



**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 %
	30.06.08 S\$'000	30.06.07 S\$'000	
Revenue	66,135	59,445	11.25
Cost of sales	(48,742)	(45,532)	7.05
<b>Gross profit</b>	17,393	13,913	25.01
Financial income	236	290	(18.62)
Financial expense	(396)	(187)	111.76
Marketing and distribution costs	(2,208)	(2,112)	4.55
Administrative expenses	(7,881)	(6,308)	24.94
Other operating income/(expenses)	(133)	96	(238.54)
<b>Profit before income tax</b>	7,011	5,692	23.17
Income tax expense	(965)	(702)	37.46
<b>Profit for the year</b>	6,046	4,990	21.16
Gain /(Loss) attributed to minority interests		11	(100.00)
<b>Net profit attributable to shareholders</b>	6,046	5,001	20.90

Notes to income statement

	GROUP	
	30.06.08 S\$' 000	30.06.07 S\$' 000
Interest income	27	160
Foreign exchange gain / (loss), net	209	108
Gain/(loss) on disposal of property, plant and equipment	11	96
Depreciation	(824)	(477)
Interest expense	(358)	(213)
Allowance for impairment in value of goodwill	(250)	-
Reclassification of capital expenditure to revenue expense	(924)	-

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	
	30.06.08 S\$'000	31.12.07 S\$'000	30.06.08 S\$'000	31.12.07 S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	10,982	12,118	1,980	488
Trade and other receivables	35,890	31,959	26,424	15,893
Inventories	4,997	5,930	-	-
<b>Total current assets</b>	<b>51,869</b>	<b>50,007</b>	<b>28,404</b>	<b>16,381</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	6,276	11,467
Investments in joint ventures	-	-	386	386
Interest in associate	24	24	-	-
Other assets	62	62	-	-
Other receivables	1,596	1,495	-	7,628
Property, plant and equipment	27,915	29,455	-	-
Construction in progress	35,076	16,873	-	-
Goodwill	828	1,078	-	-
<b>Total non-current assets</b>	<b>65,501</b>	<b>48,987</b>	<b>6,662</b>	<b>19,481</b>
<b>Total assets</b>	<b>117,370</b>	<b>98,994</b>	<b>35,066</b>	<b>35,862</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade and other payables	24,517	25,323	4,685	6,816
Current tax payable	1,547	1,331	(103)	-
Current portion of finance leases	76	74	-	-
Current portion of term loan	15,014	14,640	6,232	1,817
<b>Total current liabilities</b>	<b>41,154</b>	<b>41,368</b>	<b>10,814</b>	<b>8,633</b>
<b>Non-current liabilities:</b>				
Finance leases	58	86	-	-
Term loan	23,546	7,760	-	-
Deferred tax	77	77	-	-
<b>Total non-current liabilities</b>	<b>23,681</b>	<b>7,923</b>	<b>-</b>	<b>-</b>
<b>Share capital and reserves</b>				
Share capital	24,601	24,532	24,601	24,532
Retained earnings	29,626	25,803	(349)	2,697
Other reserves	(1,692)	(867)	-	-
	52,535	49,468	24,252	27,229
<b>Minority interests</b>				
	-	235	-	-
<b>Total equity</b>	<b>52,535</b>	<b>49,703</b>	<b>24,252</b>	<b>27,229</b>
<b>Total liabilities and equity</b>	<b>117,370</b>	<b>98,994</b>	<b>35,066</b>	<b>35,862</b>

Ratio	GROUP	
	30.06.08	31.12.07
Inventory days	19	22
Trade receivables days	94	89
Gearing	0.74	0.45

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

Amount repayable in one year or less, or on demand

30.06.2008		31.12.2007	
Secured	Unsecured	Secured	Unsecured
15,090,000	-	14,714,000	-

Amount repayable after one year

30.06.2008		31.12.2007	
Secured	Unsecured	Secured	Unsecured
23,528,000	76,000	7,772,000	74,000

