

Sinwa Limited

(Company Registration No.200206542H)

Proposed one for two Bonus Issue of new ordinary shares, on the basis of one (1) new ordinary share credited as fully paid for every two (2) ordinary shares held in the capital of the Sinwa Limited (the “Company”) (fractional entitlements to be disregarded)

PROPOSED ONE FOR TWO BONUS ISSUE

The Board of Directors of the Company refer to the announcement dated 27 January 2006 relating to the Company's share premium account and the issuance of bonus shares. The Directors are pleased to announce that the Company is proposing a bonus issue of new ordinary shares in the capital of the Company on the basis of one (1) new ordinary share credited as fully paid for every two (2) ordinary shares held in the capital of the Company (the “Proposed Bonus Issue”) on a date to be determined by the Director (the “Books Closure Date”). For the Proposed Bonus Issue, fractional entitlements are to be disregarded and will be disposed of in such manner as the Directors in their absolute discretion deem fit for the benefit of the Company.

The new shares in the capital of the Company to be issued pursuant to the Proposed Bonus Issue (the “Bonus Shares”), when allotted and issued, will rank *pari passu*, in all respects with the existing ordinary shares in the capital of the Company and with each other, except that they will not be entitled to any rights, allotments or distributions the record date of which falls before the date of issue of such Bonus Shares. For the avoidance of doubt, recipients of the Bonus Issue pursuant to the Proposed Bonus Issue will not be entitled to the proposed dividend as mentioned in paragraph 11 of the Company's full year financial statement for the period ending 31 December 2005 which was released on 22 February 2006.

The Proposed Bonus Issue is subject to the approval of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the Bonus Shares on the official list of the SGX-ST Mainboard. The Proposed Bonus Issue will be made in reliance and Bonus Shares will be issued pursuant to on the general share issue mandate granted by the shareholders at the Company's Annual General Meeting held on 19 April 2005.

The Proposed Bonus Issue allows the Company to express its appreciation to loyal shareholders for their continued support in the Company. At the same time, the Proposed Bonus Issue will augment the issued share capital base of the Company to reflect the growth and expansion of the Company's business.

The Proposed Bonus Issue will be effected by capitalising an amount of up to S\$3,191,500 from the Company's share premium account, to be applied towards payment in full for the Bonus Shares to be allotted and issued to the shareholders of the Company. The actual number of the Bonus Shares that will be issued by the Company will depend on the total issued share capital of the Company as at the Books Closure Date. As at 22 February 2006 based on the total issued shares of the Company of 127,660,000, the number of Bonus Shares which would be allotted and issued pursuant to the Proposed Bonus Issue would be 63,830,000.

The Company will make an application to the SGX-ST for approval of the Proposed Bonus Issue for the listing and quotation of the Bonus Shares in due course. Notice of the Book Closure Date for the purposes of determining members' entitlements under the Proposed Bonus Issue will be given at a later date after the necessary approvals have been obtained.

About Sinwa Limited (“Sinwa”)

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 and Australia.

Sinwa's core business is 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.