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Sinwa continues growth momentum. Net Profit up 21.9% to S\$5.9m for HY2014

- Group's earnings boosted by revenue growth and disposal of Anchor Handling Tug ("AHT")
- Revenue increased by 4.8% to S\$74.0 million from Group's marine & offshore supply business in Singapore and Australia
- Special dividend of 1.25 cents per share and interim dividend of 0.50 cent per share

Singapore, 11 August 2014 – 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 six months ended 30 June 2014 ("HY2014"). Financial highlights of the results are mentioned below:

Financial Highlights	2Q2014	2Q2013	Chg	HY2014	HY2013	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	38,001	36,814	3.2	74,015	70,620	4.8
Gross Profit	9,012	9,328	(3.4)	18,111	18,063	0.3
Gross Profit Margin	23.7%	25.3%	(1.6) ppt	24.5%	25.6%	(1.1) ppt
Marketing & Distribution Costs	(1,106)	(1,179)	(6.2)	(2,319)	(2,215)	4.7
Administrative Expenses	(5,369)	(4,627)	16.0	(10,640)	(9,218)	15.4
Net Other Income/ (Expense)	(93)	109	-	1,191	370	>100
Profit from Continuing Operations	2,162	2,069	4.5	5,933	5,440	9.1
Profit Attributable to Equity Holders	2,162	1,989	8.7	5,933	4,869	21.9
Net Profit Margin	5.7%	5.4%	0.3 ppt	8.0%	6.9%	1.1 ppt
Basic Earnings Per Share (cents) *	0.64	0.59	8.5	1.76	1.45	21.4

* Based on 336,599,335 and 336,461,434 weighted average number of ordinary shares in issue for 2Q2014 (2Q2013: 334,679,335) and HY2014 (HY2013: 334,679,335), respectively
ppt means percentage points

Review of HY2014

The revenue for the Group increased 4.8% year-on-year (“y-o-y”) to S\$74.0 million for HY2014 mainly due to comparatively higher revenue from Group’s marine & offshore supply business in Singapore and Australia.

Overall gross profit at S\$18.1 million is marginally above that of HY2013 despite higher revenues achieved. This is wholly due to the cessation of the bareboat charter income from our AHT which was sold in March 2014.

In line with revenue growth, the marketing and distribution cost also increased and was up 4.7% y-o-y to S\$2.3 million for HY2014. Administrative expenses grew by 15.4% y-o-y to S\$10.6 million due to increased staff costs and accelerated depreciation of some fixed assets.

Other income grew from S\$0.4 million in HY2013 to S\$1.2 million in HY2014 mainly due to the gains arising from the disposal of the AHT.. The financial income increased by S\$0.5 million to S\$0.7 million in HY2014 due to gain in foreign exchange.

The net profit attributable to shareholders increased by 21.9% for HY2014 to S\$5.9 million due to increased revenues, gains from disposal of the AHT and foreign exchange gains. This translated to a basic earnings per share of 1.76 cents for HY2014 (HY2013: 1.45 cents).

The Group registered robust cash flow from operating activities of S\$3.2 million for HY2014. In line with the improved performance of the Group, S\$5.2 million of net bank borrowing was repaid in HY2014. The balance sheet of the Group further strengthened as the gearing reduced from 0.10 as at 31 December 2013 to just 0.04 as at 30 June 2014. The Group recorded healthy cash and cash equivalents of S\$23.8 million as at end of HY2014.

Based on the performance in HY2014, the Group has declared 1.25 cents of special dividend per share from the proceeds of the disposal of our AHT and 0.5 cents of interim dividend per share..

Commenting on the Group’s performance in HY2014, Mr. Bruce Rann, Group CEO of Sinwa, said,

“Our growth momentum continues as we delivered a commendable set of results for the first half of 2014. Our balance sheet and cash position was strong and we repaid significant portion of our borrowings. The gains arising from the disposal of our AHT further improved our financial position.

In view of our strong financial position and to reward our shareholders, we have declared a dividend of 1.75 cents per share.”

Outlook

On the Group's business outlook, Mr. Rann added,

“Though the marine industry is showing some positive signs of recovery and the shipping rates are expected to stabilise at current levels, yet we maintain our cautious approach in our business outlook for the rest of the year. We are hopeful that these positive industry sentiments will create a higher demand for marine supplies and logistics services.

For the offshore oil and gas sector, the growth continues in the Asia Pacific region due to enhanced demand level for oil and gas. With increase in the Exploration & Production activities in this region, we are in an excellent position to capture opportunities of offshore supplies, even though we expect the competition to increase as more players are attracted to the sector.”

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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