



**Third Quarter Financial Statements And Dividend Announcement  
For the Financial Period Ended 30 September 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 period ended 30 September 2009.

**INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	GROUP			GROUP		
	3 months ended 30 September		+ / (-) %	9 months ended 30 September		+ / (-) %
2009 S\$'000	2008 S\$'000	2009 S\$'000		2008 S\$'000		
<b>Revenue</b>	31,971	34,525	(7.4)	96,282	100,660	(4.3)
Cost of sales	(21,490)	(24,814)	(13.4)	(65,869)	(72,512)	(9.2)
Gross profit	<u>10,481</u>	<u>9,711</u>	7.9	<u>30,413</u>	<u>28,148</u>	8.0
Financial income	18	18	n.m.	697	45	n.m.
Financial expenses	(490)	(1,641)	(70.1)	(1,954)	(1,828)	6.9
Marketing and distribution costs	(777)	(1,163)	(33.2)	(2,378)	(3,371)	(29.5)
Administrative expenses	(3,691)	(3,971)	(7.1)	(11,832)	(11,852)	(0.2)
Other operating income/(expenses)	184	(364)	n.m.	292	(1,541)	n.m.
<b>Profit before income tax</b>	<u>5,725</u>	<u>2,590</u>	121.0	<u>15,238</u>	<u>9,601</u>	58.7
Income tax expense	(615)	(685)	(10.2)	(1,815)	(1,650)	10.0
<b>Profit for the period</b>	<u>5,110</u>	<u>1,905</u>	168.2	<u>13,423</u>	<u>7,951</u>	68.8
<b>Profit attributable to:</b>						
Equity holders of the Company	<u>5,110</u>	<u>1,905</u>	168.2	<u>13,423</u>	<u>7,951</u>	68.8



**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 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			GROUP		
	3 months ended 30 September		+ / (-) %	9 months ended 30 September		+ / (-) %
2009	2008	2009		2008		
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Profit for the period</b>	5,110	1,905	168.2	13,423	7,951	68.8
Other comprehensive income:						
Foreign currency translation	(15)	918	n.m.	1,057	93	n.m.
<b>Other comprehensive income /(expense), net of tax</b>	(15)	918	n.m.	1,057	93	n.m.
<b>Total comprehensive income for the period</b>	<u>5,095</u>	<u>2,823</u>	80.5	<u>14,480</u>	<u>8,044</u>	80.0
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	<u>5,095</u>	<u>2,823</u>	80.5	<u>14,480</u>	<u>8,044</u>	80.0

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			GROUP		
	3 months ended 30 September		+ / (-) %	9 months ended 30 September		+ / (-) %
2009	2008	2009		2008		
	S\$'000	S\$'000		S\$'000	S\$'000	
Financial income:						
Interest income	18	18	n.m.	21	45	(53.3)
Foreign exchange gain	-	-	n.m.	676	-	n.m.
	<u>18</u>	<u>18</u>		<u>697</u>	<u>45</u>	
Financial expenses:						
Allowance for doubtful trade receivables	(4)	(8)	(50.0)	(1,246)	(46)	n.m.
Bad debts written off	-	(9)	n.m.	(5)	(10)	(50.0)
Foreign exchange loss	(234)	(1,511)	(84.5)	-	(1,302)	n.m.
Interest expense	(252)	(113)	123.0	(703)	(470)	49.6
	<u>(490)</u>	<u>(1,641)</u>		<u>(1,954)</u>	<u>(1,828)</u>	
Other operating income/(expenses):						
Allowance for impairment in value of goodwill	-	(253)	n.m.	(28)	(503)	(94.4)
Gain on disposal of property, plant and equipment	40	12	n.m.	47	23	n.m.
Government grant income	66	-	n.m.	194	-	n.m.
Handling fee income	85	33	n.m.	169	76	n.m.
Impairment loss on property, plant and equipment	-	(169)	n.m.	-	(1,093)	n.m.
Inventory written off	(20)	-	n.m.	(44)	-	n.m.
Other receivables written off	-	-	n.m.	(89)	-	n.m.
Property, plant and equipment written off	(1)	-	n.m.	(3)	(1)	n.m.
Others	14	13	7.7	46	(43)	n.m.
	<u>184</u>	<u>(364)</u>		<u>292</u>	<u>(1,541)</u>	
Profit before income tax is stated after (charging) / crediting:-						
Amortisation of intangible assets	(9)	(9)	n.m.	(25)	(14)	78.6
Depreciation of property, plant and equipment	(765)	(365)	109.6	(2,049)	(1,184)	73.1
Deferred mobilisation income recognised	(296)	-	n.m.	(703)	-	n.m.
Amortisation of mobilisation costs	565	-	n.m.	1,314	-	n.m.

