



**Full Year Financial Statements and Dividend Announcement
For the Financial Year Ended 31 December 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 year ended 31 December 2014.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2014**

	GROUP		
	2014	2013	+ / (-)
	S\$'000	S\$'000	%
		Re-presented	
Revenue	154,288	139,369	10.7
Cost of sales	(117,108)	(104,959)	11.6
Gross profit	37,180	34,410	8.0
Other item of income:			
Financial income	113	100	13.0
Other items of expense:			
Marketing and distribution costs	(5,251)	(4,620)	13.7
Administrative expenses	(21,929)	(20,589)	6.5
Other (expenses) / income - net	(1,023)	585	(>100)
Financial expenses	(221)	(1,597)	(86.2)
Share of (losses) / profit in jointly controlled entity, net of tax	(2)	284	(>100)
Profit before income tax	8,867	8,573	3.4
Income tax expense	(1,299)	(1,112)	16.8
Profit from continuing operations	7,568	7,461	1.4
Discontinued operations:			
Profit / (Loss) from discontinued operations	1,590	(969)	>100
Profit for the year	9,158	6,492	41.1
Profit attributable to:			
Owners of the Company	8,419	6,791	24.0
Non-controlling interests	739	(299)	>100
	9,158	6,492	41.1



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the revised Financial Reporting Standard (FRS) 1.

	GROUP		
	2014	2013	+ / (-)
	S\$'000	S\$'000	%
		Re-presented	
PROFIT FOR THE YEAR	9,158	6,492	41.1
Other comprehensive income:			
Gain on revaluation of property, plant and equipment, net of tax	528	-	N.M
Share of exchange difference on translating jointly controlled entity	7	(296)	>100
Exchange differences on translating foreign operations	(368)	855	(>100)
Other comprehensive income for the year, net of tax	<u>167</u>	<u>559</u>	(70.1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>9,325</u>	<u>7,051</u>	32.3
Total comprehensive income attributable to:			
Owners of the Company	8,586	7,350	16.8
Non-controlling interests	<u>739</u>	<u>(299)</u>	>100
	<u>9,325</u>	<u>7,051</u>	32.3



- 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	
	2014	2013
	S\$'000	S\$'000
Financial income:		
Interest income – cash and cash equivalent	113	100
Financial expenses:		
Interest expense	(159)	(566)
Foreign exchange loss, net	(62)	(1,031)
	<u>(221)</u>	<u>(1,597)</u>
Other (expenses) / income:		
Allowance for doubtful trade receivables	(269)	-
Write-back of allowance for doubtful trade receivables	-	42
Allowance for doubtful other receivables	(490)	-
Write-back of allowance for doubtful other receivables	-	183
Bad debts written off (trade)	(31)	(45)
Disposal of scrap material	7	76
Government Grant income	138	70
Gain on disposal of subsidiaries	-	133
Gain on disposal of property, plant and equipment, net	1,248	2
Handling fee	93	94
Management fee income	51	268
Allowance for impairment loss on property, plant and equipment	(1,633)	-
Allowance for slow moving stocks	(200)	(279)
Others	63	41
	<u>(1,023)</u>	<u>585</u>
Profit before income tax is stated after charging:-		
Amortisation of intangible assets	(13)	(24)
Depreciation of property, plant and equipment	<u>(1,940)</u>	<u>(2,079)</u>
<u>Results of discontinued operations</u>		
	2014	2013
	S\$'000	S\$'000
Revenue	-	1,823
Other income / (expenses)	1,590	(2,792)
Results from operating activities	<u>1,590</u>	<u>(969)</u>
Results of discontinued operation include the following:		
Gain on disposal of property, plant and equipment	-	1
Depreciation of property, plant and equipment	-	(14)
Waiver of trade debts	1,682	-
Property, plant and equipment written off	<u>-</u>	<u>(8)</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 31 DECEMBER 2014

