



**SINWA LIMITED (Company Registration No: 200206542H)**  
**Full Year Financial Statements And Dividend Announcement For Financial Year**  
**Ended 31 December 2006**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>		Change %
	31.12.2006 S\$'000	31.12.2005 S\$'000	
<b>Revenue</b>	111,154	101,198	9.8
Cost of sales	(87,234)	(79,694)	9.5
<b>Gross profit</b>	23,920	21,504	11.2
Financial income	1,234	366	237.2
Financial expense	(471)	(17)	2,670.6
Marketing & Distribution costs	(4,190)	(3,315)	26.4
Administrative expenses	(11,661)	(11,584)	0.7
Other credits / (charges)	(31)	248	(112.5)
<b>Profit before income tax</b>	8,801	7,202	22.2
Income tax expense	(1,360)	(1,031)	31.9
<b>Net profit for the year</b>	7,441	6,171	20.6
Loss attributed to minority interests	183	473	(61.3)
<b>Net profit attributable to shareholders</b>	7,624	6,644	14.8

Note to income statement

The following items have been included in arriving at the Group's results :

	<b>Group</b>	
	31.12.2006 S\$' 000	31.12.2005 S\$' 000
Interest income	139	57
Foreign exchange gain (loss) (net)	30	(23)
Gain on disposal of property, plant and equipment	18	10
Depreciation	(801)	(742)
Bad trade debts recovered	-	147
Reversal/(provision). for doubtful trade debts	(36)	(82)
Interest expense	(15)	(17)

n.m. denotes not meaningful

Certain reclassifications have been made to prior year's results to enhance comparability with current year results.

**1(b)(i) A balance sheet (for the issuer and the group) together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	31.12.2006 S\$'000	31.12.2005 S\$'000	31.12.2006 S\$'000	31.12.2005 S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	6,217	9,059	19	48
Trade and other receivables	30,025	22,817	7,053	2,580
Inventories	5,471	5,143	-	-
<b>Total current assets</b>	<b>41,713</b>	<b>37,019</b>	<b>7,072</b>	<b>2,628</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	11,467	10,973
Investments in joint ventures	-	-	386	-
Interest in associate	24	-	-	-
Other assets	60	60	-	-
Other receivables	1,096	994	-	-
Property, plant and equipment	6,787	7,143	93	160
Construction in progress	7,668	-	-	-
Goodwill	1,501	1,237	-	-
<b>Total non-current assets</b>	<b>17,136</b>	<b>9,434</b>	<b>11,946</b>	<b>11,133</b>
<b>Total assets</b>	<b>58,849</b>	<b>46,453</b>	<b>19,018</b>	<b>13,761</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade and other payables	20,372	18,352	167	173
Income tax payable	1,541	1,047	-	-
Current portion of finance leases	132	137	-	-
Current portion of interest bearing borrowing	1,533	-	1,533	-
<b>Total current liabilities</b>	<b>23,578</b>	<b>19,536</b>	<b>1,700</b>	<b>173</b>
<b>Non-current liabilities:</b>				
Finance leases	166	237	-	-
Interest bearing borrowing	4,600	-	4,600	-
Deferred taxation	86	93	-	-
<b>Total non-current liabilities</b>	<b>4,852</b>	<b>330</b>	<b>4,600</b>	<b>-</b>
<b>Share capital and reserves</b>				
Share capital	10,158	6,383	10,158	6,383
Reserves	19,915	19,403	2,560	7,205
	<b>30,073</b>	<b>25,786</b>	<b>12,718</b>	<b>13,588</b>
<b>Minority Interests</b>	<b>346</b>	<b>801</b>	<b>-</b>	<b>-</b>
	<b>30,419</b>	<b>26,587</b>	<b>12,718</b>	<b>13,588</b>
<b>Total liabilities and equity</b>	<b>58,849</b>	<b>46,453</b>	<b>19,018</b>	<b>13,761</b>

Ratio	GROUP	
	31.12.2006	31.12.2005
Inventory days	23	24
Trade receivables days	86	76
Gearing	0.17	0.01

## REVIEW OF FINANCIAL POSITION

### Current assets

Current assets increased by approximately S\$4.7 million, from S\$37.0 million at 31 December 2005 to S\$41.7 million at 31 December 2006. This is mainly due to:

- (a) Additional inventory amounting to S\$0.3 million were purchased for ship supply and offshore business in anticipation of higher sales for the first half 2007
- (b) Trade receivables increased by S\$5.2 million due to more sales from Singapore and China operations in the last quarter 2006.
- (c) The cash and cash equivalents reduced by S\$2.8 million was mainly due to dividend of S\$ 2.6 million paid to Shareholders; and investment and working capital of S\$2.0 million in joint venture of building a liftboat.