Details of any collateral

The liabilities are secured by corporate guarantee 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 to finance 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	
	30.06.08 S\$'000	30.06.07 S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	7,011	5,692
Adjustments for:		
Allowance for doubtful trade debts	39	-
Allowance for impairment in value of goodwill	250	-
Shares issued out of Treasury	242	-
Depreciation	824	477
Reclassification of capital expenditure to revenue expense	924	
Interest income	(27)	(160)
Interest expense	358	213
Gain on disposal of property, plant and equipment	(11)	(96)
Operating profit before working capital changes	<u>9,610</u>	<u>6,126</u>
Trade and other receivables	(3,721)	(3,192)
Inventories	933	(68)
Trade and other payables	(806)	829
Cash generated from operations	<u>6,016</u>	<u>3,695</u>
Interest paid	(358)	(213)
Interest received	27	160
Income tax paid	(749)	(748)
Net cash from operating activities	<u>4,936</u>	<u>2,894</u>
<b>Cash flows from investing activities:</b>		
Repayment from / (advances) to PRC licensees (net)	(350)	
Proceeds from disposal of plant and equipment	238	158
Purchase of property, plant and equipment	(870)	(910)
Construction in progress	(19,134)	(5,954)
Net cash used in investing activities	<u>(20,116)</u>	<u>(6,706)</u>
<b>Cash flows from financing activities:</b>		
Repayment of finance leases	(47)	(65)
Proceeds from finance leases	22	-
Proceeds from loans (net)	16,160	4,990
Proceeds from placement of shares	-	14,900
Purchase of own shares, which are held as treasury shares	(173)	(270)
Return of capital to minority interest	(235)	-
Dividend paid	(2,223)	(2,566)
Net cash from/(used in) financing activities	<u>13,504</u>	<u>16,989</u>
<b>Net effect of exchange rate changes in consolidating foreign subsidiaries</b>	<u>540</u>	<u>14</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(1,136)	13,191
Cash and cash equivalents at beginning of period	12,118	6,217
Cash and cash equivalents at end of period	<u>10,982</u>	<u>19,408</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 period ended 30 June 2008**

GROUP	Share Capital S\$' 000	Share Premium S\$' 000	Equity Reserve 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
<b>At 1 January 2008</b>	25,454	-	-	(922)	(867)	25,803	49,468	235	49,703
Changes in equity for the period									
Placement of new shares	-	-	-	-	-	-	-	-	-
Purchase of own shares and held as treasury shares	-	-	-	(173)	-	-	(173)	-	(173)
Issue of shares out of Treasury	-	-	108	134	-	-	242	-	242
Return of capital to minority interest	-	-	-	-	-	-	-	(235)	(235)
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	-	(825)	-	(825)	-	(825)
	-	-	108	(39)	(825)	-	(756)	(235)	(991)
Profit for the period	-	-	-	-	-	6,046	6,046	-	6,046
Total recognised income (expense) for the period	-	-	-	-	-	6,046	6,046	-	6,046
Dividends	-	-	-	-	-	(2,223)	(2,223)	-	(2,223)
<b>Balance at 30 June 2008</b>	<b>25,454</b>	<b>-</b>	<b>108</b>	<b>(961)</b>	<b>(1,692)</b>	<b>29,628</b>	<b>52,535</b>	<b>-</b>	<b>52,535</b>
				24,801					
<b>At 1 January 2007</b>	10,554	-	-	(396)	(410)	20,323	30,071	346	30,417
Changes in equity for the period									
Placement of new shares	14,900	-	-	-	-	-	14,900	-	14,900
Purchase of own shares and held as treasury shares	-	-	-	(270)	-	-	(270)	-	(270)
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	-	83	-	83	27	110
	14,900	-	-	(270)	83	-	14,713	27	14,740
Profit for the period	-	-	-	-	-	5,001	5,001	(20)	4,981
Total recognised income (expense) for the period	-	-	-	-	-	5,001	5,001	(20)	4,981
Dividends	-	-	-	-	-	(2,586)	(2,586)	(25)	(2,591)
<b>Balance at 30 June 2007</b>	<b>25,454</b>	<b>-</b>	<b>-</b>	<b>(666)</b>	<b>(327)</b>	<b>22,758</b>	<b>47,219</b>	<b>328</b>	<b>47,547</b>

COMPANY	Share Capital S\$' 000	Share Premium S\$' 000	Equity Reserve S\$' 000	Treasury Shares S\$' 000	Accumulated Profits S\$' 000	Total S\$' 000
<b>At 1 January 2008</b>	25,454	-	-	(922)	2,697	27,229
Changes in equity for the period						
Placement of new shares	-	-	-	-	-	-
Purchase of own shares and held as treasury shares	-	-	-	(173)	-	(173)
Issue of shares out of Treasury	-	-	108	134	-	242
	-	-	108	(39)	-	69
Loss for the period	-	-	-	-	(823)	(823)
Total recognised income for the period	-	-	-	-	(823)	(823)
Dividends	-	-	-	-	(2,223)	(2,223)
<b>Balance at 30 June 2008</b>	<b>25,454</b>	<b>-</b>	<b>108</b>	<b>(961)</b>	<b>(349)</b>	<b>24,252</b>
<b>At 1 January 2007</b>	10,554	-	-	(396)	2,560	12,718
Changes in equity for the period						
Placement of new shares	14,900	-	-	-	-	14,900
Purchase of own shares and held as treasury shares	-	-	-	(270)	-	(270)
	14,900	-	-	(270)	-	14,630
Profit for the period	-	-	-	-	18	18
Total recognised income for the period	-	-	-	-	18	18
Dividends	-	-	-	-	(2,514)	(2,514)
<b>Balance at 30 June 2008</b>	<b>25,454</b>	<b>-</b>	<b>-</b>	<b>(666)</b>	<b>64</b>	<b>24,852</b>

