



**Second Quarter Financial Statements and Dividend Announcement
For the Financial Period Ended 30 June 2018**

**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 2018.

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	GROUP			GROUP		
	3 months ended			6 months ended		
	30 June			30 June		
	2018	2017	+ / (-)	2018	2017	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	43,470	44,417	(2.1)	89,274	84,204	6.0
Cost of sales	(32,762)	(34,474)	(5.0)	(67,989)	(65,004)	4.6
Gross profit	10,708	9,943	7.7	21,285	19,200	10.9
Other item of income						
Financial income	315	55	>100	159	103	54.4
Other items of expense						
Marketing and distribution costs	(1,974)	(2,124)	(7.1)	(3,998)	(3,962)	0.9
Administrative expenses	(5,759)	(5,144)	12.0	(11,549)	(9,917)	16.5
Other income - net	109	136	(19.9)	153	245	(37.6)
Financial expenses	(1)	(117)	(99.1)	(12)	(118)	(89.8)
Share of profit in jointly controlled entity, net of tax	(4)	3	(100)	(2)	15	(100)
Profit before income tax	3,394	2,752	23.3	6,036	5,566	8.5
Income tax expense	(461)	(705)	(34.6)	(949)	(1,223)	(22.4)
Profit for the period / Profit attributable to owners of the Company	2,933	2,047	43.3	5,087	4,343	17.1
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences on foreign operations	19	(118)	>100	(405)	156	(100)
Other comprehensive income for the period, net of tax	19	(118)	>100	(405)	156	(100)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,952	1,929	53.0	4,682	4,499	4.1



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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Financial income:				
Interest income - bank	81	55	122	103
Foreign exchange gain – net	234	-	37	-
	<u>315</u>	<u>55</u>	<u>159</u>	<u>103</u>
Financial expenses:				
Interest expense on:				
- term loans	-	(16)	(9)	(30)
- obligation under finance leases	(1)	(2)	(3)	(3)
Foreign exchange loss – net	-	(99)	-	(85)
	<u>(1)</u>	<u>(117)</u>	<u>(12)</u>	<u>(118)</u>
Other income - net				
Reversal for doubtful trade receivables	17	47	10	47
Bad debts written off (trade)	(39)	(10)	(57)	(10)
Gain on disposal of property, plant and equipment - net	27	8	7	8
Government grant income	36	42	98	107
Handling fee	33	30	63	59
Others	35	19	32	34
	<u>109</u>	<u>136</u>	<u>153</u>	<u>245</u>
Profit before income tax is stated after charging:-				
Depreciation of property, plant and equipment	<u>(775)</u>	<u>(519)</u>	<u>(1,552)</u>	<u>(1,012)</u>



- 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 2018

	GROUP		COMPANY	
	<u>30.06.2018</u>	<u>31.12.2017</u>	<u>30.06.2018</u>	<u>31.12.2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
ASSETS				
Non-current assets				
Property, plant and equipment	44,547	46,013	26	43
Goodwill	548	548	-	-
Investments in subsidiaries	-	-	23,222	22,908
Investment in joint venture	50	52	25	25
Deferred tax assets	405	417	-	-
Other assets	55	55	-	-
Other receivables	330	336	60	66
Total non-current assets	<u>45,935</u>	<u>47,421</u>	<u>23,333</u>	<u>23,042</u>
Current assets				
Inventories	5,637	5,601	-	-
Trade and other receivables	43,198	46,349	21,776	26,746
Prepayments	654	401	14	17
Cash, bank balances and fixed deposits	27,434	26,143	18,957	17,166
Total current assets	<u>76,923</u>	<u>78,494</u>	<u>40,747</u>	<u>43,929</u>
Total assets	<u>122,858</u>	<u>125,915</u>	<u>64,080</u>	<u>66,971</u>



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 (Continued)

