

WINAS LIMITED (FORMERLY KNOWN AS “SINWA LIMITED”)

(Co. Reg. No.: 200206542H)

First Quarter Financial Statements and Dividend Announcement For the Financial Period Ended 31 March 2019

CAUTIONARY NOTE:

The Company had on 13 November 2018, entered into a conditional share purchase and loan assignment agreement with Asia Ship Chandlery Holdings Pte. Ltd. for the disposal of the entire issued and paid-up capital of Sinwa SS Pte. Ltd., Seafirst Marine Services Pte. Ltd., Sinwa Offshore Pte. Ltd., Sinwa Ship Supply (HK) Pte. Ltd., Windsor Marine Pte Ltd and Sinwa Australia Pty Ltd and the Intercompany Loans, and the Australian Properties Sale (the “Disposal”).

The Disposal was approved by shareholders at the Extraordinary General Meeting (“EGM”) of the Company held on 22 January 2019, and completed on 1 February 2019.

After the completion of the Disposal on 1 February 2019, the Company became a cash company pursuant to Rule 1018 of the Listing Manual (“Rule 1018”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Further to the extraordinary general meeting of the Company held on 30 April 2019, a special resolution relating to the Company proposed change of name from “Sinwa Limited” to “Winas Limited” was duly approved by the shareholders of the Company and lodged the Notice of Resolution with the Accounting and Corporate Regulatory Authority.

The Board of Directors of Winas Limited is pleased to announce the unaudited results of the Group for the financial period ended 31 March 2019. The Board of Directors of the Company cautions that the financial results disclosed in this announcement are unaudited.

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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.

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	GROUP		
	3 months ended		
	31 March		
	<u>2019</u>	<u>2018</u>	<u>+ / (-)</u>
	S\$'000	S\$'000	%
Revenue	-	27	(>100)
Cost of sales	-	(27)	(>100)
Gross profit	-	-	N.A.
Other item of income:			
Financial income	188	39	>100
Other items of expense:			
Marketing and distribution expenses	(3)	(1)	>100
Administrative expenses	(234)	(1,343)	(82.6)
Other income, net	13,987	-	>100
Financial expenses	(51)	(203)	(74.9)
Share of profit in joint venture, net of tax	-	2	(>100)
Profit/(Loss) before taxation from continuing operations	13,887	(1,506)	>100
Income tax expense	6	(14)	>100
Profit/(Loss) from continuing operations	13,893	(1,520)	>100
Profit for the year from discontinued operations	170	3,674	(95.4)
Profit for the period /			
Profit attributable to Owners of the Company	14,063	2,154	>100
Other comprehensive income:			
Recognised foreign currency translation differences on foreign operations relating to disposal group	3,545	-	>100
Foreign currency translation differences on foreign operations	-	(424)	>100
Other comprehensive income for the period, net of tax	3,545	(424)	>100
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,608	1,730	>100

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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	
	<u>2019</u> S\$'000	<u>2018</u> S\$'000
Financial income:		
<i>Interest income from continuing operations</i>	188	39
<i>Interest income from discontinued operations</i>	-	2
Total financial income	<u>188</u>	<u>41</u>
Financial expenses:		
<i>Interest expenses on term loans</i>	-	(9)
<i>Foreign exchange loss, net</i>	(51)	(194)
<i>Financial expenses from continuing operations</i>	<u>(51)</u>	<u>(203)</u>
<i>Interest expenses on finance lease</i>	-	(2)
<i>Foreign exchange loss, net</i>	-	(4)
<i>Financial expenses from discontinued operations</i>	-	(6)
Total financial expenses	<u>(51)</u>	<u>(209)</u>
Other income – net:		
<i>Gain on sale of Disposal Group</i>	13,988	-
<i>Others</i>	(1)	-
<i>Other income – net, from continuing operations</i>	<u>13,987</u>	<u>-</u>
<i>Trade receivables written off</i>	-	(18)
<i>Allowance for doubtful trade receivables</i>	-	(7)
<i>Loss on disposal of property, plant and equipment, net</i>	-	(20)
<i>Government Grant income</i>	-	62
<i>Handling fee</i>	-	30
<i>Others</i>	-	(3)
<i>Other income – net, from discontinued operations</i>	<u>-</u>	<u>44</u>
Total other income – net	<u>13,987</u>	<u>44</u>
Profit before income tax is stated after charging: -		
<i>Depreciation of property, plant and equipment from continuing operations</i>	-	(9)
<i>Depreciation of property, plant and equipment from discontinued operations</i>	(31)	(768)
Total depreciation of property, plant and equipment	<u>(31)</u>	<u>(777)</u>