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
	Re-presented			
ASSETS				
Non-current assets				
Property, plant and equipment	38,405	44,485	145	99
Intangible assets	7	20	-	-
Goodwill	548	548	-	-
Investments in subsidiaries	-	-	11,763	11,763
Investments in joint ventures	24	723	24	696
Held-to-maturity financial asset	250	-	250	-
Deferred tax assets	449	341	-	-
Other assets	57	57	-	-
Other receivables	960	1,268	156	-
Total non-current assets	40,700	47,442	12,338	12,558
Current assets				
Inventories	4,200	4,918	-	-
Trade and other receivables	40,232	38,209	51,510	56,482
Cash and cash equivalents	24,804	24,007	13,389	11,172
	69,236	67,134	64,899	67,654
Assets classified as held for sale	15,116	15,116	-	-
Total current assets	84,352	82,250	64,899	67,654
Total assets	125,052	129,692	77,237	80,212



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

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
	Re-presented			
EQUITY AND LIABILITIES				
Equity				
Share capital	40,618	39,881	40,618	39,881
Retained earnings	39,951	40,788	5,993	5,644
Revaluation reserve	14,009	13,481	-	-
Equity compensation reserve	-	294	-	294
Foreign currency translation reserve	(2,974)	(2,613)	-	-
Equity attributable to owners of the Company	91,604	91,831	46,611	45,819
Non-controlling interests	-	(739)	-	-
Total equity	91,604	91,092	46,611	45,819
Non-current liabilities				
Deferred tax liabilities	2,844	2,794	-	-
Finance leases	40	-	-	-
Borrowings	2,709	-	2,709	-
Total non-current liabilities	5,593	2,794	2,709	-
Current liabilities				
Income tax payable	1,445	1,336	-	39
Trade and other payables	25,848	25,800	27,375	30,999
Current portion of finance leases	20	-	-	-
Current portion of borrowings	542	8,670	542	3,355
Total current liabilities	27,855	35,806	27,917	34,393
Total liabilities	33,448	38,600	30,626	34,393
Total equity and liabilities	125,052	129,692	77,237	80,212

	GROUP	
	31.12.2014	31.12.2013
<u>Financial ratios</u>		
Inventory turnover (days)	13	17
Trade receivables turnover (days)	92	94
Gearing (total borrowings to total equity)	0.04	0.10



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

Amount repayable in one year or less, or on demand

31.12.2014		31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
562	-	8,504	166

Amount repayable after one year

31.12.2014		31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,749	-	-	-

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 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 were 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;
- e) 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 YEAR ENDED 31 DECEMBER 2014

	GROUP	
	2014	2013
	S\$'000	S\$'000
Operating activities		Re-presented
Profit for the year	9,158	6,492
<i>Adjustments for:</i>		
Allowance for doubtful trade receivables	269	-
Write back of allowance for doubtful trade receivables	-	(42)
Allowance for doubtful other receivables	490	-
Write back of allowance for doubtful other receivables	-	(183)
Waiver of trade debts	(1,683)	-
Bad debts written off (trade)	31	45
Amortisation of intangible assets	13	24
Depreciation of property, plant and equipment	1,940	2,079
Interest income	(113)	(100)
Interest expense	159	566
Gain on disposal of property, plant and equipment, net	(1,248)	(2)
Gain on disposal of subsidiaries	-	(133)
Allowance for impairment loss on property, plant and equipment	1,633	-
Allowance for slow moving stocks	200	279
Share reward compensation	443	294
Share of losses / (profit) in jointly controlled entity	2	(284)
Income tax expenses	1,299	739
Operating profit before working capital changes	12,593	9,774
Trade and other receivables	(2,974)	(1,664)
Work in progress	-	690
Inventories	518	213
Trade and other payables	1,730	1,357
Cash generated from operations	11,867	10,370
Interest paid	(159)	(566)
Interest received	113	100
Income tax paid	(1,363)	(890)
Net cash from operating activities	10,458	9,014