	GROUP		COMPANY	
	<u>30.06.2018</u>	<u>31.12.2017</u>	<u>30.06.2018</u>	<u>31.12.2017</u>
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY AND LIABILITIES				
Equity				
Share capital	41,963	41,963	41,963	41,963
Treasury shares	(961)	(961)	(961)	(961)
Other reserves	13,033	13,438	108	108
Retained earnings	31,879	28,497	16,274	17,596
Equity attributable to owners of the Company / Total equity	85,914	82,937	57,384	58,706
 Non-current liabilities				
Deferred tax liabilities	2,828	2,810	124	124
Finance leases	80	109	-	-
Total non-current liabilities	2,908	2,919	124	124
 Current liabilities				
Income tax payable	1,651	1,479	27	53
Trade and other payables	32,325	35,520	6,545	5,088
Finance leases	60	60	-	-
Borrowings	-	3,000	-	3,000
Total current liabilities	34,036	40,059	6,572	8,141
Total liabilities	36,944	42,978	6,696	8,265
 Total equity and liabilities	122,858	125,915	64,080	66,971

	GROUP	
	<u>30.06.2018</u>	<u>31.12.2017</u>
Financial ratios		
Inventory turnover (days)	15	15
Trade receivables turnover (days)	87	93
Gearing (total borrowings to total equity)	*	0.04

* denotes amount less than 0.01



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

Amount repayable in one year or less, or on demand

<u>30.06.2018</u>		<u>31.12.2017</u>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	-	3,060	-

Amount repayable after one year

<u>30.06.2018</u>		<u>31.12.2017</u>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
80	-	109	-

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

- a) 2 commercial properties in Singapore; and
- b) corporate guarantee provided by a subsidiary.



- 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 FINANCIAL PERIOD ENDED 30 JUNE 2018

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit for the period	2,933	2,047	5,087	4,343
Adjustments for:				
Reversal for doubtful trade receivables	(17)	(47)	(10)	(47)
Bad debts written off (trade)	39	10	57	10
Depreciation of property, plant and equipment	775	519	1,552	1,012
Interest income - bank	(81)	(55)	(122)	(103)
Interest expense	1	18	12	33
Gain on disposal of property, plant and equipment – net	(27)	(8)	(7)	(8)
Share of loss/(profit) of joint venture, net	4	(3)	2	(15)
Income tax expenses	461	705	949	1,223
Operating profit before working capital changes	4,088	3,186	7,520	6,448
Trade and other receivables	3,912	(5,996)	2,857	(9,071)
Inventories	(173)	(547)	(36)	(248)
Trade and other payables	(1,793)	2,500	(3,197)	6,926
Cash generated from/(used in) operations	6,034	(857)	7,144	4,055
Interest paid	(1)	(18)	(12)	(33)
Interest received	81	55	122	103
Income tax paid	(740)	(848)	(747)	(878)
Net cash from/(used in) operating activities	5,374	(1,668)	6,507	3,247



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 (Continued)

	GROUP		GROUP	
	3 months ended		6 months ended	
	30 June		30 June	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Proceeds from disposal of property, plant and equipment	30	21	30	21
Purchase of property, plant and equipment	(132)	(330)	(463)	(1,000)
Construction in progress	-	(530)	-	(3,066)
Effect of foreign currency alignment on investing activities	(38)	87	356	(158)
Net cash used in investing activities	<u>(140)</u>	<u>(752)</u>	<u>(77)</u>	<u>(4,203)</u>
Financing activities				
Repayment of borrowings	-	-	(3,000)	(1,000)
Repayment of finance leases	(15)	(14)	(29)	(27)
Dividends paid	<u>(1,705)</u>	<u>(4,093)</u>	<u>(1,705)</u>	<u>(4,093)</u>
Net cash used in financing activities	<u>(1,720)</u>	<u>(4,107)</u>	<u>(4,734)</u>	<u>(5,120)</u>
Net increase/(decrease) in cash and cash equivalents	3,514	(6,527)	1,696	(6,076)
Cash and cash equivalents at beginning of period	23,901	31,627	26,143	30,902
Effect of exchange rate changes on cash and cash equivalents	19	(124)	(405)	150
Cash and cash equivalents at end of period	<u>27,434</u>	<u>24,976</u>	<u>27,434</u>	<u>24,976</u>



