



SINWA LIMITED (Company Registration No. : 200206542)

**Full Year Financial Statements And Dividend Announcement
For Financial Year Ended 31 December 2007**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY
(Q1, Q2 & Q3), HALF-YEAR AND 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

	GROUP		Change %
	31.12.2007 S\$'000	31.12.2006 S\$'000	
Revenue	122,546	111,154	10.2
Cost of sales	(96,305)	(87,234)	10.4
Gross profit	26,241	23,920	9.7
Financial income	500	231	116.5
Financial expense	(1,405)	(51)	2,654.9
Marketing and distribution costs	(4,374)	(4,190)	4.4
Administrative expenses	(11,873)	(11,661)	1.8
Other credits / (charges)	105	552	(81.0)
Profit before income tax	9,194	8,801	4.5
Income tax expense	(1,331)	(1,360)	(2.1)
Profit for the year	7,863	7,441	5.7
Loss attributed to minority interests	109	183	(40.4)
Net profit attributable to shareholders	7,972	7,624	4.6

Notes to income statement

	GROUP	
	31.12.2007 S\$' 000	31.12.2006 S\$' 000
Interest income	415	139
Foreign exchange gain / (loss), net	(340)	30
Gain on disposal of property, plant and equipment	38	18
Depreciation of property, plant and equipment	(1,166)	(801)
Interest expense	(630)	(15)
Allowance for impairment in value of goodwill	(423)	-

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.

	Group		Company	
	31.12.2007 S\$'000	31.12.2006 S\$'000	31.12.2007 S\$'000	31.12.2006 S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	12,118	6,217	488	19
Trade and other receivables	31,638	29,874	16,946	7,053
Inventories	5,930	5,471	-	-
Total current assets	49,686	41,562	17,434	7,072
Non-current assets:				
Investments in subsidiaries	-	-	11,467	11,467
Investments in joint ventures	-	-	386	386
Interest in associate	24	24	-	-
Other assets	62	60	-	-
Other receivables	1,495	1,096	-	-
Property, plant and equipment	26,593	6,787	-	93
Construction in progress	16,873	7,668	-	-
Goodwill	1,078	1,501	-	-
Total non-current assets	46,125	17,136	11,853	11,946
Total assets	95,811	58,698	29,287	19,018
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	22,140	20,221	241	167
Current tax payable	1,331	1,541	-	-
Current portion of finance leases	74	132	-	-
Current portion of loan	5,660	1,533	1,817	1,533
Total current liabilities	29,205	23,427	2,058	1,700
Non-current liabilities:				
Finance leases	86	166	-	-
Term loan	16,740	4,600	-	4,600
Deferred tax	77	86	-	-
Total non-current liabilities	16,903	4,852	-	4,600
Share capital and reserves				
Share capital	24,532	10,158	24,532	10,158
Retained earnings	25,803	20,325	2,697	2,560
Other reserves	(867)	(410)	-	-
	49,468	30,073	27,229	12,718
Minority interests	235	346	-	-
Total equity	49,703	30,419	27,229	12,718
Total liabilities and equity	95,811	58,698	29,287	19,018

Ratio	GROUP	
	31.12.2007	31.12.2006
Inventory days	22	23
Trade receivables days	89	86
Gearing	0.45	0.21

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

Amount repayable in one year or less, or on demand

31.12.2007		31.12.2006	
Secured	Unsecured	Secured	Unsecured
5,734,000	-	1,665,000	-

Amount repayable after one year

31.12.2007		31.12.2006	
Secured	Unsecured	Secured	Unsecured
16,752,000	74,000	4,766,000	-

Details of any collateral

The liabilities are secured by corporate guarantee and charge over the plant and equipment for which the debt securities were obtained and relate to:

1. Term loans obtained for the financing of the investment in and the construction of the liftboat by Yakki International Pte Ltd.
2. Term loans obtained for financing the conversion cost of seismic vessel in the joint venture company, Nordic International Limited.
3. Hire purchase financing for productive plant and equipment.