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	GROUP	
	2014	2013
	S\$'000	S\$'000
	Re-presented	
Investing activities		
(Advances to)/Repayment from PRC licensees	(26)	518
Proceeds from disposal of property, plant and equipment	5,677	93
Purchase of property, plant and equipment	(1,973)	(2,019)
Repayment from joint controlled entity	692	23,687
Advances to Joint venture	(156)	-
Proceeds from disposal of subsidiaries	650	2,150
Investment in Joint venture	(25)	-
Purchase of held-to-maturity financial assets	(250)	-
Fixed deposit pledged with bank	(3,726)	-
Effect of foreign currency alignment on investing activities	767	2,425
Net cash from investing activities	1,630	26,854
Financing activities		
Proceeds from borrowings	3,251	-
Repayment of borrowings	(8,670)	(10,297)
Proceeds from bills financing	-	4,952
Repayment of bills financing	-	(6,269)
Repayment of finance leases	(20)	(27)
Repayment of non-controlling interests	-	(419)
Dividends paid	(9,256)	(11,714)
Effect of foreign currency alignment on financing activities	-	(657)
Net cash used in financing activities	(14,695)	(24,431)
Net (decrease) / increase in cash and cash equivalents	(2,607)	11,437
Cash and cash equivalents at beginning of year	24,007	13,277
Effect of exchange rate changes on cash and cash equivalents	(322)	(707)
Cash and cash equivalents at end of year	21,078	24,007
Analysis of the cash and cash equivalents		
Cash and cash equivalents	24,804	24,007
Fixed deposit pledged with bank	(3,726)	-
Cash and cash equivalents for the purpose of cash flow statement	21,078	24,007



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 YEAR ENDED 31 DECEMBER 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)
Other comprehensive income										
Revaluation of land and buildings, net of tax	528	-	528	-	-	-	-	528	-	-
Foreign currency translation differences on foreign operation	(368)	-	(368)	-	-	-	-	-	-	(368)
Share of reserve of jointly controlled entity	7	-	7	-	-	-	-	-	-	7
	167	-	167	-	-	-	-	528	-	(361)
Profit for the year	9,158	739	8,419	-	-	-	-	-	8,419	-
Total comprehensive income for the year	9,325	739	8,586	-	-	-	-	528	8,419	(361)
Dividend	(9,256)	-	(9,256)	-	-	-	-	-	(9,256)	-
Issue of shares	-	-	-	737	-	-	(737)	-	-	-
Share-based payments	443	-	443	-	-	-	443	-	-	-
Total transactions with owners	(8,813)	-	(8,813)	737	-	-	(294)	-	(9,256)	-
Balance at 31.12.2014	91,604	-	91,604	41,471	(961)	108	-	14,009	39,951	(2,974)



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(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 1.1.2013	95,398	(503)	95,901	40,734	(961)	108	-	13,481	45,711	(3,172)
Other comprehensive income										
Foreign currency translation differences on foreign operation	855	-	855	-	-	-	-	-	-	855
Share of reserve of jointly controlled entity	(296)	-	(296)	-	-	-	-	-	-	(296)
	559	-	559	-	-	-	-	-	-	559
Profit for the year	6,492	(299)	6,791	-	-	-	-	-	6,791	-
Total comprehensive income	7,051	(299)	7,350	-	-	-	-	-	6,791	559
Disposal of subsidiaries	63	63	-	-	-	-	-	-	-	-
Dividends	(11,714)	-	(11,714)	-	-	-	-	-	(11,714)	-
Share-based payments	294	-	294	-	-	-	294	-	-	-
Total transaction with owners	(11,357)	63	(11,420)	-	-	-	294	-	(11,714)	-
Balance at 31.12.2013	91,092	(739)	91,831	40,734	(961)	108	294	13,481	40,788	(2,613)

