



**First Quarter Financial Statements And Dividend Announcement
For the Financial Period Ended 31 March 2009**

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

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

The Board of Directors of Sinwa Limited is pleased to announce the unaudited results of the Group for the three months ended 31 March 2009.

INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2009

	GROUP		+ / (-) %
	2009	2008	
	SS'000	SS'000	
Revenue	31,486	31,374	0.4
Cost of sales	(22,946)	(23,316)	(1.6)
Gross profit	8,540	8,058	6.0
Financial income	1,205	15	n.m.
Financial expenses	(1,465)	(666)	120.0
Marketing and distribution costs	(791)	(1,116)	(29.1)
Administrative expenses	(3,598)	(3,463)	3.9
Other operating expenses	(19)	(38)	(50.0)
Profit before income tax	3,872	2,790	38.8
Income tax expense	(585)	(297)	97.0
Profit for the period	3,287	2,493	31.8
Profit attributable to:			
Equity holders of the Company	3,287	2,493	31.8



STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2009

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 January 2009).

	GROUP		+ / (-)
	3 months ended		
	31 March		
	2009	2008	
	SS'000	SS'000	%
Profit for the period	3,287	2,493	31.8
Other comprehensive income:			
Foreign currency translation	893	(380)	n.m.
Other comprehensive income/(expense), net of tax	<u>893</u>	<u>(380)</u>	n.m.
Total comprehensive income for the period	<u>4,180</u>	<u>2,113</u>	97.8
Total comprehensive income attributable to:			
Equity holders of the Company	<u>4,180</u>	<u>2,113</u>	97.8

Note:

- n.m.: not meaningful



1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

NOTES TO INCOME STATEMENT

	GROUP	
	3 months ended	
	31 March	
	2009	2008
	SS'000	SS'000
Financial income:		
Interest income	2	15
Foreign exchange gain	1,203	-
	<u>1,205</u>	<u>15</u>
Financial expenses:		
Allowance for doubtful trade receivables	(1,245)	(38)
Bad debts written off	(5)	(1)
Foreign exchange loss	-	(385)
Interest expense	(215)	(242)
	<u>(1,465)</u>	<u>(666)</u>
Other operating expenses:		
Allowance for impairment in value of goodwill	(28)	-
Gain/(Loss) on disposal of property, plant and equipment	7	(11)
Government grant income	64	-
Other receivables written off	(109)	-
Property, plant and equipment written off	-	(1)
Others	47	(26)
	<u>(19)</u>	<u>(38)</u>
Profit before income tax is stated after charging:-		
Amortisation of intangible assets	(8)	-
Depreciation of property, plant and equipment	(383)	(399)

Note: Certain reclassifications have been made to prior period's items to enhance comparability with current period's items.



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

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.03.09 SS'000	31.12.08 SS'000	31.03.09 SS'000	31.12.08 SS'000
ASSETS				
Current assets				
Cash and cash equivalents	13,465	12,196	2,135	2,054
Trade and other receivables	29,524	30,111	12,816	15,729
Inventories	5,478	5,881	-	-
Other assets	2,154	1,308	-	-
Total current assets	50,621	49,496	14,951	17,783
Non-current assets:				
Other receivables	1,784	1,895	-	-
Other assets	1,673	1,624	-	-
Investments in subsidiaries	-	-	11,467	11,467
Investments in joint ventures	-	-	23,073	20,294
Investment in associate	-	-	-	-
Property, plant and equipment	65,923	62,776	-	-
Construction in progress	3,222	3,053	-	-
Intangible assets	136	144	-	-
Goodwill	547	575	-	-
Total non-current assets	73,285	70,067	34,540	31,761
Total assets	123,906	119,563	49,491	49,544
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	21,818	23,787	11,119	12,134
Income tax payable	2,523	1,937	17	17
Current portion of finance leases	63	67	-	-
Current portion of borrowings	20,382	19,416	9,780	9,373
Total current liabilities	44,786	45,207	20,916	21,524
Non-current liabilities:				
Finance leases	76	77	-	-
Borrowings	17,078	18,772	-	-
Deferred tax	164	164	-	-
Deferred income	2,279	-	-	-
Total non-current liabilities	19,597	19,013	-	-