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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 2019

	GROUP		COMPANY	
	<u>31.03.19</u>	<u>31.12.18</u>	<u>31.03.19</u>	<u>31.12.18</u>
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Trade and other receivables	5,013	54	13,978	15,899
Prepayments	18	16	18	16
Cash, bank balances and fixed deposits	93,046	23,339	92,991	23,317
	<u>98,077</u>	<u>23,409</u>	<u>106,987</u>	<u>39,232</u>
Assets directly associated with disposal group held for sale	8,373	101,854	-	18,877
Total current assets	<u>106,450</u>	<u>125,263</u>	<u>106,987</u>	<u>58,109</u>
Total assets	<u>106,450</u>	<u>125,263</u>	<u>106,987</u>	<u>58,109</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	41,963	41,963	41,963	41,963
Treasury shares	(961)	(961)	(961)	(961)
Other reserves	108	108	108	108
Amount recognised in other comprehensive income and accumulated in equity relating to disposal group held for sale	(1,247)	13,029	-	-
Retained earnings	66,293	34,409	65,672	16,320
Equity attributable to owners of the Company / Total equity	<u>106,156</u>	<u>88,548</u>	<u>106,782</u>	<u>57,430</u>
Non-current liability				
Deferred tax liabilities	50	50	50	50
Total non-current liability	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
Current liabilities				
Income tax payable	132	150	87	105
Trade and other payables	80	555	68	524
	<u>212</u>	<u>705</u>	<u>155</u>	<u>629</u>
Assets directly associated with disposal group held for sale	32	35,960	-	-
Total current liabilities	<u>244</u>	<u>36,665</u>	<u>155</u>	<u>629</u>
Total liabilities	<u>294</u>	<u>36,715</u>	<u>205</u>	<u>679</u>
Total equity and liabilities	<u>106,450</u>	<u>125,263</u>	<u>106,987</u>	<u>58,109</u>

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

Not applicable.

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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 2019

	GROUP	
	3 months ended	
	31 March	
	<u>2019</u>	<u>2018</u>
	S\$'000	S\$'000
Operating activities		
Profit for the period	14,063	2,154
Adjustments for:		
Allowance for doubtful trade receivables	-	7
Bad debts written off	-	18
Depreciation of property, plant and equipment	31	777
Interest income – bank	(188)	(41)
Interest expense	-	11
Gain on disposal of Sales Subsidiaries	(13,988)	-
Loss on disposal of property, plant and equipment, net	-	20
Share of profit of joint venture, net of tax	-	(2)
Income tax expenses	-	488
Operating (loss)/profit before working capital changes	(82)	3,432
Trade and other receivables	39	(1,055)
Inventories	-	137
Trade and other payables	(638)	(1,404)
Cash generated (used in)/from operations	(681)	1,110
Interest paid	-	(11)
Interest received	188	41
Income tax paid	(12)	(7)
Net cash (used in)/from operating activities	(505)	1,133
Investing activities		
Purchase of property, plant and equipment	-	(331)
Proceeds from disposal of Sale Subsidiaries	70,212	-
Effect of foreign currency alignment on investing activities	-	394
Net cash from investing activities	70,212	63
Financing activities		
Repayment of finance leases	-	(14)
Repayment of borrowings	-	(3,000)
Net cash used in financing activities	-	(3,014)
Net increase/(decrease) in cash and cash equivalents	69,707	(1,818)
Cash and cash equivalents at beginning of period	23,339	26,143
Effect of exchange rate changes on cash and cash equivalents	-	(424)
Cash and cash equivalents at end of period	93,046	23,901