COMPANY	Total equity	Share capital	Treasury shares	Capital reserve	Equity compensation reserve	Retained earnings
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2014	45,819	40,734	(961)	108	294	5,644
Profit for the year / total comprehensive income for the year	9,605	-	-	-	-	9,605
Dividend	(9,256)	-	-	-	-	(9,256)
Issue of shares	-	737	-	-	(737)	-
Share-based payments	443	-	-	-	443	-
Total transactions with owners	(8,813)	737	-	-	(294)	(9,256)
Balance at 31.12.2014	46,611	41,471	(961)	108	-	5,993
Balance at 1.1.2013	50,315	40,734	(961)	108	-	10,434
Profit for the year / total comprehensive income for the year	6,924	-	-	-	-	6,924
Dividends	(11,714)	-	-	-	-	(11,714)
Share based payment	294	-	-	-	294	-
Total transactions with owners	(11,420)	-	-	-	294	(11,714)
Balance at 31.12.2013	45,819	40,734	(961)	108	294	5,644



- 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 31 December 2014, the number of share granted under the Sinwa Share Plan but yet to be released is 2,560,000 (31 December 2013: 6,400,000).

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

	No of shares	Share capital S\$000
As at 1.10.2014	336,599,335	41,102
Issuance of new shares under Sinwa Share Plan	1,920,000	369
As at 31.12.2014	<u>338,519,335</u>	<u>41,471</u>

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

	31.12.2014 No. of Shares	31.12.2013 No. of Shares
Treasury shares	<u>2,177,532</u>	<u>2,177,532</u>
Number of issued ordinary shares (excluding treasury shares)	<u>338,519,335</u>	<u>334,679,335</u>
Percentage (%)	<u>0.64%</u>	<u>0.65%</u>

- 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.

	31.12.2014 No. of Shares	31.12.2013 No. of Shares
Number of issued ordinary shares (excluding treasury shares)	<u>338,519,335</u>	<u>334,679,335</u>



- 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 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, there is no 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 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. Comparative amounts for 2013 have been represented to reflect the change in accounting for the group's investments. The adoption of this FRS 111 has no material net impact on the 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. The adoption of this standard has 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	
	FY2014	FY2013
(a) Basic (cents)	2.50	2.03
(b) Diluted (cents)	2.47	1.99

The basic earnings per share is computed based on the weighted average number of 336,625,636 (FY2013: 334,679,335) ordinary shares issued.

The diluted earnings per share is computed based on the weighted average number of 341,079,335 (FY2013: 341,079,335) ordinary shares during the year 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	334,679,335	334,679,335
Net asset value per issued ordinary shares as at (cents)		
(a) 31 December 2014	27.06	13.77
(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

Group's revenue for financial year ended 31 December 2014 (FY2014) had increased by 10.7% to \$154.3 million compared to \$139.4 million for year ended 31 December 2013 (FY2013).

Increase in revenue was mainly due to higher revenue contribution from the marine and offshore supply business in Singapore and Australia. It recorded a higher sales by 11.4% of \$148.6 million for FY2014 compared to \$133.4 million for FY2013. The increase in sales is mainly due to increased in customer base and the increase in sales volume to existing customers.

Revenue from agency & logistic division also recorded an increase of 22.0% from \$4.0 million for FY2013 to \$4.9 million for FY2014. The increase is mainly due to the increase in sales volume.

Overall gross profit margin for continuing operations decreased from 24.7% in FY2013 to 24.1% in FY2014. The decrease in gross margin was mainly due to the disposal of Anchor Handling Tug (AHT) in first quarter of 2014 and thus no chartering income was earned after the disposal. The compression of margin in our marine and offshore supply business was also due to stiff competitive market condition.

Marketing and distribution costs rose by 13.7% in FY2014 to \$5.3 million compared to \$4.6 million in FY2013. The increase was mainly due to higher marketing and delivery charges which was in line with higher sale revenue.

Administrative expenses was higher by \$1.3 million or 6.5% from \$20.6 million in FY2013 to \$21.9 million in FY2014. The increase was mainly due to higher staff costs.

Net other expenses of \$1.0 million for FY2014 comprise mainly of impairment loss on property, plant and equipment offsetting the gain on disposal of AHT, as compared to net other income of \$0.6 million for FY2013.



Financial expenses decreased to \$0.2 million in FY2014 from \$1.6 million in FY2013 was mainly due to lower foreign exchange loss incurred as a result of from the strengthening of Singapore dollar against Australian dollar and refinancing of term loan.

