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Sinwa's FY2014 earnings up 41% to S\$9.16m on robust core business

- Proposed final dividend of 0.5 cent per share, bringing total dividend amount for FY2014 to 2.25 cents per share
- Group's revenue increased 10.7% to S\$154.3 million
- Cash and cash equivalents increased to S\$24.8 million

Singapore, 26 February 2015 – Listed on the SGX Mainboard and Asia Pacific's leading marine, offshore supply and logistics player, **Sinwa Limited** ("Sinwa" or "the Group"), announced its financial results for the full year ended 31 December 2014 ("FY2014"). Financial highlights of the results are mentioned below:

Financial Highlights	FY2014	FY2013	Chg
	S\$'000	S\$'000	%
Revenue	154,288	139,369	10.7
Gross Profit	37,180	34,410	8.0
<i>Gross Profit Margin</i>	<i>24.1%</i>	<i>24.7%</i>	<i>(0.6) ppt</i>
Marketing and Distribution Cost	(5,251)	(4,620)	13.7
Administrative expenses	(21,929)	(20,589)	6.5
Profit for the year	9,158	6,492	41.1
<i>Net Profit Margin</i>	<i>5.9%</i>	<i>4.7%</i>	<i>0.8 ppt</i>
Basic Earnings Per Share (cents) *	2.50	2.03	23.2

*Based on weighted average number of 336,625,636 ordinary shares (FY2013: 334,679,335)

ppt means percentage points

Review of Continuing Operations

The Group reported an increase of 10.7% in total revenue to S\$154.3 million in FY2014, largely due to growth in customer base and sales volume for the marine, offshore supply and logistics divisions.

Gross profit increased 8.0% to S\$37.2 million. However, gross profit margin declined marginally from 24.7% to 24.1%, mainly due to the disposal of the Anchor Handling Tug (AHT) in the first quarter of FY2014 and to stiff competition in the market as the industry is going through challenging market conditions.

The marketing and distribution costs grew in line with the revenue growth and increased 13.7% to S\$5.3 million in FY2014, mainly due to higher marketing and delivery charges incurred. Administrative expenses increased at a much lesser pace by 6.5% to S\$21.9 million in FY2014.

Consequently, the Group's net profit after tax grew 41% to S\$9.16 million in FY2014, translating to an increased basic earnings per share of 2.5 cents in FY2014 (FY2013: 2.03 cents). The Group reported cash and cash equivalents amounting to S\$24.8 million as at 31 December 2014.

The Board has proposed a final ordinary dividend of 0.5 cent per share. With this proposed payout, the total dividend for FY2014 will be 2.25 cents per share. This represents a payout of about 40% of earnings, excluding the special dividend of 1.25 cents.

Outlook

Commenting on the Group's business outlook, Mr. Bruce Rann, Group CEO of Sinwa, said,

“We took a series of strategic actions to streamline our business model and focused on our core strengths of offshore, marine supply and logistics capabilities. The benefit of these actions has translated into a 41% increase in net earnings for FY2014, even as market conditions weakened in the later part of the year. This demonstrates the effectiveness of the long-term vision and strategy of the management.

The over-capacity in the shipping industry and weak demand has depressed freight rates, and the shipping market may not improve in the short term. Also, as a number of offshore projects move from construction to production phase in Australia, and clients become increasingly prudent on their expenditures as oil prices stay low, the offshore business will not be immune from the market downturn either.

We will continue to focus on and grow our core marine, offshore supply and logistics business and actively explore further growth opportunities throughout the Asia Pacific region.”

ABOUT SINWA LIMITED (Bloomberg Ticker: SKS SP)

Sinwa Limited was listed on the SGX SESDAQ in February 2003 and was upgraded to the Main Board of the Singapore Exchange in April 2005.

Sinwa is Asia-Pacific's leading marine, offshore supply and logistics company servicing the general marine and offshore industry. Sinwa's main operations and head office are in Singapore, with subsidiaries and offices in Australia and China.

Founded in the 1960s, Sinwa's core business includes the supply of a wide range of ships' heavy deck and engine equipment, ships' spares, general hardware and provisions to the marine and offshore industry, and providing a full and comprehensive range of shipping agency, logistics, warehousing and related support services.

For more information, please visit www.sinwaglobal.com

Issued for and on behalf of Sinwa Limited

By Financial PR Pte Ltd

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