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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 31 MARCH 2019

GROUP	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Treasury shares</u> S\$'000	<u>Capital reserve</u> S\$'000	<u>Revaluation reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	Foreign currency translation <u>reserve</u> S\$'000
Balance at 1.01.2019	88,548	41,963	(961)	108	17,821	34,409	(4,792)
Amount relating to disposal group	3,545	-	-	-	(17,821)	17,821	3,545
Other comprehensive income, net of tax	3,545	-	-	-	(17,821)	17,821	3,545
Profit for the period	14,063	-	-	-	-	14,063	-
Total comprehensive income for the period	17,608	-	-	-	(17,821)	31,884	3,545
Balance at 31.03.2019	106,156	41,963	(961)	108	-	66,293	(1,247)
Balance at 1.01.2018	82,937	41,963	(961)	108	17,489	28,497	(4,159)
Foreign currency translation differences on foreign operations	(424)	-	-	-	-	-	(424)
Other comprehensive income, net of tax	(424)	-	-	-	-	-	(424)
Profit for the period	2,154	-	-	-	-	2,154	-
Total comprehensive income for the period	1,730	-	-	-	-	2,154	(424)
Balance at 31.03.2018	84,667	41,963	(961)	108	17,489	30,651	(4,583)

COMPANY	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Treasury shares</u> S\$'000	<u>Capital reserve</u> S\$'000	<u>Retained earnings</u> S\$'000
Balance at 1.01.2019	57,430	41,963	(961)	108	16,320
Profit for the period /					
Total comprehensive income for the period	49,352	-	-	-	49,352
Balance at 31.03.2019	106,782	41,963	(961)	108	65,672
Balance at 1.01.2018	58,706	41,963	(961)	108	17,596
Profit for the period /					
Total comprehensive income for the period	(67)	-	-	-	(67)
Balance at 31.03.2018	58,639	41,963	(961)	108	17,529

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- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, , if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Number of shares held as treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer.

	Number of shares	
	<u>31.03.2019</u>	<u>31.12.2018</u>
Treasury shares	2,177,532	2,177,532
	-----	-----
Number of issued ordinary shares (excluding treasury shares and subsidiary holdings)	341,079,335	341,079,335
	-----	-----
Percentage (%)	0.638%	0.638%
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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.

	Number of shares	
	<u>31.03.2019</u>	<u>31.12.2018</u>
Number of issued ordinary shares (excluding treasury shares)	341,079,335	341,079,335
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- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

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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 2018, except for those as disclosed under paragraph 5.

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.**

The adoption of the following new/revised standards and interpretations applicable for the financial year beginning 1 January 2019, did not result in significant change to the Group’s accounting policies nor any material impact on the Group’s result, are disclosed below:

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 *Lease*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) 1-15 *Operating Leases – Incentives*, and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and introduces a single, on-balance sheet accounting model for lessees.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

Management expect the initial application of SFRS(I) 16 will not result in any significant impact to the Group’s and the Company’s accounting for finance leases.

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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	
	<u>31.03.2019</u>	<u>31.03.2018</u>
From continuing and discontinued operations:		
(a) Basic (cents)	4.12	0.63
(b) Diluted (cents)	4.12	0.63
From continuing operations:		
(a) Basic (cents)	4.07	(0.45)
(b) Diluted (cents)	4.07	(0.45)

The basic earnings per share is computed based on the weighted average number of 341,079,335 ordinary shares issued.

The diluted earnings per share is computed based on the weighted average number of 341,079,335 ordinary shares issued.

