore market appears resilient and we plan to further expand our supply and logistics operations to this promising sector.

This quarter we sold our Anchor Handling Tug as part of our on-going divestments of non-core business. We shall concentrate our resources onto our core marine offshore supply and logistics business, and will continue to look for opportunities to enhance our client base throughout the Asia Pacific Region.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Not applicable.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

The Company announced on 26 March 2013 a special dividend of \$0.015 per ordinary share from the proceeds of the sale of liftboat, KS Titan 2. This special dividend has been approved by the shareholders at the Annual General Meeting held on 24 April 2013. The details of dividend are as follow:

Name of Dividend	Special
Dividend type	Cash
Dividend amount per share (in cent)	1.5 cent per ordinary share
Tax rate	One tier tax exempt



12. If no dividend has been declared/recommended, a statement to that effect.

There is no dividend declared for the period under review.

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 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 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Bruce William Rann
Executive Director/Chief Executive Officer
8 May 2014