1c **CONSOLIDATED STATEMENT OF CASH FLOWS**

	GROUP	
	31.12.2007 S\$'000	31.12.2006 S\$'000
Cash flows from operating activities:		
Profit before income tax	9,194	8,801
Adjustments for:		
Allowance for impairment in value of goodwill	423	-
Depreciation of property, plant and equipment	1,166	801
Interest income	(415)	(139)
Interest expense	630	15
Gain on disposal of property, plant and equipment	(38)	(18)
Operating profit before working capital changes	<u>10,960</u>	<u>9,460</u>
Trade and other receivables	(1,764)	(7,259)
Inventories	(459)	(328)
Trade and other payables	1,919	1,835
Cash generated from operations	<u>10,656</u>	<u>3,708</u>
Interest paid	(630)	(15)
Interest received	415	139
Income tax paid	(1,550)	(873)
Net cash from operating activities	<u>8,891</u>	<u>2,959</u>
Cash flows from investing activities:		
Advances to PRC licensees (net)	(399)	(34)
Proceeds from disposal of property, plant and equipment	178	42
Purchase of property, plant and equipment	(21,135)	(425)
Construction in progress	(9,184)	(7,668)
Acquisition of additional interest in subsidiaries	-	(402)
Investment in associate	-	(24)
Net cash used in investing activities	<u>(30,540)</u>	<u>(8,511)</u>
Cash flows from financing activities:		
Repayment of finance leases	(138)	(142)
Proceeds from loans (net)	16,267	6,133
Proceeds from placement of shares (net)	14,900	-
Purchase of own shares, which are held as treasury shares	(526)	(396)
Dividend paid	(2,519)	(2,553)
Net cash from financing activities	<u>27,984</u>	<u>3,042</u>
Net effect of exchange rate changes in consolidating foreign subsidiaries	<u>(434)</u>	<u>(332)</u>
Net increase/(decrease) in cash and cash equivalents	5,901	(2,842)
Cash and cash equivalents at beginning of year	6,217	9,059
Cash and cash equivalents at end of year	<u>12,118</u>	<u>6,217</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.

Statement of changes in equity
For the year ended 31 December 2007

GROUP	Share Capital S\$' 000	Share Premium S\$' 000	Treasury Shares S\$' 000	Translation Reserve S\$' 000	Retained Earnings S\$' 000	Total S\$' 000	Minority Interests S\$' 000	Total equity S\$' 000
At 1 January 2007	10,554	-	(396)	(410)	20,325	30,073	346	30,419
Changes in equity for the year								
Placement of new shares	14,900	-	-	-	-	14,900	-	14,900
Purchase of own shares and held as treasury shares	-	-	(526)	-	-	(526)	-	(526)
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	(457)	-	(457)	23	(434)
Profit for the year	-	-	(526)	(457)	-	13,917	23	13,940
Total recognised income (expense) for the year	-	-	-	-	7,972	7,972	(109)	7,863
Dividends	-	-	-	-	(2,494)	(2,494)	(25)	(2,519)
Balance at 31 December 2007	25,454	-	(922)	(867)	25,803	49,468	235	49,703
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 shareholders	-	-	-	-	-	-	(306)	(306)
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	(388)	-	(388)	34	(354)
Profit for the year	4,171	(4,171)	(396)	(388)	-	(784)	(272)	(1,056)
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	Share Capital S\$' 000	Share Premium S\$' 000	Treasury Shares S\$' 000	Retained Earnings S\$' 000	Total S\$' 000
At 1 January 2007	10,554	-	(396)	2,560	12,718
Changes in equity for the year					
Placement of new shares	14,900	-	-	-	14,900
Purchase of own shares and held as treasury shares	-	-	(526)	-	(526)
Profit for the year	-	-	(526)	-	14,374
Total recognised income for the year	-	-	-	2,631	2,631
Dividends	-	-	-	(2,494)	(2,494)
Balance at 31 December 2007	25,454	-	(922)	2,697	27,229
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)	-	-	-
Profit for the year	4,171	(4,171)	(396)	2,079	(396)
Total recognised income for the year	4,171	(4,171)	(396)	2,079	1,683
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.

During the year ended 31 December 2007, the Company:

- a) completed a placement of 33 million shares and raised a total of S\$14.9 million, net of placement expenses.
- b) purchased additional 1,014,000 of its own shares and held these shares as treasury shares. The number of shares held as treasury shares as at 31 December 2007 is 2,192,000 shares and the cost of these shares is S\$922,000.

- 1(d)(iii) To show the 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.**

As at 31 December 2007, the Company's issued share capital is made up of 222,297,397 (31 December 2006: 190,311,397) ordinary shares.

The Company purchased total 2,192,000 number of its own shares and held as treasury shares as at 31 December 2007. The number of shares held as treasury shares as at 31 December 2006 was 1,178,000. These have been excluded from the issued share capital above.