The mobilisation income and costs relate to the transportation of the jackup liftboat for deployment in Europe.

Note:

- n.m.: not meaningful



**NOTES TO INCOME STATEMENT (Continued)**

- (1) The impairment loss on property, plant and equipment in 2008 is related to the seismic vessel in one of our joint ventures.
- (2) Interest expense is lower in 3Q FY2008 because the interest expense related to the jackup liftboat was capitalised as part of the vessel's costs then.
- (3) The increase in depreciation is mainly attributed to the depreciation of the jackup liftboat. Revenue from the charter of the jackup liftboat commenced in 2Q FY2009.
- (4) 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**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.09.09</b>	<b>31.12.08</b>	<b>30.09.09</b>	<b>31.12.08</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	13,943	12,196	5,507	2,054
Trade and other receivables	33,683	30,111	12,287	15,729
Inventories	5,405	5,881	-	-
Other assets	2,159	1,308	-	-
<b>Total current assets</b>	<u>55,190</u>	<u>49,496</u>	<u>17,794</u>	<u>17,783</u>
<b>Non-current assets</b>				
Other receivables	1,833	1,895	-	-
Other assets	604	1,624	-	-
Investments in subsidiaries	-	-	11,467	11,467
Investments in joint ventures	-	-	22,622	20,294
Investment in associate	-	-	-	-
Property, plant and equipment	65,239	62,776	-	-
Construction in progress	3,170	3,053	-	-
Intangible assets	119	144	-	-
Goodwill	547	575	-	-
<b>Total non-current assets</b>	<u>71,512</u>	<u>70,067</u>	<u>34,089</u>	<u>31,761</u>
<b>Total assets</b>	<u>126,702</u>	<u>119,563</u>	<u>51,883</u>	<u>49,544</u>



**STATEMENT OF FINANCIAL POSITION (Continued)**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.09.09</b>	<b>31.12.08</b>	<b>30.09.09</b>	<b>31.12.08</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	20,599	23,787	17,207	12,134
Income tax payable	2,016	1,937	2	17
Deferred income	1,157	-	-	-
Current portion of finance leases	92	67	-	-
Current portion of borrowings	20,954	19,416	9,318	9,373
<b>Total current liabilities</b>	<b>44,818</b>	<b>45,207</b>	<b>26,527</b>	<b>21,524</b>
<b>Non-current liabilities</b>				
Finance leases	147	77	-	-
Borrowings	13,127	18,772	-	-
Deferred tax	164	164	-	-
Deferred income	290	-	-	-
<b>Total non-current liabilities</b>	<b>13,728</b>	<b>19,013</b>	<b>-</b>	<b>-</b>
<b>Equity</b>				
Share capital	24,601	24,601	24,601	24,601
Retained earnings	44,755	32,999	755	3,419
Foreign currency translation reserve	(1,200)	(2,257)	-	-
<b>Equity attributable to equity holders of the Company</b>	<b>68,156</b>	<b>55,343</b>	<b>25,356</b>	<b>28,020</b>
<b>Total equity</b>	<b>68,156</b>	<b>55,343</b>	<b>25,356</b>	<b>28,020</b>
<b>Total liabilities and equity</b>	<b>126,702</b>	<b>119,563</b>	<b>51,883</b>	<b>49,544</b>

	<b>GROUP</b>	
	<b>30.09.09</b>	<b>31.12.08</b>
<u>Financial ratios</u>		
Inventory turnover (days)	22	23
Trade receivables turnover (days)	90	79
Gearing (net debt to total capital)	0.38	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