**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 half year ended 30 June 2008, the Company:

- a) issued 514,468 shares at a cost of S\$133,761 out of Treasury shares for the purpose of employee's share award. The gain on disposal of treasury shares of S\$108,038 was taken up to equity reserve.
- b) purchased additional 500,000 of its own shares for \$173,000 and held these shares as treasury shares. The number of shares held as treasury shares as at 30 June 2008 is 2,177,532 shares and the cost of these shares is S\$961,761.

As at 30 June 2008, the company's issued share capital is made up of 224,489,397 (31 December 2007: 224,489,397) ordinary shares.

**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 30 June 2008, the company's issued share capital is made up of 222,311,865 (31 December 2007: 222,297,397) ordinary shares.

The number of shares held as treasury shares after the issue of 514,468 shares under the share award scheme at 30 June 2008 was 2,177,532 (31 December 2007 : 2,192,000). These have been excluded from the above issued share capital.

**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.**

Statement of changes of treasury shares  
for the period ended 30 June 2008

	S\$'000
Balance at 1 January 2008	921
Changes in treasury shares for the period	
Purchase of new treasury shares	174
Utilisation of treasury shares for the purpose of employees' share award	(134)
Balance at 30 June 2008	961

**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 applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for year ended 31 December 2007.

**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.**

Not applicable.

**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</b>	
	30.06.2008	30.06.2007
Earnings per ordinary share for the period based on net profit attributed to the shareholders of the Company		
(i) Based on weighted average number of ordinary shares in issue	2.72 cents	2.28 cents
(ii) On a fully diluted basis	2.72 cents	2.28 cents

The basic and fully diluted earnings per share for 30 June 2008 have been calculated based on net profit attributable to shareholders of the Company of S\$6,046,000 and 222,586,380 weighted average number of ordinary shares in issue.

The basic and fully diluted earnings per share for 30 June 2007 have been calculated based on net profit attributable to shareholders of the Company of S\$5,001,000 and 219,582,424 weighted average number of ordinary shares in issue.

**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>	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
Net asset value per ordinary share based on the number of shares in issue at end of year	23.63 cents	22.25 cents	10.91 cents	12.25 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of S\$52,535,000 (31 December 2007 : S\$49,468,000) and share capital of 222,311,865 (31 December 2007: 222,297,397) ordinary shares excluding treasury shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of S\$24,252,000 (31 December 2007 : S\$27,229,000) and share capital of 222,311,865 (31 December 2007: 222,297,397) ordinary shares excluding treasury 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 half year ended 30 June 2008**

#### **Revenue**

The revenue increased by 11.53% or S\$6.84 million to reach S\$66.14 million for the period ended 30 June 2008 compared to S\$59.30 million for the same period in 2007.

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

#### **Gross Profit**

Gross profit increased by 26.33% or S\$3.62 million to S\$17.39 million in the first half of 2008 as compared to S\$13.77 million for the same period in last year.

#### **Operating Expenses**

The operating expenses consist of marketing & distribution costs and administrative expenses. Operating expenses registered 15.26% of total sales and accounted for S\$10.09 million for the period ended 30 June 2008 as compared to 14.20% or S\$8.42 million for the corresponding period in 2007.

#### **Net profit attributable to Shareholders**

Net profit attributable to Shareholders increased by S\$1.05 million or 20.90% in the first half of 2008 as compared to the same period in 2007.

## **REVIEW OF FINANCIAL POSITION**

#### **Current assets**

Current assets increased by approximately S\$1.86 million, from S\$50.01 million as at 31 December 2007 to S\$51.87 million as at 30 June 2008. Trade and other receivables increased by S\$3.72 million which is in line with the increase in sales. Cash and cash equivalents decreased by \$1.14 million arising mainly from the deposit payment of \$2.69 million for the construction of the DPII 300 Men Accomodation barge.

#### **Non-current assets**

Non-current assets increased by approximately S\$16.51 million, from S\$48.99 million as at 31 December 2007 to S\$65.5 million as at 30 June 2008. The net increase of S\$16.51 million is contributed mainly by the increase in the construction cost of the liftboat of S\$32.19 million, a deposit payment and finance charges of S\$2.89 million for the construction of the DPII 300 Men Accomodation barge. The decrease in Property, plant and equipment of S\$1.54million included an adjustment of S\$0.92 million in the capital cost of the seismic vessel.

