

**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 %
	30.09.08 S\$'000	30.09.07 S\$'000	
<b>Revenue</b>	100,660	89,772	12.13
Cost of sales	(73,798)	(69,036)	6.90
<b>Gross profit</b>	26,862	20,736	29.54
Financial income	383	574	(33.28)
Financial expense	(2,166)	(384)	464.06
Marketing and distribution costs	(3,371)	(3,057)	10.27
Administrative expenses	(11,799)	(9,985)	18.17
Other operating income/(expenses)	(308)	384	(180.21)
<b>Profit before income tax</b>	9,601	8,268	16.12
Income tax expense	(1,650)	(1,132)	45.76
<b>Profit for the year</b>	7,951	7,136	11.42
Gain /(Loss) attributed to minority interests	-	39	(100.00)
<b>Net profit attributable to shareholders</b>	7,951	7,175	10.82

Notes to income statement

	GROUP	
	30.09.08 S\$' 000	30.09.07 S\$' 000
Interest income	45	322
Foreign exchange gain / (loss), net	(1,302)	371
Gain/(loss) on disposal of property, plant and equipment	23	82
Depreciation	(1,198)	(727)
Interest expense	(470)	(386)
Allowance for impairment in value of goodwill	(503)	-
Reclassification of capital expenditure to revenue expense	(1,093)	-

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	
	30.09.08 S\$'000	31.12.07 S\$'000	30.09.08 S\$'000	31.12.07 S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	10,787	12,118	2,099	488
Trade and other receivables	44,480	31,959	29,135	15,893
Inventories	5,970	5,930	-	-
<b>Total current assets</b>	<b>61,237</b>	<b>50,007</b>	<b>31,234</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	116	62	-	-
Other receivables	1,800	1,495	-	7,628
Property, plant and equipment	63,475	29,455	-	-
Construction in progress	3,033	16,873	-	-
Goodwill	575	1,078	-	-
<b>Total non-current assets</b>	<b>69,023</b>	<b>48,987</b>	<b>6,662</b>	<b>19,481</b>
<b>Total assets</b>	<b>130,260</b>	<b>98,994</b>	<b>37,896</b>	<b>35,862</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade and other payables	23,256	25,323	5,712	6,816
Current tax payable	1,547	1,331	(130)	-
Current portion of finance leases	62	74	-	-
Current portion of term loan	35,315	14,640	7,887	1,817
<b>Total current liabilities</b>	<b>60,180</b>	<b>41,368</b>	<b>13,469</b>	<b>8,633</b>
<b>Non-current liabilities:</b>				
Finance leases	50	86	-	-
Term loan	14,595	7,760	-	-
Deferred tax	77	77	-	-
<b>Total non-current liabilities</b>	<b>14,722</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	31,531	25,803	(174)	2,697
Other reserves	(774)	(867)	-	-
	55,358	49,468	24,427	27,229
<b>Minority interests</b>				
	-	235	-	-
<b>Total equity</b>	<b>55,358</b>	<b>49,703</b>	<b>24,427</b>	<b>27,229</b>
<b>Total liabilities and equity</b>	<b>130,260</b>	<b>98,994</b>	<b>37,896</b>	<b>35,862</b>

Ratio	GROUP	
	30.09.08	31.12.07
Inventory days	22	22
Trade receivables days	92	89
Gearing	0.90	0.45

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

Amount repayable in one year or less, or on demand

30.09.2008		31.12.2007	
Secured	Unsecured	Secured	Unsecured
35,377,000	-	14,714,000	-

Amount repayable after one year

30.09.2008		31.12.2007	
Secured	Unsecured	Secured	Unsecured
14,579,000	66,000	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 plant and equipment.