<b>30.09.2009</b>		<b>31.12.2008</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
21,046	-	19,483	-

Amount repayable after one year

<b>30.09.2009</b>		<b>31.12.2008</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
13,202	72	18,791	58

Details of any collaterals:

The following 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;
- 2) Term loan obtained to finance the conversion cost of seismic vessel in the joint venture Nordic International Limited;
- 3) Working capital financing obtained for subsidiaries; and
- 4) Loan obtained to finance the construction of 2 office cum warehouse complexes in Australia.

There are some borrowings that are also jointly and severally guaranteed by the Company and subsidiaries.

The following assets in the Group are also provided as securities for credit facilities:

- a) Fixed deposits of US\$3.825 million;
- b) 3 commercial properties in Singapore;
- c) 2 commercial properties in Australia;
- d) 1 residential property in Australia; and
- e) All other assets and undertakings of 2 subsidiaries in Australia.



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 PERIOD ENDED 30 SEPTEMBER 2009**

	GROUP		GROUP	
	3 months ended 30 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit before income tax	5,725	2,590	15,238	9,601
Adjustments for:				
Allowance for doubtful trade receivables	4	8	1,246	46
Allowance for impairment in value of goodwill	-	253	28	503
Amortisation of intangible assets	9	9	25	14
Bad debts written off	-	9	5	10
Depreciation of property, plant and equipment	765	365	2,049	1,184
Gain on disposal of property, plant and equipment	(40)	(12)	(47)	(23)
Impairment loss on property, plant and equipment	-	169	-	1,093
Interest income	(18)	(18)	(21)	(45)
Interest expense	252	113	703	470
Inventory written off	20	-	44	-
Issue of shares out of treasury shares	-	-	-	242
Amortisation of mobilisation costs	565	-	1,314	-
Deferred mobilisation income recognised	(296)	-	(703)	-
Other receivables written off	-	-	89	-
Property, plant and equipment written off	1	-	3	1
Operating profit before working capital changes	<u>6,987</u>	<u>3,486</u>	<u>19,973</u>	<u>13,096</u>
Trade and other receivables	(1,344)	526	(4,850)	(3,196)
Inventories	(118)	(973)	432	(40)
Trade and other payables	<u>148</u>	<u>(1,262)</u>	<u>(2,283)</u>	<u>(2,068)</u>
Cash generated from operations	5,673	1,777	13,272	7,792
Interest paid	(252)	(113)	(703)	(470)
Interest received	18	18	21	45
Income tax paid	<u>(778)</u>	<u>(679)</u>	<u>(1,736)</u>	<u>(1,428)</u>
Net cash from operating activities	<u>4,661</u>	<u>1,003</u>	<u>10,854</u>	<u>5,939</u>