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 2018

GROUP	Total equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Retained earnings S\$'000	Translation reserve S\$'000
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)
Balance at 1.04.2018	84,667	41,963	(961)	108	17,489	30,651	(4,583)
Foreign currency translation differences on foreign operations	19	-	-	-	-	-	19
Other comprehensive income, net of tax	19	-	-	-	-	-	19
Profit for the period	2,933	-	-	-	-	2,933	-
Total comprehensive income for the period	2,952	-	-	-	-	2,933	19
Dividends / Total transaction with owners of the Company	(1,705)	-	-	-	-	(1,705)	-
Balance at 30.06.2018	85,914	41,963	(961)	108	17,489	31,879	(4,564)
Balance at 1.01.2017	74,635	41,963	(961)	108	12,835	24,782	(4,092)
Foreign currency translation differences on foreign operations	274	-	-	-	-	-	274
Other comprehensive income, net of tax	274	-	-	-	-	-	274
Profit for the period	2,296	-	-	-	-	2,296	-
Total comprehensive income for the period	2,570	-	-	-	-	2,296	274
Balance at 31.03.2017	77,205	41,963	(961)	108	12,835	27,078	(3,818)
Balance at 1.04.2017	77,205	41,963	(961)	108	12,835	27,078	(3,818)
Foreign currency translation differences on foreign operations	(118)	-	-	-	-	-	(118)
Other comprehensive income, net of tax	(118)	-	-	-	-	-	(118)
Profit for the period	2,047	-	-	-	-	2,047	-
Total comprehensive income for the period	1,929	-	-	-	-	2,047	(118)
Dividends / Total transaction with owners of the Company	(4,093)	-	-	-	-	(4,093)	-
Balance at 30.06.2017	75,041	41,963	(961)	108	12,835	25,032	(3,936)



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018
(Continued)

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 1.01.2018	58,706	41,963	(961)	108	17,596
Loss for the period / Total comprehensive income for the period	(67)	-	-	-	(67)
Balance at 31.03.2018	58,639	41,963	(961)	108	17,529
Balance at 1.04.2018	58,639	41,963	(961)	108	17,529
Profit for the period / Total comprehensive income for the period	450	-	-	-	450
Dividends / Total transaction with owners	(1,705)	-	-	-	(1,705)
Balance at 30.06.2018	57,384	41,963	(961)	108	16,274
Balance at 1.01.2017	52,683	41,963	(961)	108	11,573
Profit for the period / Total comprehensive income for the period	538	-	-	-	538
Balance at 31.03.2017	53,221	41,963	(961)	108	12,111
Balance at 1.04.2017	53,221	41,963	(961)	108	12,111
Profit for the period / Total comprehensive income for the period	47	-	-	-	47
Dividends / Total transaction with owners	(4,093)	-	-	-	(4,093)
Balance at 30.06.2017	49,175	41,963	(961)	108	8,065



- 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>30.06.2018</u>	<u>31.12.2017</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%

- 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>30.06.2018</u>	<u>31.12.2017</u>
Number of issued ordinary shares (excluding treasury shares)	341,079,335	341,079,335
	-----	-----

- 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

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).

The figures have not been audited or reviewed.

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 2017, 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 Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)s"), the new accounting framework to be mandatory applied in the preparation and presentation of the financial statements for annual reporting periods beginning on or after 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

The adoption of the following new/revised standards and interpretations applicable for the financial year beginning 1 January 2018, 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) 15 Revenue from Contracts with Customers

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

1) Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

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. (Continued)

2) Impairment of financial assets

Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. As a result, the Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

There was no significant impact to the financial statements of the Group and accordingly, no adjustments was recognised on 1 January 2018.

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	
	<u>30.06.2018</u>	<u>30.06.2017</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
(a) Basic (cents)	0.86	0.60	1.49	1.27
(b) Diluted (cents)	0.86	0.60	1.49	1.27

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 as at (cents)		
(a) 30 June 2018	25.19	16.82
(b) 31 December 2017	24.32	17.21

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 for the first half of the year ended 30 June 2018 ("1H18") had increased by \$5.1 million to \$89.3 million. For the second quarter ended 30 June 2018 ("2Q18"), the Group's revenue was \$0.9 million lower or 2.1% dropped, at \$43.5 million as compared to \$44.4 million for the corresponding period in 2Q17.

The increase in revenue was mainly due to higher sales from the marine and offshore supply businesses in Australia and Thailand.