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.

Lower share of losses from joint venture companies was due to cessation of the operation of joint venture company –Yakki International subsequent to the disposal of its liftboat in first quarter 2013.

The Group recorded a profit of \$9.1 million for FY2014 compared to \$6.5 million for FY2013. The increased in profit for FY2014 was mainly due to higher profit after tax from marine and offshore supply business and profit from discontinued operations.

Total comprehensive income increased from \$7.1 million for FY2013 to \$9.3 million for FY2014 as a result of revaluation gain of \$0.5 million recognised in FY2014.

Discontinued operations

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 wound 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 profit for FY2014 pertains to the recognition of waiver of trade debts net of expenses during the process of winding up. In FY2013, the loss incurred were for costs on repatriation of foreign workers, dormitory and office rental as well as costs incurred in completing the projects on hand. As at 31 December 2014, the winding up of Sinwa Engineering Pte Ltd and its subsidiaries has not been finalised.

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 the operating activities for FY2014 was \$10.5 million compared \$9.0 million for FY2013. The higher operating cash inflow for FY2014 was mainly due to higher higher profit from operation.

Lower net cash inflow of \$1.6 million from investing activities for FY2014 compared to \$26.8 million for FY2013 was due to repayments from jointly controlled entity subsequent to its disposal of liftboat, KS Titan 2 and proceed from divestment of AMS group of companies in FY2013.

Net cash of \$14.7 million was used in financing activities in FY2014 mainly for dividend payment of \$9.3 million and net repayment of borrowings amounted to \$5.4 million.



Non-current assets

Total non-current assets decreased from \$47.4 million as at 31 December 2013 to \$40.7 million as at 31 December 2014.

Property, plant and equipment decreased from \$44.5 million as at 31 December 2013 to \$38.4 million as at 31 December 2014 was mainly due to the disposal of AHT in March 2014 and the impairment loss on property, plant and equipment.

The decreased in investment in joint ventures from \$0.7 million as of 31 December 2013 to \$24,000 as of 31 December 2014 was mainly due to the repayment of shareholders loan by the joint venture company –Yakki International Pte Ltd.

Current Assets

The inventories decreased slightly by \$0.7 million from \$4.9 million as at 31 December 2013 to \$4.2 million as at 31 December 2014.

Trade and other receivables have increased from \$38.2 million as at 31 December 2013 to \$40.2 million as at 31 December 2014. The increase is in line with the increase in the Group's revenue.

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 reclassified the investment in Nordic from proportionate consolidation method to equity method. As at 31 December 2014, this investment is still pending for arbitration to determine the final valuation. As such, this investment continues to be classified as assets held for sale.

Equity

Share capital increased to \$40.6 million as of 31 December 2014 from \$39.9 million as of 31 December 2013. The increased in share capital was due to the issuance of 3,840,000 share under the Sinwa Share Plan.

Non Current liabilities

Total non-current liabilities increased from \$2.8 million as at 31 December 2013 to \$5.6 million as at 31 December 2014. The increase was mainly due to the refinancing of short term loan into a long term loan.

Current liabilities

Decreased in current liabilities from \$35.8 million as at 31 December 2013 to \$27.9 million as at 31 December 2014 was mainly due to the repayment of short-term borrowings.

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 fundamental oversupply of capacity in all of the major shipping segments has not changed much over the past year. A higher level of demand has only just matched the net supply of new tonnage coming on stream. Crude oil tankers are the only exception to the general status quo in the balance of freight markets.

Looking forward to 2015, we expect the broad shipping market in general to continue to inch upwards. And, while lower oil price is good for shipping as well as for the oil importing countries as it bring costs down and boost demand, the outlook for the offshore market is expected to be very challenging, as major offshore players focus on reducing their operating costs, and particularly in Australia, where a number of offshore projects have move from construction to production phase.

We will continue to concentrate on our core marine, offshore supply and logistics business and review our business operations, so as to deliver quality products and efficient services to our customers, in a timely and cost effective manner, even in the current challenging market conditions.