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.**

	<u>GROUP</u>	<u>COMPANY</u>
The total number of issued shares excluding treasury shares at the end of the:		
(a) current financial period reported on	341,079,335	341,079,335
(b) immediately preceding financial year	341,079,335	341,079,335
Net asset value per issued ordinary shares (cents) as at:		
(a) 31 March 2019	31.12	31.31
(b) 31 December 2018	25.96	16.84

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

Administrative expenses decreased from \$1.3 million to \$0.2 million for the quarter ended 31 March 2019 (“Q12019”) was mainly due to decreased in staff costs.

For Q12019, the other income – net was mainly comprised of the gain from sales of Disposal Group amounting \$14.0 million.

Financial income are solely bank interest income of \$188,000 for this quarter in FY2019 compared to \$39,000 for same quarter last year, arising from higher bank balances. While financial expenses was \$51,000 for this quarter in FY2019 as compared to \$203,000 for the same quarter last year was mainly due to lower foreign exchange loss.

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The Group had recorded profit after tax from continuing operations of \$13.9 million in Q12019 as compared to loss after tax from continuing operations of \$1.5 million in Q12018. This was mainly due to the gain from sales of Disposal Group which was completed in this quarter.

Total comprehensive income for the quarter Q12019 was \$17.6 million as compared to \$1.7 million in the previous quarter last year was mainly due to recognition of foreign currency translation on foreign operations of \$3.5 million in this quarter.

Discontinued operations

On 13 November 2018, the Company announced that it has entered into a conditional share purchase and loan assignment agreement with Asia Ship Chandlery Holdings Pte. Ltd. for the disposal of the entire issued and paid-up capital of Sinwa SS Pte. Ltd., Seafirst Marine Services Pte. Ltd., Sinwa Offshore Pte. Ltd., Sinwa Ship Supply (HK) Pte. Ltd., Windsor Marine Pte Ltd and Sinwa Australia Pty Ltd and the Intercompany Loans, and the Australian Properties Sale (the Disposal”).

Upon the approval of the proposed Disposal by the shareholders at the Extraordinary General Meeting held on 22 January 2019, the disposal group’s operations for the Australian Properties Sale were accounted for as “Discontinued Operations” under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The discontinued operations was in profit after tax of \$3.7 million in Q12018 compared to this quarter’s result of gain after tax of \$0.2 million. This was mainly due to the Disposal was completed in this quarter and left only the Australian Properties Sale.

b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

The Group recorded a cash outflow from operating activities for 1Q19 at \$0.5 million as compared to the same quarter last year a cash inflow from operating activities at \$1.1 million. This was mainly due to lower cash generated from working capital.

For this quarter, the Group recorded net cash inflow of \$70.2 million from investing activities compared to \$0.1 million from investing activities in the same quarter last year, attributed by the proceed from the disposal of Sale Subsidiaries.

There was no financing activities in this quarter. It was \$3.0 million cash outflow in same quarter last year mainly due to the full repayment of short term borrowings.

Current Assets

Cash and cash equivalents increased from \$23.3 million as at 31 December 2018 to \$93.0 million as at 31 March 2019, mainly due to proceed from the Disposal.

Total Liabilities

Total liabilities had decreased to \$36.7 million as at 31 December 2018 to \$0.3 million as at 31 March 2019, mainly due to the completion of the Disposal.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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- 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.**

Following the completion of the Disposal of the Sale Subsidiaries on 1 February 2019, the Company ceased to hold any operating business, and become a Cash Company as defined under Rule 1018 of the Listing Manual. Currently, the Company is evaluating opportunities including, but not limited to potential merger and acquisition targets. The completion of these potential corporate actions may result in a reverse takeover.

- 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.**

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 confirmation pursuant to Rule 705(5).**

I, Sim Yong Teng, being director of Winas 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 2019 to be false or misleading in any material aspect.

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15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Company has procured undertakings in the format set up in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Sim Yong Teng
Executive Chairman/Executive Director
7 May 2019