	GROUP		COMPANY	
	31.03.09	31.12.08	31.03.09	31.12.08
	SS'000	SS'000	SS'000	SS'000
Equity				
Share capital	24,601	24,601	24,601	24,601
Retained earnings	36,286	32,999	3,974	3,419
Foreign currency translation reserve	(1,364)	(2,257)	-	-
Equity attributable to equity holders of the Company	59,523	55,343	28,575	28,020
Total equity	59,523	55,343	28,575	28,020
Total liabilities and equity	123,906	119,563	49,491	49,544

	GROUP	
	31.03.09	31.12.08
Financial ratios		
Inventory turnover (days)	21	23
Trade receivables turnover (days)	79	79
Gearing (debt to equity)	0.45	0.47

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

31.03.2009		31.12.2008	
Secured	Unsecured	Secured	Unsecured
SS'000	SS'000	SS'000	SS'000
20,445	-	19,483	-

Amount repayable after one year

31.03.2009		31.12.2008	
Secured	Unsecured	Secured	Unsecured
SS'000	SS'000	SS'000	SS'000
17,093	61	18,791	58

Details of any collaterals:

The liabilities are secured by corporate guarantees from the Company and relate to:

- 1) Term loan obtained for the financing of the construction of the liftboat in the joint venture Yakki International Pte Ltd; and
- 2) Term loan obtained to finance the conversion cost of seismic vessel in the joint venture Nordic International Limited.



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

STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2009

	GROUP	
	3 months ended 31 March	
	2009	2008
	SS'000	SS'000
Cash flows from operating activities:		
Profit before income tax	3,872	2,790
Adjustments for:		
Allowance for doubtful trade receivables	1,245	38
Allowance for impairment in value of goodwill	28	-
Amortisation of intangible assets	8	-
Bad debts written off	5	1
Depreciation of property, plant and equipment	383	399
(Gain)/Loss on disposal of property, plant and equipment	(7)	12
Interest income	(2)	(15)
Interest expense	215	242
Other receivables written off	109	-
Issue of shares out of treasury shares	-	242
Operating profit before working capital changes	<u>5,856</u>	<u>3,709</u>
Trade and other receivables	(728)	(1,831)
Inventories	403	582
Trade and other payables	<u>(1,981)</u>	<u>(1,798)</u>
Cash generated from operations	3,550	662
Interest paid	(215)	(242)
Interest received	2	15
Income tax paid	-	(20)
Net cash from operating activities	<u>3,337</u>	<u>415</u>
Cash flows from investing activities:		
Repayment from/(Advances to) PRC licensees	81	(213)
Proceeds from disposal of property, plant and equipment	23	145
Purchase of property, plant and equipment	(377)	(295)
Construction in progress	-	(14,996)
Mobilisation costs for the liftboat in a joint venture	(732)	-
Deferred income for the liftboat in a joint venture	2,279	-
Effect of foreign currency alignment on investing activities	<u>(3,213)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,939)</u>	<u>(15,359)</u>



	GROUP	
	3 months ended	
	31 March	
	2009	2008
	S\$'000	S\$'000
Cash flows from financing activities:		
Repayment of finance leases	(25)	(29)
Proceeds from term loans	-	12,037
Repayment of term loans	(2,889)	(613)
Purchase of own shares and held as treasury shares	-	(173)
Proceeds from pledged bank and fixed deposits	1,208	-
Effect of foreign currency alignment on financing activities	1,786	(885)
Net cash from financing activities	<u>80</u>	<u>10,337</u>
Net increase/(decrease) in cash and cash equivalents	1,478	(4,607)
Cash and cash equivalents at beginning of the period	7,890	12,118
Net effect of exchange rate changes in consolidating foreign subsidiaries	624	974
Cash and cash equivalents at end of the period	<u>9,992</u>	<u>8,485</u>
<u>Analysis of the cash and cash equivalents</u>		
Cash and cash equivalents	13,465	8,485
Bank overdraft	(909)	-
Cash at bank pledged	(541)	-
Fixed deposit pledged	(2,023)	-
Cash and cash equivalents for the purpose of cash flow statement	<u>9,992</u>	<u>8,485</u>

Note: During the period ended 31 March 2009, there were acquisitions of property, plant and equipment amounting to a total cost of \$20K (IQ FY2008: \$36K) by means of finance leases.