11. **Dividend**

(a) Current Financial Period Reported On

Subject to the approval by the shareholders in the coming Annual General Meeting, the Board of Director proposed the following dividend:

Name of Dividend: Final
Dividend Type: Cash
Dividend Amount per Share (in cents): \$0.005 per ordinary share
Tax Rate: One tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend declared for the corresponding period of the immediate preceding financial year.

(c) Date payable

To be announced.

(d) Books closure date

To be announced

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.



PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

BUSINESS SEGMENTS

FY2014

	Supply	Agency & Logistics	Charter	Property Holding	Elimination	Continuing operation	Engineering Discontinued	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group revenue								
Total revenue from external customers	148,606	4,859	311	512	-	154,288	-	154,288
Inter-segment revenue	1,367	811	-	2,030	(4,208)	-	-	-
Total revenue	149,973	5,670	311	2,542	(4,208)	154,288	-	154,288
	Supply	Agency & Logistics	Charter	Property Holding	Unallocated	Continuing operations	Engineering Discontinued	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group profit & (loss)								
Profit/(Loss) before interest, income tax, depreciation and amortisation	9,296	596	1,328	(341)	(14)	10,865	1,593	12,458
Interest income	25	-	-	-	88	113	-	113
Interest expense	(2)	-	-	(87)	(70)	(159)	-	(159)
Depreciation	(813)	(17)	(48)	(1,023)	(36)	(1,937)	(3)	(1,940)
Amortisation	(13)	-	-	-	-	(13)	-	(13)
Share of losses in jointly controlled entity	-	-	(2)	-	-	(2)	-	(2)
Profit/(Loss) before income tax	8,493	579	1,278	(1,451)	(32)	8,867	1,590	10,457
Income tax expense	(1,165)	(56)	-	50	(128)	(1,299)	-	(1,299)
Profit/(Loss) for the year	7,328	523	1,278	(1,401)	(160)	7,568	1,590	9,158



BUSINESS SEGMENTS (Continued)

FY2014	Supply	Agency & Logistics	Charter	Property Holding	Engineering Discontinued	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group assets and liabilities							
Segment assets	60,672	1,755	15,186	33,174	16	-	110,803
Unallocated corporate assets	-	-	-	-	-	14,249	14,249
Total assets							125,052
Segment liabilities	24,530	644	8	2,830	62	-	28,074
Unallocated corporate liabilities	-	-	-	-	-	5,374	5,374
Total liabilities							33,448
Other segment information							
Capital expenditures	1,336	-	-	717	-	-	2,053
Material non-cash items:							
Trade receivables written off	(31)	-	-	-	-	-	(31)
Allowance for doubtful trade receivables	(259)	(10)	-	-	-	-	(269)
Allowance for doubtful other receivables	-	-	-	-	-	(490)	(490)
Gain on disposal of property, Plant, and equipment	159	-	1,048	-	-	41	1,248
Allowance for slow moving stocks	(200)	-	-	-	-	-	(200)
Waiver of trade debts	-	-	-	-	1,682	-	1,682
Impairment of land and building	-	-	-	(1,633)	-	-	(1,633)
Share-based payments	443	-	-	-	-	-	443



BUSINESS SEGMENTS (Continued)