**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2009 (Continued)**

	GROUP		GROUP	
	3 months ended 30 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from investing activities:</b>				
Repayment from/(Advances to) PRC licensees	-	45	-	(305)
Proceeds from disposal of property, plant and equipment	97	36	120	274
Purchase of property, plant and equipment	(190)	(127)	(802)	(718)
Construction in progress	(178)	(3,750)	(178)	(22,884)
Addition of intangible assets	-	(7)	-	(264)
Mobilisation costs for the liftboat in a joint venture	(52)	-	(1,180)	-
Mobilisation income for the liftboat in a joint venture	-	-	2,212	-
Effect of foreign currency alignment on investing activities	934	-	58	-
Net cash from/(used in) investing activities	<u>611</u>	<u>(3,803)</u>	<u>230</u>	<u>(23,897)</u>
<b>Cash flows from financing activities:</b>				
Repayment of finance leases	(42)	(36)	(85)	(83)
Proceeds from term loans	48	2,991	60	21,803
Repayment of term loans	(2,650)	(2,060)	(8,164)	(3,584)
Return of capital to minority interest	-	-	-	(235)
Purchase of own shares and held as treasury shares	-	-	-	(173)
Proceeds from restricted bank deposit	3	-	1,476	-
Fixed deposits pledged	(3,738)	-	(5,054)	-
Cash at bank restricted	(111)	-	(111)	-
Dividend paid	-	-	(1,667)	(2,223)
Effect of foreign currency alignment on financing activities	(236)	983	168	(145)
Net cash from/(used in) financing activities	<u>(6,726)</u>	<u>1,878</u>	<u>(13,377)</u>	<u>15,360</u>
<b>Net decrease in cash and cash equivalents</b>				
	(1,454)	(922)	(2,293)	(2,598)
Cash and cash equivalents at beginning of the period	7,170	10,982	7,890	12,118
<b>Net effect of exchange rate changes in consolidating foreign subsidiaries</b>				
	(389)	727	(270)	1,267
<b>Cash and cash equivalents at end of the period</b>	<u>5,327</u>	<u>10,787</u>	<u>5,327</u>	<u>10,787</u>
<b>Analysis of the cash and cash equivalents</b>				
Cash and cash equivalents	13,943	10,787	13,943	10,787
Bank overdraft	(1,473)	-	(1,473)	-
Cash at bank pledged	(318)	-	(318)	-
Fixed deposit pledged	(6,825)	-	(6,825)	-
Cash and cash equivalents for the purpose of cash flow statement	<u>5,327</u>	<u>10,787</u>	<u>5,327</u>	<u>10,787</u>



**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2009 (Continued)**

During the 3 months period, the Group acquired property, plant and equipment amounting to \$2,209,000 (2008: \$127,000), of which:

- (a) \$160,000 (2008: \$Nil) was acquired under finance lease contracts;
- (b) \$1,859,000 (2008: \$Nil) incurred for the construction of a office cum warehouse complex in Australia that was financed by a bank loan; and
- (c) \$190,000 (2008: \$127,000) was acquired by cash payment.

During the 9 months period, the Group acquired property, plant and equipment amounting to \$3,285,000 (2008: \$754,000), of which:

- (a) \$180,000 (2008: \$36,000) was acquired under finance lease contracts;
- (b) \$2,303,000 (2008: \$Nil) incurred for the construction of a office cum warehouse complex in Australia that was financed by a bank loan; and
- (c) \$802,000 (2008: \$718,000) was acquired by cash payment.

**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**

<b>GROUP</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Foreign currency translation reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>	<b>Minority interests S\$'000</b>	<b>Total equity S\$'000</b>
<b>Balance at 1 January 2009</b>	25,454	(961)	108	(2,257)	32,999	55,343	-	55,343
<b>Changes in equity for the period</b>								
Total comprehensive income for the period	-	-	-	1,072	8,313	9,385	-	9,385
Dividends	-	-	-	-	(1,667)	(1,667)	-	(1,667)
<b>Balance at 30 June 2009</b>	25,454	(961)	108	(1,185)	39,645	63,061	-	63,061
<b>Balance at 1 July 2009</b>	25,454	(961)	108	(1,185)	39,645	63,061	-	63,061
<b>Changes in equity for the period</b>								
Total comprehensive income for the period	-	-	-	(15)	5,110	5,095	-	5,095
<b>Balance at 30 September 2009</b>	25,454	(961)	108	(1,200)	44,755	68,156	-	68,156
<b>Balance at 1 January 2008</b>	25,454	(922)	-	(867)	25,803	49,468	235	49,703
<b>Changes in equity for the period</b>								
Total comprehensive income for the period	-	-	-	(825)	6,046	5,221	-	5,221
Purchase of own shares and held as treasury shares	-	(173)	-	-	-	(173)	-	(173)
Issue of shares out of treasury shares	-	134	108	-	-	242	-	242
Dividends	-	-	-	-	(2,223)	(2,223)	-	(2,223)
Return of capital to minority interest	-	-	-	-	-	-	(235)	(235)
<b>Balance at 30 June 2008</b>	25,454	(961)	108	(1,692)	29,626	52,535	-	52,535
<b>Balance at 1 July 2008</b>	25,454	(961)	108	(1,692)	29,626	52,535	-	52,535
<b>Changes in equity for the period</b>								
Total comprehensive income for the period	-	-	-	918	1,905	2,823	-	2,823
<b>Balance at 30 September 2008</b>	25,454	(961)	108	(774)	31,531	55,358	-	55,358