### Non-current assets

Non current assets of the Group increased by S\$7.7 million, from S\$9.4 million as at 31 December 2005 to S\$17.1 million as at 31 December 2006. This is due to the initial deposit paid for construction of the liftboat.

### Current liabilities

Current liabilities increased by approximately S\$4.0 million, from S\$19.5 million at 31 December 2005 to S\$23.5 million at 31 December 2006. This was mainly due to an increase of trade payable as we built up inventory level and the current portion of loan taken for the liftboat.

### Non-current liabilities

The increase in non-current liabilities is due to the non-current portion of loan for the liftboat taken end of the year.

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

31.12.2006		31.12.2005	
Secured	Unsecured	Secured	Unsecured
132,000	1,533,000	137,000	-

Amount repayable after one year

31.12.2006		31.12.2005	
Secured	Unsecured	Secured	Unsecured
166,000	4,600,000	237,000	-

Details of any collateral

The secured liabilities as at 31 December 2006 relate to hire purchase financing for productive plant and machinery.

The unsecured liabilities relate to bank borrowing for financing the joint venture of building a liftboat.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	31.12.2006 S\$'000	31.12.2005 S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	8,801	7,202
Adjustments for:		
Depreciation	801	742
Interest income	(139)	(57)
Interest expense	15	17
Gain on disposal of plant and equipment	(18)	(10)
Operating profit before working capital changes	<u>9,460</u>	<u>7,894</u>
Trade and other receivables	(7,314)	(1,057)
Inventories	(328)	(302)
Trade and other payables	<u>2,020</u>	<u>(298)</u>
Cash generated from operations	3,838	6,237
Interest paid	(15)	(17)
Interest received	139	57
Income tax paid	(869)	(1,313)
Dividends paid	<u>(2,553)</u>	<u>(1,277)</u>
Net cash from operating activities	<u>540</u>	<u>3,687</u>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of plant and equipment	46	13
Purchase of property, plant and equipment	(473)	(730)
Construction in progress	(7,668)	-
Purchase of unquoted investment	-	(39)
Acquisition of MI's shares	(570)	-
Investment in associate	(24)	-
Additional costs directly attributed to acquisition of subsidiaries	-	(91)
Net cash used in investing activities	<u>(8,689)</u>	<u>(847)</u>
<b>Cash flows from financing activities:</b>		
Decrease in finance lease	(76)	(70)
Increase/(Decrease) in long-term borrowings	6,133	(72)
Contribution from MI to share capital of subsidiaries	-	455
Purchase of own shares, which are held as treasury shares	<u>(396)</u>	<u>-</u>
Net cash from/(used in) financing activities	<u>5,661</u>	<u>313</u>
<b>Net effect of exchange rate changes in consolidating foreign subsidiaries</b>	<u>(354)</u>	<u>(32)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(2,842)	3,121
Cash and cash equivalents at beginning of year	9,059	5,938
Cash and cash equivalents at end of year	<u>6,217</u>	<u>9,059</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.**