FY2013

	Supply	Agency & Logistics	Charter	Property Holding	Elimination	Continuing operation	Engineering Discontinued	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group revenue								
Total revenue from external customers	133,390	3,983	1,519	477	-	139,369	1,823	141,192
Inter-segment revenue	1,821	791	-	2,066	(4,678)	-	-	-
Total revenue	<u>135,211</u>	<u>4,774</u>	<u>1,519</u>	<u>2,543</u>	<u>(4,678)</u>	<u>139,369</u>	<u>1,823</u>	<u>141,192</u>
	Supply	Agency & Logistics	Charter	Property Holding	Unallocated	Continuing operations	Engineering Discontinued	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
			Re-presented			Re-presented		Re-presented
Group profit/(loss)								
Profit/(Loss) before interest, income tax, depreciation and amortisation	8,438	783	1,527	1,537	(1,428)	10,857	(955)	9,902
Interest income	21	-	-	-	80	101	-	101
Interest expense	(72)	-	-	(415)	(79)	(566)	-	(566)
Depreciation	(690)	(20)	(288)	(1,042)	(39)	(2,079)	(14)	(2,093)
Amortisation	(24)	-	-	-	-	(24)	-	(24)
Share of profit in jointly controlled entity	-	-	284	-	-	284	-	284
Profit/(Loss) before income tax	<u>7,673</u>	<u>763</u>	<u>1,523</u>	<u>80</u>	<u>(1,466)</u>	<u>8,573</u>	<u>(969)</u>	<u>7,604</u>
Income tax expense	(1,165)	(44)	-	136	(39)	(1,112)	-	(1,112)
Profit/(Loss) for the year	<u>6,508</u>	<u>719</u>	<u>1,523</u>	<u>216</u>	<u>(1,505)</u>	<u>7,461</u>	<u>(969)</u>	<u>6,492</u>



BUSINESS SEGMENTS (Continued)

FY2013	Supply	Agency/ Logistics	Charter	Property Holding	Engineering Discontinued	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
			Re-presented				Re-presented
Group assets and liabilities							
Segment assets	59,912	1,462	21,027	34,727	446	-	117,574
Unallocated corporate assets	-	-	-	-	-	12,118	12,118
Total assets							<u>129,692</u>
Segment liabilities	24,527	482	13	7,245	1,752	-	34,019
Unallocated corporate liabilities	-	-	-	-	-	4,581	4,581
Total liabilities							<u>38,600</u>
Other segment information							
Capital expenditures	2,004	-	-	15	-	-	2,019
Material non-cash items:							
Trade receivables written off	(36)	(9)	-	-	-	-	(45)
Write back of allowance for doubtful trade receivables	-	42	-	-	-	-	42
Write back of allowance for doubtful other receivables	183	-	-	-	-	-	183
Gain on disposal of subsidiaries	-	-	-	-	-	133	133
Allowance for slow moving stock	(279)	-	-	-	-	-	(279)
Share-based payment	294	-	-	-	-	-	294

GEOGRAPHICAL SEGMENTS

GROUP	Revenue		Non-current assets	
	FY2014	FY2013	FY2014	FY2013
	S\$'000	S\$'000	S\$'000	S\$'000
				Re-presented
Singapore	119,617	107,443	22,968	27,188
Australia	34,671	31,926	17,732	20,254
Continuing operations	<u>154,288</u>	<u>139,369</u>	<u>40,700</u>	<u>47,442</u>
Singapore- discontinued operations	-	1,823	-	-
	<u>154,288</u>	<u>141,192</u>	<u>40,700</u>	<u>47,442</u>



15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8.

16. **A breakdown of sales.**

	FY2014		FY2013	
	Continuing operations S\$'000	Discontinued operations* S\$'000	Continuing operations S\$'000	Discontinued operations* S\$'000
Sales reported for the first half	74,015	-	70,620	1,866
Operating profit/(loss) after tax before deducting non controlling interests reported for the first half	5,933	-	5,440	(828)
Sales reported for the second half	80,273	-	68,749	(43)
Operating profit/(loss) after tax before deducting non controlling interests reported for the second half	1,635	1,590	2,021	(141)

* The Company is still in the process of winding up its engineering division. Therefore the Company has represented the income statement to show the discontinued operations separately from continuing operations.

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Dividend paid during the year:

	GROUP	
	FY2014 S\$'000	FY2013 S\$'000
Special dividend to ordinary shares	-	5,020
Interim dividend to ordinary shares	5,890	6,694
Final dividend to ordinary shares	3,366	-
	<u>9,256</u>	<u>11,714</u>



18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Leh Hong	59	Sister of Executive Chairman, Tan Lay Ling	Director of certain subsidiaries since Year 1994	Not Applicable

BY ORDER OF THE BOARD

Bruce William Rann
Executive Director/Chief Executive Officer
26 February 2015