



Singapore Co.Reg. No.: 200206542H

**Contact Information:**

**August Consulting**

Tel: 6733 8873 Fax: 6733 9913

Ho See Kim, [seekim@august.com.sg](mailto:seekim@august.com.sg)

Nora Sng, [nora@august.com.sg](mailto:nora@august.com.sg)

## Sinwa acquires 3 Australian marine suppliers

- *Group's second series of acquisitions this year marks Sinwa's first foray into Australian and Oceania markets*

**SINGAPORE – 16 November 2004** – SESDAQ-listed **Sinwa Limited** (“Sinwa” or “the Group”), a regional marine supply and logistics provider, today announced that it has signed separate conditional sale and purchase agreements to acquire the businesses of three Australian marine supply companies, amounting to a total consideration of close to A\$2.5 million (S\$3.1 million). The consideration was determined following negotiation on a willing buyer willing seller basis.

The acquisition of the three Australian companies –1).Ramson Holdings Pty Ltd (“Ramson”), based in Perth, Western Australia; 2).Australian International Marine Service Pty Ltd (“AIMS”), based in Sydney, New South Wales; and 3) Total Maritime Ship Supply Pty Ltd (“TMSS”), based in Melbourne, Victoria; -- will enable Sinwa to effectively tap into the markets and customer bases in virtually all ports, from Darwin in the north to Fremantle, and from Albany in the south to Adelaide, Melbourne and Sydney.

***Acquisition of Ramson Holdings Pty Ltd (“Ramson”)***

Sinwa IMES Pty Ltd, a wholly-owned subsidiary of Sinwa International Pte Ltd which is in turn wholly-owned by Sinwa, will pay a total consideration of A\$1,130,021 for the business and assets of Ramson (which owns the IMES ship supply (“IMES”) business) at a premium of A\$229,500 over the agreed value of its fixed assets and inventories. Sinwa IMES will pay the consideration in cash amounting to A\$459,266, in two equal tranches and A\$441,255 worth of Sinwa IMES’ shares. The remaining A\$229,500 will be paid for, through the issue of new Sinwa shares, subject to the approval of the Singapore Exchange Securities Trading Limited (Singapore Exchange). The number of shares to be issued will be determined by dividing this sum by the weighted average price of Sinwa shares transacted on the SGX in the five trading days prior to the issue of such shares. The conversion rate from A\$ to S\$ will be based on the 5-day weighted average exchange rate prior to the issue of such Sinwa shares.

Upon completion, Sinwa IMES will be 51% owned by Sinwa and 49% owned by Ramson.

***Acquisition of Australian International Services Pty Ltd (“AIMS”)***

Sinwa AIMS Pty Ltd, another wholly-owned subsidiary of Sinwa International Pte Ltd, will acquire the business and assets of AIMS for a total consideration of A\$660,795 at a premium of A\$216,240 over the expected net book value of its assets and working capital. Sinwa AIMS will pay the consideration in cash amounting to A\$226,723 in two equal tranches, and in Sinwa AIMS shares worth A\$217,832. The remaining A\$216,240 will be paid for, through the issue of new Sinwa shares, subject to the approval of the Singapore Exchange. The number of shares to be issued will be determined by dividing this sum by the weighted average price of Sinwa shares transacted on the SGX in the five trading days prior to the issue of such shares. The conversion rate from A\$ to S\$ will be based on the 5-day weighted average exchange rate prior to the issue of such Sinwa shares.

Upon completion, Sinwa AIMS will be 51% owned by Sinwa and 49% owned by AIMS.

***Acquisition of Total Maritime Ship Supply Pty Ltd (“TMSS”)***

Sinwa TMSS Pty Ltd, a wholly-owned subsidiary of Sinwa International Pte Ltd, will pay a total consideration of A\$662,299 for TMSS’ business and assets at a premium of A\$204,000 over the expected net book value of its assets and working capital. Sinwa TMSS will pay the consideration in cash amounting to A\$233,732 in two equal tranches, and A\$224,567 worth of Sinwa TMSS’ shares. The remaining A\$204,000 will be paid for through the issue of new Sinwa shares, subject to the approval of the Singapore Exchange. The number of shares to be issued will be determined by dividing this sum by the weighted average price of Sinwa shares transacted on the SGX in the five trading days prior to the issue of such shares. The conversion rate from A\$ to S\$ will be based on the 5-day weighted average exchange rate prior to the issue of such Sinwa shares.

Upon completion, Sinwa TMSS will be 51% owned by Sinwa and 49% owned by TMSS.

These acquisitions are conditional upon the completion of due diligence satisfactory to Sinwa. Given its relative size, the acquisitions will not require shareholders’ approval under Chapter 10 of the Listing Manual. The cash consideration for the acquisitions will be paid for using Sinwa’s existing resources.