- 1(d)(iv) A statement showing all sales, transfer, 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 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 2007. There were no change in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the audited annual financial statements as at 31 December 2006, except for those discussed in paragraph 5.

- 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.**

During the financial year, the Group and the Company adopted the amendments to FRS 1 Presentation of Financial Statements - Capital Disclosures and FRS 107 Financial Instruments: Disclosures which took effect from financial year beginning from 1 January 2007. These changes in accounting policies are assessed to have no material impact to results or the opening balances of retained earnings of the Group and of the Company for the year ended 31 December 2007.

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	
	31.12.2007	31.12.2006
Earnings per ordinary share for the year based on net profit attributed to the shareholders of the Company		
(i) Based on weighted average number of ordinary shares in issue	3.63 cents	3.99 cents
(ii) On a fully diluted basis	3.63 cents	3.99 cents

The basic and fully diluted earnings per share for 31 December 2007 have been calculated based on net profit attributable to shareholders of the Company of S\$7,972,000 and 219,452,118 weighted average number of ordinary shares in issue.

The basic and fully diluted earnings per share for 31 December 2006 have been calculated based on net profit attributable to shareholders of the Company of S\$7,624,000 and 191,126,530 weighted average number of ordinary shares in issue, with adjustment of the bonus shares issued on 4 May 2006, as if the bonus issue was carried in 1 Jan 2006.

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

	Group		Company	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Net asset value per ordinary share based on the number of shares in issue at end of year	22.25 cents	15.80 cents	12.25 cents	6.68 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of S\$49,468,000 (31 December 2006 : S\$30,073,000) and share capital excluding treasury shares of 222,297,397 (31 December 2006: 190,311,397) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of S\$27,229,000 (31 December 2006 : S\$12,718,000) and share capital excluding treasury shares of 222,297,397 (31 December 2006: 190,311,397) 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.

REVIEW OF FINANCIAL RESULTS

Results for the full year period ended 31 December 2007

Revenue

Revenue increased by 10.2% or S\$11.4 million to reach S\$122.6 million in FY2007 as compared to S\$111.2 million in FY2006.

The increase is mainly contributed by higher revenue from our operations in Singapore, Australia and the charter of seismic vessel in the joint venture project, Nordic International Limited.

Gross Profit

Gross profit increased by 9.7% or S\$2.3 million to S\$26.2 million in FY2007 as compared to S\$23.9 million in FY2006.

Operating Expenses

Our operating expenses consist of marketing and distribution costs and administrative expenses. Operating expenses registered 13.2% of total sales and accounted for S\$16.2 million in FY2007 as compared to 14.3% or S\$15.9 million in FY2006.

Net profit attributable to Shareholders

Net profit attributable to Shareholders increased by S\$0.3 million or 4.6% in FY2007 as compared to FY2006.

REVIEW OF FINANCIAL POSITION

Current assets

Current assets increased by approximately S\$8.1 million, from S\$41.6 million as at 31 December 2006 to S\$49.7 million as at 31 December 2007. This is mainly due to increase in cash and cash equivalents from the placement of new shares completed during the year and cash generated from the operations.

Non-current assets

Non-current assets of the Group increased by approximately S\$29.0 million, from S\$17.1 million as at 31 December 2006 to S\$46.1 million as at 31 December 2007. This is due to additional payments for the construction of the liftboat under the joint venture company, Yakki International Pte Ltd, the acquisition and conversion of the seismic vessel under another joint venture company, Nordic International Ltd and purchase of Australian properties.

Current liabilities

Current liabilities increased by approximately S\$5.8 million, from S\$23.4 million as at 31 December 2006 to S\$29.2 million as at 31 December 2007. This is mainly due to the loans obtained to finance the conversion cost of the seismic vessel in the joint venture project and purchase of land in Henderson, Australia.

Non-current liabilities

Non-current liabilities increased by approximately S\$12.0 million, from S\$4.9 million as at 31 December 2006 to S\$16.9 million as at 31 December 2007 due mainly to term loans used by the two joint venture companies, Yakki International Pte Ltd and Nordic International Limited.

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.

Overall, the full year financial results for the year ended 31 December 2007 were satisfactory. The Group's extensive operations are in Australia, China and Singapore.

Sinwa is Asia Pacific's leading marine supply and logistics group. The outlook for the marine supply and offshore logistics business remains positive in spite of the looming U.S. recession. Barring any unforeseen circumstances, the Directors expect 2008 to be profitable.