The Group's gross profit margin for both quarter and half year had improved from 22.3% for 2Q17 to 24.6% for 2Q18; and 22.8% for 1H17 to 23.8% for 1H18 respectively. The improvement in gross profit margin was mainly due to the change in sales mix with higher proportion of higher margin sales.

Administrative expenses for both quarter and half year had increased by \$0.7 million to \$5.8 million in 2Q18 from \$5.1 million in 2Q17; and \$1.6 million to \$11.5 million for 1H18. The increase for the quarter and half year was mainly due to higher depreciation charge and staff costs.

Net other income, which comprise mainly handling fee and government grant income such as wage credit scheme and temporary employment credit, for both second quarter and half year was comparable at \$0.1 million and \$0.2 million respectively.

Financial income for both the quarter and the half year increased to \$315,000 for 2Q18 from \$55,000 for 2Q17; and \$159,000 for 1H18 from \$103,000 for 1H17, mainly due to higher bank interest and net foreign exchange gain. For the same period last year, the Group recorded a foreign exchange loss.

The Group's profit before income tax for the quarter 2Q18 increased by 23.3% to \$3.4 million from \$2.8 million in 2Q17. For the half year, it increased 8.5% to \$6.0 million for 1H18 from \$5.6 million for 1H17.

Depreciation of the Australian dollar for this half year under review, had resulted in a loss of \$405,000 arising from the foreign currency translation differences on foreign operation as compare to a gain of \$156,000 for the same half year in 2017. For the second quarter in 2Q18, it had recorded a gain of \$19,000 compared to loss of \$118,000 in same quarter last year due to the appreciation of the Australian dollar in the current quarter.

(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 both the quarter and the half year was higher at \$5.4 million in 2Q18 as compared to net cash outflow of \$1.7 million in 2Q17, and at \$6.5 million in 1H18 as compared to \$3.2 million in 1H17. This was mainly due to higher profit from the operation as well as improve debtor collection.

Lower cash used in investing activities for both quarter and half year was mainly due to lower payment for warehouse construction.

For both the quarter and the half year, net cash outflow in financing activities was at \$1.7 million for 2Q18 as compared to \$4.1 million for 2Q17; and \$4.7 million for 1H18 as compared to \$5.1 million for 1H17. Lower cash outflow used in financing activities was due to lesser dividend payout.



Non-current assets

Property, plant and equipment decreased by \$1.5 million to \$44.5 million as at 30 June 2018 from \$46.0 million as at 31 December 2017, mainly due to depreciation charge.

Current Assets

Trade and other receivables decreased to \$43.2 million as at 30 June 2018 from \$46.3 million as at 31 December 2017 is in line with improved debtor turnover days.

Cash and cash equivalents increased from \$26.1 million as at 31 December 2017 to \$27.4 million as at 30 June 2018, mainly due to profit generated from operation.

Current liabilities

Current liabilities decreased to \$34.0 million as at 30 June 2018 from \$40.1 million as at 31 December 2017, mainly due to repayment of borrowings and lower trade and other payables.

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 brewing trade war between the US and China would most likely impact the global shipping industry, further exacerbating the double whammy of over-capacity and slowing global trade. Meanwhile, the embattled offshore industry has shown gradual recovery in line with oil price increases. However, industry experts do not see the offshore market recovering to its glory days and activities in the offshore sector should pick up, albeit at a much slower pace, even if the current oil price increase is sustainable. Despite the tough and challenging operating environment, the Group is cautiously confident that we will stay the course for yet another profitable year ahead.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes, the Board wishes to declare an interim tax exempt dividend of \$0.0075 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 dividend of \$0.005 per share to reward shareholders was declared and paid on 11 September 2017.



11. Dividend (Continued)

(c) Date payable

The interim dividend will be paid on 31 August 2018.

(d) Books closure date

The Share Transfer books and Register of Members of the Company closed on 21 August 2018 for the purpose of determining shareholders' entitlement to the interim tax exempt dividend of \$0.0075 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, Sim Yong Teng and Tan Lay Ling, being two directors of Sinwa Limited (the "Company"), do hereby confirm on behalf of the Board of 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 2018 to be false or misleading in any material aspect.

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 and Executive Director
7 August 2018