**Current liabilities**

Current liabilities increased by approximately S\$0.22 million, from S\$41.37 million as at 31 December 2007 to S\$41.15 million as at 30 June 2008. This is due mainly to the term loan used by the joint venture company, Yakki International Pte Ltd for the construction of the lift boat.

**Non-current liabilities**

Non-current liabilities increased by approximately S\$15.76 million, from S\$7.92 million as at 31 December 2007 to S\$23.68 million as at 30 June 2008. This is due mainly to the increase in borrowings arising from the loans given to Nordic International Limited and Yakki International Pte Ltd to finance the seismic vessel and the lift boat.

**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.**

On year-to-year comparison, half year Net Profit of S\$6.05 million is 20.9% higher than the same period last year.

The Group's supply business in Singapore has increased by 13% compared with the same period last year. However, gross profit margin has decreased due to global price increase caused by inflationary pressure. Notwithstanding this, the Group expects the Singapore's supply operations to generate higher revenues and improved profits for the current year against last year.

Revenue from Western Australia operations has increased significantly contributing positively to the group's revenue. The Group expects the offshore supply business in Australia to improve due to the buoyant marine and offshore markets.

The charter of the seismic vessel, which commenced in September 2007, has a material impact on the Group's bottom line generating significant profit to the Group's profitability for the period under review. The Group expects the charter of the seismic vessel to continue its positive contribution to the Group's profits.

The lift boat owned under the joint venture in Yakki International Limited has been delivered and it is expected that the charter of the vessel would commence in 4Q2008.

Barring any unforeseen circumstances, the directors expect 2008 to be profitable.

**11 Dividend**

(a) Current Financial Period Reported On 30 June 2008

Any dividend declared for the current financial period reported on ? No

Name of Dividend	Not applicable
Dividend Type	Not applicable
Dividend Rate	Not applicable

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? No

Name of Dividend	Not applicable
Dividend Type	Not applicable
Dividend Rate	Not applicable

(c) Date payable

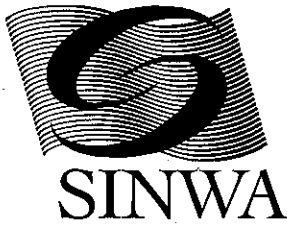
Not applicable

(d) Books closure date

Not applicable

**12 If no dividend has been declared/recommendeded, a statement to that effect**

Not applicable



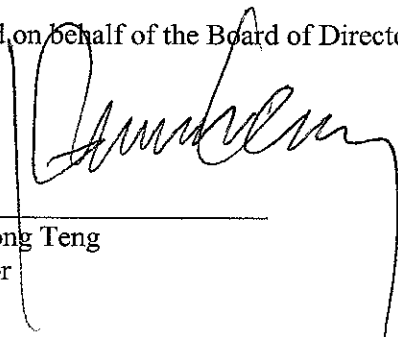
# SINWA LIMITED

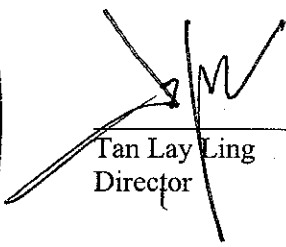
28 Joo Koon Circle, Singapore 629057  
Tel: (65) 6862 6300 Fax: (65) 6862 8300 Tlx: RS 23788  
e-mail: sinwa@sinwa.com.sg • website: www.sinwa.com.sg  
Company Registration No.: 200206542H

## NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

On behalf of the board of directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of the Directors of the Company which may render the interim financial results of the Group and Company for half year ended 30 June 2008 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

  
\_\_\_\_\_  
Sim Yong Teng  
Director

  
\_\_\_\_\_  
Tan Lay Ling  
Director

Date: **11 AUG 2008**

### Singapore

Sinwa (Singapore) Pte Ltd  
Sinwa Marine Pte Ltd  
Sinwa Offshore Pte Ltd  
KS Seafirst Marine Services Pte Ltd  
Windsor Marine Pte Ltd

### Australia

Sinwa IMES Pty Ltd  
Sinwa AIMS Pty Ltd  
Sinwa TMSS Pty Ltd  
Sinwa Brisbane Pty Ltd

### U.A.E

Sinwa Middle East LLC  
  
Hong Kong  
Sinwa Ship Supply Co.

### China

Sinwa Dalian Ship Supply Co., Ltd  
Sinwa Guangzhou Ship Supply Co., Ltd  
Sinwa Shanghai Ship Supply Co., Ltd