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Sinwa's H1 net profit rises 11.0% to \$3.2M

- *Sales up 45.1% to \$47.9M, boosted by strong growth in its Supply and Offshore businesses*
- *Strengthens presence in China with additional collaborations in Xiamen & Qingdao which will start operations in H2*

SINGAPORE – 11 August 2005 – Mainboard-listed **Sinwa Limited** (“Sinwa” or “the Group”), a regional marine supply and logistics provider, today reported a 11.0% increase in net profit to \$3.2 million for the half-year ended 30 June 2005.

As a result of the growth in the global marine and oil and gas industries, Sinwa achieved robust growth in its sales, rising 45.1% to \$47.9 million, led by its Supply business, which saw a 50.4% increase in revenue, due to higher sales contributions from its appointed companies in China and Australia, and an increase in the number of vessels serviced in Singapore.

Based on the Group's latest results, earnings per share on a fully diluted basis increased from 2.33 cents to 2.54 cents while net asset value per ordinary share rose from 15.72 cents to 17.58 cents.

“The decision to acquire additional warehousing facilities next to our existing premises in Singapore was clearly the right one as it enabled us to stock up more inventory to meet new and existing customers’ requirements. We have also set up warehouse operations in Brisbane to support our operations in the Eastern seaboard of Australia whilst the Northern and Western ports will be supplied from our Singapore headquarters,” said Mr Mike Sim, Sinwa’s Executive Chairman & CEO.

Besides our sourcing and bulk-purchasing capabilities in a wide range of ship’s stores and equipment, Sinwa is also one of the largest stockists of anchor chains, and the exclusive distributor of Wolf Safety Lamps in Singapore.

For the second half of 2005, Sinwa expects East Asia’s shipping trade growth and robust oil and gas activities to continue, providing the impetus for a buoyant shipping market globally in the second half of 2005. The improving economic outlook in the region, China’s demand for oil and energy products, and the surging cargo volume between East Asia and the rest of the world are positive growth factors for Sinwa.

“Earlier in 2005, we concluded two more mutual cooperation agreements with our partners in Xiamen and Qingdao which will be operational in the second half of the year. The recent revaluation of the Renminbi will have no impact on the Group as we match the expenses against the billings in that currency. Furthermore, we’re hoping to further expand our operations in China in the near term,” said Mr Sim.

The Directors expect the profitability of FY2005 to exceed that of FY2004.

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, the PRC, Australia, UAE 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.

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