To ensure total servicing capabilities at all Australian ports, the Group has, concurrently, incorporated **Sinwa Brisbane Pty Ltd**, with a paid up capital of A\$500,000, to spearhead the supply and servicing of vessels calling at Brisbane and other ports in Queensland, along the entire eastern seaboard, right up to Cairns.

Sinwa Brisbane is a 70% Sinwa subsidiary, with the balance 30% jointly owned by its Australian partners. Sinwa’s 70% shareholding will be funded by internal resources.

According to Mr Mike Sim, Sinwa’s Executive Chairman and CEO, “These acquisitions mark the Group’s first foray into the Australian market, important for its heavy bulk carrier, livestock, grain and cruise ship industries.

From these four locations, we are now able to virtually service and supply vessels calling at all ports in Australia.

In one fell swoop, we have further enhanced and strengthened our position as Asia-Pacific's leading marine supply and logistics group, bringing us closer to our vision of a global marine supply and logistics chain that carries the SINWA brand of service to major ports around the world.”

***Impact on Sinwa***

Based on the financial results for the financial year ending 30 June 2004, the aggregate profit before tax of Ramson, AIMS and TMSS is A\$169,714 (approximately S\$212,142 while the aggregate net assets is A\$1,803,375 (approximately S\$2,254,219).

Assuming the acquisitions had been effected at 31 December 2003 (FY2003), the effects are as follows:

	<b>FY 2003</b>	<b>After the Acquisitions</b>
Earnings per Share (cents) (Note 1)	3.91	3.88
NTA per Share of the Company (cents) (Note 2)	12.15	12.76

**Note (1) – Earnings per Share is calculated assuming the acquisitions had been effected at the beginning of FY2003**

**Note (2) – NTA per Share is calculated assuming the acquisition had been effected at the end of FY2003**

***Interests of directors and controlling shareholders***

None of the directors or the controlling shareholders of Sinwa has any interest, direct or indirect in the above acquisitions.

None of the directors or the controlling shareholders of Sinwa are directors or shareholders in Ramson, AIMS or TMSS.

***Rule 1006***

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual are set out below:-

- (a) the total consideration of S\$3.1 million (A\$2.5 million) constitutes approximately 7.94% of Sinwa's market capitalisation of S\$ 39 million (based on the weighted average traded price of the Sinwa shares on the SGX-ST for the market day preceding 16 November 2004, being the date on which the Agreement was entered into); and
- (b) the aggregate number of Sinwa shares to be issued is 2,629,249 Sinwa shares based on the closing price on 12 November 2004 and constitutes 2.1% of the existing 125 million Sinwa shares in issue.

***Documents for Inspection***

A copy of each of the three agreements are available for inspection during normal business hours at the registered office of Sinwa at 28 Joo Koon Circle, Singapore 629057, for a period of 3 months from the date of this announcement.

### ***About Australian International Marine Services***

*Australian International Marine Services is a general ship supplier to vessels calling at ports of Sydney, Newcastle and Port Kembla. It provides an extensive range of food, deck, cabin and engine supplies as well as electrical equipment.*

### ***About IMES Shiptsupply***

*IMES Shiptsupply is a general ship supplier for both foreign and local vessels in Freemantle and Port Headland in Western Australia, as well as Darwin in the Northern Territory. IMES specialises in supplying customers with general provisions, chemicals, gases and technical stores.*

### ***About Total Maritime Ship Supply***

*Total Maritime Ship Supply is a general ship supplier to vessels calling at Melbourne, Geelong, Westernport and Portland. It specialises in ship provisions, bond and deck supplies as well as general hardware, deck & engine components.*

### ***About Sinwa Limited***

*With a history that dates back to the 1960s, Sinwa, a winner of EDB/Business Time's Enterprise 50 Awards in 1998, is today an established ISO 9001:2000-certified marine supply and logistics company servicing the oil and gas industry and sea-going vessels in Singapore, UAE, the PRC and Timor Leste.*

*Sinwa's core business is in the supply of a wide range of ships' stores, provisions and equipment to ships and oil rigs, as well as providing their operators and owners with shipping agency and related services, such as supply, fabrication and installation of thermal insulations to LNG and chemical tankers, heating, ventilation and air-conditioning (HVAC), contract labour supply to oil-rigs and other projects.*

### ***Financial Highlights***

*For the first nine months ended 30 September 2004, Sinwa posted a 14.0% rise in net earnings to \$4.0 million on the back of a 21.7% surge in revenue to \$49.3 million, mainly driven by the strong contribution from its Supply and Offshore businesses. Besides contributions from the Shell tanker contract, the Group's core Supply business was also buoyed by strong growth momentum in the general shipping market and its China operations in Guangzhou, Dalian and Shanghai. The Group's new subsidiary, Sinwa Offshore, is also benefiting from the current boom in shipping and offshore oil activities in the region, evident from the increased sales of deck fittings and mooring equipment.*

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