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3rd Quarter Net Profits up 112.8% to S\$2.9 million

- Revenue for 3Q2015 increased by 13.2% to S\$45.0 million
- Healthy increase in net cash flow from operations of 142.8% to S\$4.3 million for 3Q2015

Singapore, 5 Nov 2015 – Listed on the SGX Mainboard and Asia Pacific’s leading marine, offshore supply and logistics player, **Sinwa Limited** (“**Sinwa**” or “**the Group**”), has announced its financial results for the nine months ended 30 Sep 2015 (“**9M2015**”). Financial highlights of the results are mentioned below:

Financial Highlights	3Q2015	3Q2014	Chg	9M2015	9M2014	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	45,004	39,746	13.2	122,673	113,761	7.8
Gross Profit	10,563	9,481	11.4	28,932	27,592	4.9
<i>Gross Profit Margin</i>	<i>23.5%</i>	<i>23.9%</i>	<i>(0.4) ppt</i>	<i>23.6%</i>	<i>24.3%</i>	<i>(0.7) ppt</i>
Marketing and Distribution Cost	(2,008)	(1,522)	31.9	(4,725)	(3,841)	23.0
Administrative expenses	(5,611)	(5,447)	3.0	(15,777)	(16,087)	(1.9)
Net Other Income	29	42	(31.0)	517	1,233	(58.0)
Profit Attributable to Equity Holders	2,879	1,353	112.8	7,734	7,286	6.1
<i>Net Profit Margin</i>	<i>6.4%</i>	<i>3.4%</i>	<i>3.0 ppt</i>	<i>6.3%</i>	<i>6.4%</i>	<i>(0.1) ppt</i>
Basic Earnings Per Share (cents)*	0.85	0.40	112.5	2.28	2.17	5.1

*Based on weighted average number of 338,519,335 ordinary shares for 3Q2015 and 9M2015 (3Q2014: 336,599,335, 9M2014: 336,507,906)

N.M. means Not Meaningful
ppt means Percentage Points

The Group reported a 13.2% year-on-year (“y-o-y”) increase in total revenue to S\$45.0 million for 3Q2015. This was a result of growth in customer base and increased sales volume from existing customers for the marine and offshore supply business.

Gross profit for 3Q2015 saw an increase of 11.4% y-o-y to S\$10.6 million, in line with revenue growth. Gross profit margin for 3Q2015 remained relatively constant at 23.5% from 23.9% for 3Q2014.

The marketing and distribution costs increased from S\$1.5 million for 3Q2014 to S\$2.0 million for 3Q2015, in line with the revenue growth. Administrative expenses increased to S\$5.6 million for 3Q2015 from S\$5.4 million for 3Q2014. This was due to higher professional expenses incurred.

The Group's net profit attributable to equity holders increased 112.8% to S\$2.9 million for 3Q2015. Basic earnings per share was 0.85 Singapore cents for 3Q2015 (3Q2014: 0.40) and 2.28 Singapore cents for 9M2015 (9M2014: 2.17 Singapore cents).

The Group registered a strong increase in net cash flow from operations of 142.8% to S\$4.3 million and 66.1% to S\$8.3 million for 3Q2015 and 9M2015 respectively. The Group also maintained a robust balance sheet, reporting cash and cash equivalents amounting to S\$22.1 million as at 30 September 2015. Overall, the Group is in a net cash position with borrowings reduced by S\$0.6 million from 31 December 2014 to S\$2.7 million as at 30 September 2015.

Outlook

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

“We are pleased to see that the plans we have in place are working in our favour. Moving forward, we shall continue our focus on our core marine, offshore supply and logistics business. It has shown encouraging signs over the last three quarters and has proven its effectiveness and resilience despite a bearish global economy.

Several macroeconomic factors such as the dimmer outlook for growth in China and in emerging markets, and falling commodity prices have resulted in greater volatility and uncertainty in the global economy. Alongside this, the situation locally is further aggravated by higher staffing and manpower costs as a result of MOM's current quota restrictions on the recruitment of foreign manpower. As such, ship and rig operators have been stretched by their reduced operating budgets, leading to a strain on the marine and offshore supply industry as greater competition and higher costs ensue.

Our operations in Thailand have produced some positive results and we will continue to further our geographical reach into other markets in the Asia Pacific region as well as expand our client base in markets we currently operate in. We remain mindful of the challenges that may lie ahead, and we will take a methodical approach to do our utmost to maintain our pace and give ourselves first-mover advantage when the market recovers.”

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, China and Thailand

The Group'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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