Australia

In year 2007, the Group decided to undertake a massive restructuring of its operations in Australia. This had resulted in the closure of the Melbourne office and downsizing the Brisbane office. The Group now operate Eastern Australia through the offices in Sydney and Brisbane.

The Group concentrated its investment in Western Australia by acquiring land in Karratha and Henderson in view of its opportunities and growth. The land will be used for facilities offering warehousing, storage, distribution and logistics services to support Sinwa's expansion in Western Australia.

China

The Group's operations in China have been generating profits consistently. With operations in six mainland cities and in Hong Kong, the Group has a strong presence in the country. This strong presence is essential for us to further develop and expand when China's marine supply and logistics sector is eventually liberalised.

Singapore

The Group's operations in Singapore continued to grow steadily. The Group had entered into two joint ventures to diversify into the oil and gas sector for the chartering of the liftboat and the seismic vessel. The charter of the seismic vessel had generated revenue effective from September 2007 whilst the chartering of the liftboat is expected to contribute to the Group's revenue from July 2008.

11 Dividend

(a) Current Financial Period Reported On

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

The directors recommend a first and final dividend for the year ended 31 December 2007 as stated below:

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	1.0 cents per ordinary share (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 ?

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

(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 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**

By Business Segments	2007	Group	2006
	S\$'000		S\$'000
<u>Revenue by business segment</u>			
Supply	117,556		108,877
Projects/Logistics/Agency	2,264		2,277
Charter	2,726		-
	-		-
Unallocated	-		-
	<hr/>		<hr/>
Total revenue from external customers	<u>122,546</u>		<u>111,154</u>
<u>Segment results</u>			
Supply	12,510		9,750
Projects/Logistics/Agency	960		907
Charter	676		-
	-		-
Unallocated	(4,952)		(1,856)
	<hr/>		<hr/>
Net profit before tax	9,194		8,801
Income tax expenses	(1,331)		(1,360)
	<hr/>		<hr/>
Net profit for the year	<u>7,863</u>		<u>7,441</u>
Group Assets and Liabilities			
<u>Segment assets</u>			
Supply	52,229		43,633
Projects/Logistics/Agency	1,281		389
Charter	33,686		8,051
	-		-
Unallocated Corporate assets	8,615		6,625
	<hr/>		<hr/>
Total assets	<u>95,811</u>		<u>58,698</u>

	Group	
	2007 S\$'000	2006 S\$'000
<u>Segment liabilities</u>		
Supply	17,075	18,036
Projects/Logistics/Agency	350	413
Charter	22,152	-
Unallocated Corporate liabilities	<u>6,531</u>	<u>9,830</u>
Total liabilities	<u>46,108</u>	<u>28,279</u>
 Other information		
<u>Capital expenditure</u>		
Supply	6,777	334
Projects/Logistics/Agency	-	-
Charter	23,542	7,668
Unallocated	<u>-</u>	<u>157</u>
Total Capital expenditure	<u>30,319</u>	<u>8,159</u>
 <u>Depreciation</u>		
Supply	600	465
Projects/Logistics/Agency	65	39
Charter	204	-
Unallocated	<u>297</u>	<u>297</u>
Total Depreciation	<u>1,166</u>	<u>801</u>

b) Geographical Segments

	Revenue by geographical market			
	Unaudited		Audited	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	\$'000		\$'000	
Singapore	81,955	80,439		
Australia	26,703	18,597		
China	11,162	11,484		
Others	2,726	634		
Total	122,546	111,154		

	Carrying amount of segment assets		Addition to property, plant and equipment	
	Unaudited		Unaudited	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	\$'000		\$'000	
Singapore	55,998	47,309	716	8,056
Australia	17,749	4,764	6,061	103
China	5,310	-	-	-
Others	16,754	-	14,358	-
Total	95,811	52,073	21,135	8,159

14 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		
	Unaudited 31.12.2007 \$'000	Audited 31.12.2006 \$'000	Change %
Sales reported for first half year	59,445	51,941	14.4
Operating profit after tax before deducting minority interest for first half year	4,990	3,451	44.6
Sales reported for second half year	63,101	59,213	6.6
Operating profit after tax before deducting minority interest for second half year	2,873	3,990	(28.0)

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

	Unaudited 2007 S\$' 000	Audited 2006 S\$' 000
Ordinary	2,494	2,553
Preference	-	-
Total	2,494	2,553