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

GROUP	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance at 1 January 2009	25,454	(961)	108	(2,257)	32,999	55,343	-	55,343
Changes in equity for the period								
Total comprehensive income for the period	-	-	-	893	3,287	4,180	-	4,180
Balance at 31 March 2009	25,454	(961)	108	(1,364)	36,286	59,523	-	59,523
Balance at 1 January 2008	25,454	(922)	-	(867)	25,803	49,468	235	49,703
Changes in equity for the period								
Total comprehensive income for the period	-	-	-	(380)	2,493	2,113	-	2,113
Purchase of own shares and held as treasury shares	-	(173)	-	-	-	(173)	-	(173)
Issue of shares out of treasury shares	-	134	108	-	-	242	-	242
Balance at 31 March 2008	25,454	(961)	108	(1,247)	28,296	51,650	235	51,885

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 January 2009	25,454	(961)	108	3,419	28,020
Changes in equity for the period					
Total comprehensive income for the period	-	-	-	555	555
Balance at 31 March 2009	25,454	(961)	108	3,974	28,575
Balance at 1 January 2008	25,454	(922)	-	2,697	27,229
Changes in equity for the period					
Total comprehensive expenses for the period	-	-	-	(580)	(580)
Purchase of own shares and held as treasury shares	-	(173)	-	-	(173)
Issue of shares out of treasury shares	-	134	108	-	242
Balance at 31 March 2008	25,454	(961)	108	2,117	26,718



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

Not applicable.

- 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.**

	31.03.2009	31.12.2008
Number of issued ordinary shares (excluding treasury shares)	222,311,865	222,311,865

- 1(d)(iv) **A statement showing all sales, transfers, 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 in this announcement have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 same accounting policies and methods of computation as those applied for the FY2008 audited financial statements have been applied for these 1Q FY2009 figures except for the adoption of the FRSS and INT FRSS that are mandatory for annual periods beginning on or after 1 January 2009. The adoption of these FRSS and INT FRSS has no significant 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.**

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	
	31.03.2009	31.03.2008
(a) Basic (cents)	1.48	1.12
(b) Diluted (cents)	1.48	1.12

The basic and diluted earnings per share are computed based on the weighted average number of ordinary shares in issue during the financial period of 222,311,865 (1Q FY2008: 222,233,629).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	GROUP	COMPANY
The total number of issued shares excluding treasury shares at the end of the:		
(a) current financial period reported on	222,311,865	222,311,865
(b) immediately preceding financial year	222,311,865	222,311,865
Net asset value per issued ordinary shares as at (cents)		
(c) 31 March 2009	26.77	12.85
(d) 31 December 2008	24.89	12.60

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**

Revenue increased marginally by \$0.1 mil.

Overall gross profit margin for 1Q FY2009 is 27.1% compared to 25.7% of 1Q FY2008. The improvement in the gross profit margin is mainly attributed to higher purchase discounts and reduced costs.

Financial income increased by \$1.2 mil because of foreign exchange gain related to the appreciations of the Australian dollar and United States dollar against the Singapore dollar.

Financial expenses increased by \$0.8 mil and the increase is accounted by a \$1.2 mil increase in allowance for doubtful trade receivables offset by a decrease in foreign exchange loss of \$0.4 mil. The \$1.2 mil allowance for doubtful trade receivables majority pertains to the charterer of our seismic vessel in one of our joint ventures.

Interest expense is lower mainly because of lower interest rates and lower outstanding term loans in 1Q FY2009.



Marketing and distribution expenses are at 2.5% and 3.6% of revenue in 1Q FY2009 and 1Q FY2008 respectively. The reduction is mainly due to lower headcounts and lower costs.

Administrative expenses are at 11.4% and 11.0% of revenue in 1Q FY2009 and 1Q FY2008 respectively. The increase of \$0.1 mil in 1Q FY2009 is attributed to insurance costs for our liftboat currently on charter.

The higher income tax expense is in line with a higher profit before taxation. The effective tax charge is lower than the amount obtained by applying the Singapore statutory tax rate of 17% on the profit before taxation mainly because of some non chargeable non trade related credits in the income statement and the varying tax rates of the different countries in which the Group operates.