1c CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	30.09.08	30.09.07
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	9,601	8,268
Adjustments for:		
Allowance for doubtful trade debts	46	-
Allowance for impairment in value of goodwill	503	-
Bad debts written off	10	-
Shares issued out of Treasury	242	-
Depreciation	1,198	727
Reclassification of capital expenditure to revenue expense	1,093	-
Interest income	(45)	(322)
Interest expense	470	386
Gain on disposal of property, plant and equipment	(23)	(82)
Operating profit before working capital changes	<u>13,095</u>	<u>8,977</u>
Trade and other receivables	(12,631)	(18,138)
Inventories	(40)	(781)
Trade and other payables	<u>(2,068)</u>	<u>13,330</u>
Cash generated from operations	<u>(1,644)</u>	<u>3,388</u>
Interest paid	(470)	(386)
Interest received	45	322
Income tax paid	<u>(1,428)</u>	<u>(1,489)</u>
Net cash from operating activities	<u>(3,497)</u>	<u>1,835</u>
<b>Cash flows from investing activities:</b>		
Repayment from / (advances) to PRC licensees (net)	(305)	-
Proceeds from disposal of plant and equipment	274	156
Purchase of property, plant and equipment	(1,018)	(19,981)
Construction in progress	<u>(22,884)</u>	<u>(9,559)</u>
Net cash used in investing activities	<u>(23,933)</u>	<u>(29,384)</u>
<b>Cash flows from financing activities:</b>		
Repayment of finance leases	(83)	(103)
Proceeds from finance leases	36	-
Proceeds from loans (net)	27,510	25,662
Proceeds from placement of shares	-	14,900
Purchase of own shares, which are held as treasury shares	(173)	(407)
Return of capital to minority interest	(235)	-
Dividend paid	<u>(2,223)</u>	<u>(2,564)</u>
Net cash from/(used in) financing activities	<u>24,832</u>	<u>37,488</u>
<b>Net effect of exchange rate changes in consolidating foreign subsidiaries</b>	<u>1,267</u>	<u>(170)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(1,331)</u>	<u>9,769</u>
Cash and cash equivalents at beginning of period	12,118	6,217
Cash and cash equivalents at end of period	<u><u>10,787</u></u>	<u><u>15,986</u></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 September 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	-	-	-	-	93	-	93	-	93
	-	-	108	(39)	93	-	162	(235)	(73)
Profit for the period	-	-	-	-	-	7,951	7,951	-	7,951
Total recognised income (expense) for the period	-	-	-	-	-	7,951	7,951	-	7,951
Dividends	-	-	-	-	-	(2,223)	(2,223)	-	(2,223)
<b>Balance at 30 September 2008</b>	<b>25,454</b>	<b>-</b>	<b>108</b>	<b>(961)</b>	<b>(774)</b>	<b>31,531</b>	<b>55,358</b>	<b>-</b>	<b>55,358</b>
				24,601					
<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	-	-	-	(407)	-	-	(407)	-	(407)
Exchange difference on translation of foreign subsidiaries' financial statements	-	-	-	-	(115)	-	(115)	31	(84)
	14,900	-	-	(407)	(115)	-	14,378	31	14,409
Profit for the period	-	-	-	-	-	7,175	7,175	(39)	7,136
Total recognised income (expense) for the period	-	-	-	-	-	7,175	7,175	(39)	7,136
Dividends	-	-	-	-	-	(2,564)	(2,564)	-	(2,564)
<b>Balance at 30 September 2007</b>	<b>25,454</b>	<b>-</b>	<b>-</b>	<b>(803)</b>	<b>(525)</b>	<b>24,934</b>	<b>49,060</b>	<b>338</b>	<b>49,398</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	-	-	-	-	(648)	(648)
Total recognised income for the period	-	-	-	-	(648)	(648)
Dividends	-	-	-	-	(2,223)	(2,223)
<b>Balance at 30 September 2008</b>	<b>25,454</b>	<b>-</b>	<b>108</b>	<b>(961)</b>	<b>(174)</b>	<b>24,427</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	-	-	-	(407)	-	(407)
	14,900	-	-	(407)	-	14,493
Profit for the period	-	-	-	-	(792)	(792)
Total recognised income for the period	-	-	-	-	(792)	(792)
Dividends	-	-	-	-	(2,514)	(2,514)
<b>Balance at 30 September 2007</b>	<b>25,454</b>	<b>-</b>	<b>-</b>	<b>(803)</b>	<b>(746)</b>	<b>23,905</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 nine-month period ended 30 September 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 September 2008 is 2,177,532 shares and the cost of these shares is S\$961,761.

As at 30 September 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 September 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 September 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 September 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	<u>(134)</u>
Balance at 30 September 2008	<u>961</u>

- 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.**

	Group	
	30.09.2008	30.09.2007
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	3.57 cents	3.27 cents
(ii) On a fully diluted basis	3.57 cents	3.27 cents

The basic and fully diluted earnings per share for 30 September 2008 have been calculated based on net profit attributable to shareholders of the Company of S\$7,951,000 and 222,586,380 weighted average number of ordinary shares in issue.

The basic and fully diluted earnings per share for 30 September 2007 have been calculated based on net profit attributable to shareholders of the Company of S\$7,175,000 and 219,491,022 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**

	Group		Company	
	30.09.2008	31.12.2007	30.09.2008	31.12.2007
Net asset value per ordinary share based on the number of shares in issue at end of year	24.90 cents	22.25 cents	10.99 cents	12.25 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of S\$55,358,000 (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\$24,427,000 (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 September 2008**

#### **Revenue**

The revenue increased by 12.13% or S\$10.89 million to reach S\$100.66 million for the period ended 30 September 2008 compared to S\$89.77 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 29.51% or S\$6.12 million to S\$26.86 million in the third quarter of 2008 as compared to S\$20.74 million for the same period in last year.

#### **Operating Expenses**

The operating expenses consist of marketing & distribution costs and administrative expenses. Operating expenses registered 15.07% of total sales and accounted for S\$15.17 million for the period ended 30 September 2008 as compared to 14.53% or S\$13.04 million for the corresponding period in 2007.