1(d)(i) Statement of changes in equity  
For the year ended 31 December 2006

GROUP	Share Capital S\$' 000	Share Premium S\$' 000	Treasury Shares S\$' 000	Translation Reserve S\$' 000	Accumulated Profits S\$' 000	Total S\$' 000	Minority Interests S\$' 000	Total equity S\$' 000
At 1 January 2005	6,250	3,490	-	24	9,887	19,651	805	20,456
Changes in equity for the year								
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	(46)	-	(46)	14	(32)
	-	-	-	(46)	-	(46)	14	(32)
Profit for the year	-	-	-	-	6,644	6,644	(473)	6,171
Total recognised income (expense) for the year	-	-	-	-	6,644	6,644	(473)	6,171
Dividends	-	-	-	-	(1,277)	(1,277)	-	(1,277)
Issue of shares	133	681	-	-	-	814	-	814
Contribution from minority interests to the share capital of subsidiaries	-	-	-	-	-	-	455	455
Balance at 31 December 2005	6,383	4,171	-	(22)	15,254	25,786	801	26,587
At 1 January 2006	6,383	4,171	-	(22)	15,254	25,786	801	26,587
Changes in equity for the year								
Purchase of own shares and held as treasury shares	-	-	(396)	-	-	(396)	-	(396)
Bonus issue on 4 May 2006	3,192	(3,192)	-	-	-	-	-	-
Transfer from share premium	979	(979)	-	-	-	-	-	-
Acquisition of interests from minority shareholder	-	-	-	-	-	-	(306)	(306)
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	(388)	-	(388)	34	(354)
	4,171	(4,171)	(396)	(388)	-	(784)	(272)	(1,056)
Profit for the year	-	-	-	-	7,624	7,624	(183)	7,441
Total recognised income (expense) for the year	-	-	-	-	7,624	7,624	(183)	7,441
Dividends	-	-	-	-	(2,553)	(2,553)	-	(2,553)
Balance at 31 December 2006	10,554	-	(396)	(410)	20,325	30,073	346	30,419
COMPANY								
At 1 January 2005	6,250	3,490	-	1,284	11,024			
Changes in equity for the year								
Profit for the year	-	-	-	3,027	3,027			
Total recognised income for the year	-	-	-	3,027	3,027			
Dividends	-	-	-	(1,277)	(1,277)			
Issue of shares	133	681	-	-	814			
Balance at 31 December 2005	6,383	4,171	-	3,034	13,588			
At 1 January 2006	6,383	4,171	-	3,034	13,588			
Changes in equity for the year								
Purchase of own shares and held as treasury shares	-	-	(396)	-	(396)			
Bonus issue on 4 May 2006	3,192	(3,192)	-	-	-			
Transfer from share premium	979	(979)	-	-	-			
	4,171	(4,171)	(396)	-	(396)			
Profit for the year	-	-	-	2,079	2,079			
Total recognised income for the year	-	-	-	2,079	2,079			
Dividends	-	-	-	(2,553)	(2,553)			
Balance at 31 December 2006	10,554	-	(396)	2,560	12,718			

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

With the changes to the Companies Act, Cap. 50, effective from 30 January 2006, there is the removal of the concept of par value and authorised capital and there is no share premium account. The company had a share premium account balance of S\$4,171,000 as of 31 December 2005. On 4 May 2006, the Company utilised S\$3,192,000 to allot and issue bonus ordinary shares on the basis of one new ordinary share for every two ordinary shares. The remaining amount of S\$979,000 has now been included in share capital as required by the Companies Act.

The Company purchased 1,178,000 of its own shares during the year and held these shares as treasury shares. The cost of the treasury shares is S\$396,000

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

**3 Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of 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.**

The Group has adopted all the applicable new and revised FRS that are mandatory for financial years beginning on or after 1 January 2006. The adoption of these FRS has no material impact on the financial statements.

**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.**

See paragraph 4.

**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.**

	<b>Group figures</b>	
	31.12.2006	31.12.2005
Earnings per ordinary share for the year based on net profit after tax attributed to the shareholders of the Company		
(i) Based on weighted average number of ordinary shares in issue	3.99 cents	3.47 cents
(ii) On a fully diluted basis	3.99 cents	3.47 cents

The basic and fully diluted earnings per share for 31.12.2006 have been calculated based on net profit after tax attributable to shareholders of the Company of S\$7,624,000 and 191,126,530 weighted average number of ordinary shares in issue after taking into consideration of the bonus shares issued on 4 May 2006.

The basic and fully diluted earnings per share for 31.12.2005 have been calculated based on net profit after tax attributable to shareholders of the Company of S\$6,644,000 and 191,194,290 weighted average number of ordinary shares in issue, with adjustment of the bonus shares issued, as if the bonus issue was carried in 1 Jan 2005.

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Net asset value per ordinary share based on the number of shares in issue at end of year	15.70 cents	13.47 cents	6.64 cents	7.10 cents

The net asset value per share of the Group has been calculated based on equity attributable to holders of the parent of S\$30,073,000 (31 December 2005 : S\$25,786,000) and share capital of 191,489,397 (31 December 2005 :191,489,397, taking into consideration of the bonus shares issued on 4 May 2006) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to holders of the parent of S\$12,718,000 (31 December 2005 : S\$13,588,000) and share capital of 191,489,397 (31 December 2005 :191,489,397, taking into consideration of the bonus shares issued on 4 May 2006) ordinary shares.

**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**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Overview**

The growth in the Supply business was attributed to the buoyant global marine industry as well as the offshore industry. Windsor Marine and Sinwa Offshore continue to boost our Supply business.

Our six operations in China recorded higher revenues due to the continuing growth of foreign vessels calling at shipyards and ports in PRC for both operations and repairs.

### **Revenue**

Revenue increased by 9.8% or S\$10.0 million to reach S\$111.2 million for 2006 as compared to S\$101.2 million for 2005.

This increase is mainly from:

- (a) our appointed marine supply and logistics companies in China;
- (b) more sales from Windsor Marine and Sinwa Offshore; and
- (c) increased supplies to vessels serviced in Singapore.

### **Gross Profit**

Gross profit improved to S\$23.9 million in 2006 as compared to 2005.