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

The Group's balance sheet remains strong with positive cash flows from operations and a low gearing of 0.45 times. Net cash used in investing activities decreased mainly because of no construction cost incurred in 1Q FY2009. The construction of the liftboat was completed in 3Q FY2008. Net cash from financing activities decreased mainly because there were no term loans drawn down in 1Q FY2009.

Current assets

Current assets increased by about \$1.1 mil and is mainly due to higher cash and cash equivalents and other assets offset by the decreases in trade and other receivables and inventories. Trade receivables turnover is 79 days in 1Q FY2009. Other assets in the balance sheet of 1Q FY2009 of \$2.2 mil pertains to mobilisation costs of the liftboat. This amount will be amortised to match against the future charter income from the liftboat.

Non-current assets

Non-current assets increased by \$3.2 mil. This increase is mainly due to the increase in the currency alignment on property, plant and equipment; and construction-in-progress costs for our accommodation barge arising from the translation and consolidation of the individual financial statements of the foreign subsidiaries and joint ventures into the Group's financial statements.

Current liabilities

Current liabilities decreased marginally by \$0.4 mil.

The decrease in trade and other payables of \$2.0 mil is mainly attributed to lower inventory levels, the voluntary deregistration of some subsidiaries in Australia and faster payments to suppliers to take advantage of discounts offered.

The increase in income tax payable is due to the provision for income tax expense for the three months ended 31 March 2009. There were no payments for income tax liabilities during 1Q FY2009.

The increase in borrowings is mainly because upward revaluation of the outstanding US\$ term loans related to the appreciation of United States dollar against the Singapore dollar.



Non-current liabilities

Non-current liabilities also increased marginally by \$0.6 mil.

The decrease in non-current portion of borrowings is mainly attributed to monthly term loan repayments offset by the increase due to revaluation of the term loan amounts in United States dollar to Singapore dollar.

The deferred income relates to compensation for part of the mobilisation costs incurred on the liftboat received from the charterer during 1Q FY2009. This deferred income will be recognised as income together with the amortisation of the mobilisation costs as mentioned above.

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.**

Our first quarter profit increased by 31.8% compared to the same quarter last year.

Despite the slowdown in shipping, our marine supply business has shown growth quarter on quarter. But the outlook for the rest of the year is still expected to be challenging. On the brighter side, the liftboat charter income, which commenced in the second quarter, will contribute positively to our results.

Australia

The Australian operations has shown improvement and growth after concentrating our business in the Western part of Australia.

The Group expects its Australian operations to continue to show growth supported by a larger premise and new facilities in Darwin. The new facilities in Perth and Karratha are expected to be operational by the first quarter 2010.

China

Sinwa continues to operate via its appointed PRC licensees in the various ports of China. In spite of reduced global demand, the Group expects moderate growth in its PRC licensees' businesses.

Singapore

The marine supply business in Singapore continues to show growth to contributes positively to the Group's profit.

Others

The liftboat has commenced its charter to Siemens for its renewable wind energy projects, and will contribute to the group's revenue in the next quarter. We are currently marketing the 300-men accommodation barge under construction with completion scheduled in the last quarter of this year.



Baring unforeseen circumstances and current situation deteriorating in any material aspect, the Group expects 2009 to be profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

Name of Dividend	Not applicable
Dividend Type	Not applicable
Dividend Amount per Share (in cents)	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 Amount per Share (in cents)	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.

BY ORDER OF THE BOARD

Sim Yong Teng
Executive Chairman and CEO
13 May 2009



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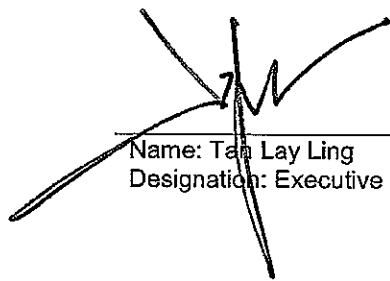
**NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD
PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

We, Sim Yong Teng and Tan Lay Ling, being two directors of Sinwa Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of the Group and the Company for the 3 months period ended 31 March 2009 to be false or misleading in any material aspect.

Dated 13 May 2009

On behalf of the Board of Directors


Name: Sim Yong Teng
Designation: Chairman and CEO


Name: Tan Lay Ling
Designation: Executive Director