**STATEMENT OF CHANGES IN EQUITY (Continued)**

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2009</b>	25,454	(961)	108	3,419	28,020
<b>Changes in equity for the period</b>					
Total comprehensive income for the period	-	-	-	(421)	(421)
Dividends	-	-	-	(1,667)	(1,667)
<b>Balance at 30 June 2009</b>	25,454	(961)	108	1,331	25,932
<b>Balance at 1 July 2009</b>	25,454	(961)	108	1,331	25,932
<b>Changes in equity for the period</b>					
Total comprehensive income for the period	-	-	-	(576)	(576)
<b>Balance at 30 September 2009</b>	25,454	(961)	108	755	25,356
<b>Balance at 1 January 2008</b>	25,454	(922)	-	2,697	27,229
<b>Changes in equity for the period</b>					
Total comprehensive expenses for the period	-	-	-	(823)	(823)
Purchase of own shares and held as treasury shares	-	(173)	-	-	(173)
Issue of shares out of treasury shares	-	134	108	-	242
Dividends	-	-	-	(2,223)	(2,223)
<b>Balance at 30 June 2008</b>	25,454	(961)	108	(349)	24,252
<b>Balance at 1 July 2008</b>	25,454	(961)	108	(349)	24,252
<b>Changes in equity for the period</b>					
Total comprehensive income for the period	-	-	-	175	175
<b>Balance at 30 September 2008</b>	25,454	(961)	108	(174)	24,427

**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.**

	<b>30.09.2009</b>	<b>31.12.2008</b>
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 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.**

	<b>GROUP</b>			
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>30.09.2009</b>	<b>30.09.2008</b>
(a) Basic (cents)	2.30	0.86	6.04	3.58
(b) Diluted (cents)	2.30	0.86	6.04	3.58

The basic and diluted earnings per share for the 3 months period and same period last year are computed based on 222,311,865 ordinary shares.

The basic and diluted earnings per share for the 9 months period and same period last year are computed based on the weighted average number of 222,311,865 and 222,207,645 ordinary shares respectively.



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.**

	<b>GROUP</b>	<b>COMPANY</b>
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)		
(a) 30 September 2009	30.66	11.41
(b) 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**

The Group's revenue decreased 7.4% this quarter compared to the corresponding quarter in 2008. The decrease is contributed mainly by the ship supply business as the global economic slump took its toll on our business but the decrease is partially offset by an increase in revenue from the vessel chartering business. Revenue from the jackup liftboat commenced in 2Q FY2009.

Overall gross profit margin for 3Q FY2009 at 32.8% is higher as compared to 28.1% in 3Q FY2008. The improvement in the gross profit margin is mainly due to higher margin contribution from the vessel chartering business.

Financial expenses decreased by \$1.1 mil in 3Q FY2009 and it is mainly because of lower exchange loss that is offset by an increase in interest expense. The exchange loss in 3Q FY2008 was higher mainly because the Australian Dollar depreciated significantly against the Singapore Dollar in that quarter. The Australian Dollar in this quarter appreciated against the Singapore Dollar and this helped to lessen the impact of depreciating United States Dollar against Singapore Dollar. Interest costs were lower in 3Q FY2008 because the interest on the jackup liftboat was capitalised as part of the vessel's costs.

As an update to the ongoing legal claim relating to the charter of our seismic vessel in one of our joint ventures, the first preliminary meeting with the arbitrator was held on 28 October 2009 and the hearing is now scheduled in 2Q FY2010. No provisions were made in 3Q FY2009 as the management continues to hold the view that we are entitled to recover our outstanding charter income. As of 30 Sep 2009, our share of the total charter income billed and unpaid amounted to \$7.4 mil. A provision of \$1.2 mil against this amount remains in our books.

Marketing and distribution expenses decreased in 3Q FY2009 mainly because of the decrease in the marketing costs of 2 vessels as these vessels have been chartered out. The accommodation barge is still under construction and marketing work is insignificant at the moment.