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

Net profit attributable to Shareholders increased by S\$0.78 million or 10.82% in the third quarter of 2008 as compared to the same period in 2007.

## REVIEW OF FINANCIAL POSITION

### Current assets

Current assets increased by approximately S\$11.23 million, from S\$50.01 million as at 31 December 2007 to S\$61.24 million as at 30 September 2008. Trade and other receivables increased by S\$12.52 million which is in line with the increase in sales. Cash and cash equivalents decreased by \$1.33 million arising mainly from the deposit payment for the construction of the accommodation barge.

### Non-current assets

Non-current assets increased by approximately S\$20.03 million, from S\$48.99 million as at 31 December 2007 to S\$69.02 million as at 30 September 2008. The net increase of S\$20.03 million is contributed mainly by the increase in the construction cost of the liftboat, a deposit payment and finance charges for the construction of the accommodation barge. The increase in Property, plant and equipment of S\$34.02 million is mainly due to the completion of the liftboat construction amounting to S\$36.61 million and an adjustment in the capital cost of the seismic vessel.

### Current liabilities

Current liabilities increased by approximately S\$18.81 million, from S\$41.37 million as at 31 December 2007 to S\$60.18 million as at 30 September 2008. This is due mainly to the term loans used by the joint venture companies, Yakki International Pte Ltd and Nordic International Limited for the construction of the lift boat and seismic vessel.

### Non-current liabilities

Non-current liabilities increased by approximately S\$6.8 million, from S\$7.92 million as at 31 December 2007 to S\$14.72 million as at 30 September 2008. The increase is due mainly to term loan used by the joint venture company, Nordic International Limited and the advances given to the joint venture companies.

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

Not applicable

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**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 recorded a net profit of S\$8.0 million as at 30 September 2008, a 10.8 per cent increase over S\$7.2 million reported for the corresponding period last year.

Turnover for the first three quarters of FY2008 reached S\$100.7 million, up 12.1 per cent from S\$89.8 million for the same period last year. The year-on-year increase in sales was mainly due to:

- higher revenue from the Group's operations in Singapore and Australia
- charter income from BGP Atlas, a seismic vessel from the Group's joint venture in Nordic International Limited

Sinwa continues to be profitable despite the current financial crisis and economic slowdown.

The Group's results for the first nine months of FY2008 show that its strategy of capitalising on opportunities in the global marine and offshore sectors has resulted in increased profits for the quarter under review.

Going forward, Sinwa will continue to identify and realise business opportunities presented by these sectors.

**Business Prospects**

Notwithstanding the current difficult economic and credit crisis, Sinwa expects its ship supply business to remain resilient for the rest of 2008.

Revenue from our Australian operations is expected to increase in line with the fast-growing offshore industry in Western Australia. On the other hand, the Group does not expect its Chinese operations to see any significant decrease in revenue despite the fall in demand for Chinese exports.

In addition, Sinwa will continue to generate charter income from BGP Atlas for the rest of FY2008 – its first full-year revenue contribution – and beyond. Negotiations are also underway for KS Titan II, a liftboat from the Group's joint venture with KS Energy Services Limited, to be on charter shortly. Additionally, a 300-man DP II accommodation barge purchased through Nordic International Limited is scheduled for completion by early Q3 2009.

Barring any unforeseen circumstances, the directors expect the rest of FY2008 to be profitable

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**Dividend**

(a) Current Financial Period Reported On 30 September 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

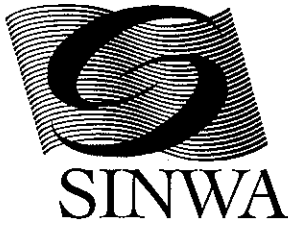
(d) Books closure date

Not applicable

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

Not applicable



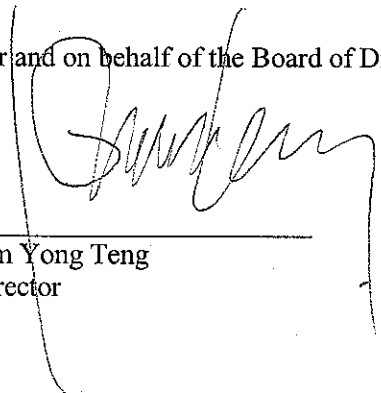
# SINWA LIMITED

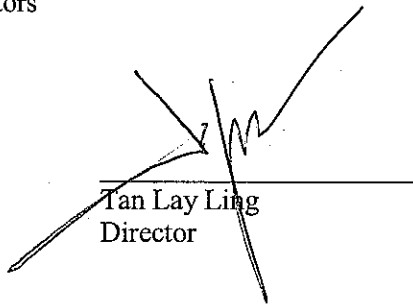
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Tel: (65) 6862 6300 Fax: (65) 6862 8300 Tlx: RS 23788  
e-mail: sinwa@sinwa.com.sg • website: www.sinwa.com.sg  
Company Registration No.: 200206542H

## 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 the period ended 30 September 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: 14 November 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