### **Operating Expenses**

Our operating expenses consist of marketing and distributing costs as well as administrative expenses. Operating expenses registered 14.3% of total sales and accounted for \$15.8 million for 2006 as compared to 14.7% or \$14.9 million for 2005.

The reduction in operating expenses as a percentage of total sales is due to:-

- (a) the current restructuring exercise carried out in our Australian operations which resulted in some cost savings;
- (b) some expenses such as promotion and marketing expenses that were incurred by the Australian operations in the first quarter of 2005 were non-recurring.

Net profit after tax attributable to Shareholders increased by \$1.0 million or 14.8% in 2006 as compared to 2005.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No profit forecast or profit guarantee has been issued for the period under review.

**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 Group expects the general shipping market to be vibrant into 2007, boosted by the continuing shipping trade growth and increase of offshore activities in East Asia.

Revenues from our China operations are expected to grow proportionally with the increase of foreign vessels calling at China for both cargo operations and general repairs. Currently we operate from 6 major ports in China.

The Group continues to restructure the Australian operations for economies of scale in purchasing, marketing and accounting areas. Competition remains to be keen. We are confident that these companies can remain competitive.

On 6 February 2007, Company completed the placement of 33 million shares at a issued price of 46.5 cents per share. The net proceed of S\$15.0 million from the placement will be used for working capital.

Barring unforeseen circumstances, the Directors expect 2007 to be profitable.

**11 Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	1.12 cents per ordinary share (one tier)

(b) Corresponding Period of the immediately Preceding Financial Year

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

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	1.00 cent per ordinary share (one tier)

Name of Dividend	Special 1
Dividend Type	Cash
Dividend Rate	1.00 cent per ordinary share (one tier)

(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.

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

**13 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**

a) Business Segments

**2005 Group revenue and expenses**

	Supply \$'000	Projects/ Logistics/ Agency \$'000	Unallocated \$'000	Consolidated \$'000
Total revenue from external customers	100,176	1,022	-	101,198
Segment results	7,031	171	-	7,202
Income tax expenses				(1,031)
Net profit for the year				6,171
<b>Group assets and liabilities</b>				
Segment assets	38,367	753	-	39,120
Unallocated corporate assets				7,333
Total assets				46,453
Segment liabilities	18,121	58	-	18,179
Unallocated corporate liabilities				1,687
Total liabilities				19,866
<b>Other information</b>				
Capital expenditure	934	77	29	1,040
Depreciation expenses	474	37	231	742
Goodwill	91	-	-	91

**2006 Group revenue and expenses**

	Supply \$'000	Projects/ Logistics/ Agency \$'000	Unallocated \$'000	Consolidated \$'000
Total revenue from external customers	108,877	2,277	-	111,154
Segment results	6,320	746	1,735	8,801
Income tax expenses				(1,360)
Net profit for the year				7,441

**Group assets and liabilities**

Segment assets	43,678	8,546	-	52,224
Unallocated corporate assets				6,625
Total assets				58,849
Segment liabilities	18,234	366	-	18,600
Unallocated corporate liabilities				9,830
Total liabilities				28,430
Other information				
Capital expenditure	316	7,668	157	8,141
Depreciation expenses	465	39	297	801
Goodwill	264	-	-	264

## b) Geographical Segments

## Revenue by geographical market

	Unaudited 31.12.2006 \$'000	Audited 31.12.2005 \$'000
Europe	76,877	72,037
Asia	17,820	11,501
Australia	8,700	11,219
Others	7,757	6,441
Total	111,154	101,198

	Carrying amount of segment assets		Addition to property, plant and equipment	
	Unaudited 31.12.2006 \$'000	Audited 31.12.2005 \$'000	Unaudited 31.12.2006 \$'000	Audited 31.12.2005 \$'000
Asia	47,460	34,426	8,038	629
Australia	4,764	4,694	103	411
	52,224	39,120	8,141	1,040

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

There were no factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

**15 A Break down of Sales**

	Group		Change %
	Unaudited 31.12.2006 \$'000	Audited 31.12.2005 \$'000	
Sales reported for first half year	51,941	47,867	8.5
Operating profit after tax before deducting minority interest for first half year	3,451	3,218	7.2
Sales reported for second half year	59,213	53,331	11.0
Operating profit after tax before deducting minority interest for second half year	3,990	2,953	35.1

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

	2006 S\$' 000	2005 S\$' 000
Ordinary	2,553	1,277
Preference	-	-
Total	<u>2,553</u>	<u>1,277</u>

**BY ORDER OF THE BOARD**

Yow Hon Meng  
CFO & Company Secretary  
27 February 2007