Administrative expenses decreased in 3Q FY2009 is in line with lower activities in the ship supply business.



Other operating income in 3Q FY2009 comprises mainly of gain on disposal of property, plant and equipment, government grant income and handling fee income.

The effective tax charge of 3Q FY2009 is lower than the amount obtained by applying the Singapore statutory tax rate of 17% on the profit before taxation mainly because of tax exemption on certain income.

**(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 continues to generate positive cash flows from operations in 3Q FY2009. The increase in net cash from operating activities is mainly due to higher operating profits generated. Net cash used in investing activities has decreased mainly because of lower addition to vessels' costs in 3Q FY2009. Net cash used in financing activities increased mainly because of loan repayments in relation to vessels financing and the earmarking of fixed deposits in 3Q FY2009 as security for the credit facility towards the construction of accommodation barge in one of our joint ventures.

Current assets

Current assets increased by about \$5.7 mil and is mainly due to higher cash and cash equivalents, trade and other receivables and other assets. Trade receivables turnover increased from 79 to 90 days in the 9 months period 30 September 2009. Other assets pertain mainly to the mobilisation costs for the jackup liftboat of \$2.2 mil (current portion). This amount will be amortised to match against the future income from the charter of the jackup liftboat that commenced in 2Q FY2009.

Non-current assets

Non-current assets increased by \$1.4 mil and is mainly due to additions in fixed assets offset by decrease in other assets. We are currently building an office cum warehouse complex in Western Australia. The reduction in other assets is mainly due to amortisation of mobilisation costs to match against the charter income of the jackup liftboat that commenced in 2Q FY2009.

Current liabilities

Current liabilities decreased by \$0.4 mil. However, there is a decrease in trade and other payables of \$3.2 mil that is mainly attributed to lesser business activities and utilisation of bills financing to pay suppliers. This is offset by increased in borrowings and deferred income.

The deferred income relates to the compensation for part of the mobilisation costs incurred on the jackup liftboat received from the charterer in 1Q FY2009. This deferred income will be credited to the income statement against the amortisation of the mobilisation costs mentioned above.

Non-current liabilities

Non-current liabilities decreased by \$5.3 mil mainly due to repayment of term loans for the financing of the seismic vessel and the jackup liftboat.

**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 third quarter profit attributable to equity holders increased by 168.2% compared to the same quarter last year. The 2Q FY09 increase was 41.5%. Our strategy of diversifying into the offshore vessel chartering business segment continue to add good profits to the Group.

Australia

Our Australian operations have registered growths in both the top and bottom lines in this quarter, contributed by the increase in offshore activities in Western Australia.

To support the expected increase in business activities in the near future, we have moved into new and larger facilities in Darwin in January 2009. We will be moving into our new facilities in Perth in December 2009 and our new Karratha office cum warehouse complex by 2Q FY2010.

China

Sinwa continues to operate via its appointed PRC licensees in the various ports of China and we expect moderate growth in the PRC licensees' businesses.

China has announced in April 2009 its plans to further develop Shanghai into an international shipping centre and such plans will ultimately attract more international ships calling at its ports.

Singapore

Our marine supply revenue in Singapore in this quarter has been affected by the slowdown in the shipping industry but the business is still profitable.

Moving forward, the Group is cautiously optimistic that our revenue will improve as the global economic recovery continues.

Others

We acquired an anchor handling tug in October 2009 and secured a 5-year charter contract for this vessel. The vessel will be deployed for the offshore developments in Australia. We will continue to explore business opportunities in this part of the world.

The 300-men accommodation barge is currently under construction and it should be ready for charter in 1H FY2010.

Barring unforeseen circumstances, the Group expects FY2009 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.



**13. Negative assurance confirmation pursuant to Rule 705(5) 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 period ended 30 September 2009 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Sim Yong Teng  
Executive Chairman and CEO

Tan Lay Ling  
Executive Director

**BY ORDER OF THE BOARD**

Tan Lay Ling  
Executive Director

4 November 2009