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Sinwa's full-year net profit up 16.5% to \$6.6 million as sales surge 47.3%

- *Proposes first & final dividend of 1.00 cent per ordinary share, and special dividend of 1.00 cent*
- *Shareholders will also be rewarded with a 1-for-2 bonus issue*
- *Tianjin operations to commence in 2Q06 – its 6th in China*

SINGAPORE – 22 February 2006 – Mainboard-listed **Sinwa Limited** (“Sinwa”), a regional marine supply and logistics provider, today announced a 16.5% increase in net profit attributable to shareholders to \$6.6 million for year ended 31 December 2005.

This was achieved as Group revenue surged 47.3% to S\$100.2 million, boosted by the Group's expanded operations in five Chinese ports. Recently, the Group signed a new mutual cooperation agreement with a partner in Tianjin for a new marine supply and logistics operations there, the Group's sixth in China.

Against the backdrop of a buoyant global marine, and offshore industry, Sinwa's revenue growth was also attributed to contributions from recently-acquired subsidiaries in Australia and Windsor Marine in Singapore; sales of deck fittings and mooring

equipment from Sinwa Offshore, as well as increased supplies and services to vessels at Singapore, China and Australia

Sinwa's Supply business continued to lead the growth, benefiting from the Group's acquisition of Singapore-based marine logistics company Windsor Marine, and three other companies in Australia in 2004.

Based on the Group's latest full-year results, earnings per share on a fully diluted basis increased from 4.56 Singapore cents to 5.21 cents while net asset value per ordinary share rose from 15.72 cents to 20.20 cents.

Rewarding Shareholders

The Directors have recommended a first and final dividend of 1.0 cent per ordinary share (par value of 5 cents) plus a special dividend of 1.0 cent, which if approved, will be paid to shareholders on a date to be announced later.

The Group proposes to issue 1 bonus share for every 2 ordinary shares held. The Bonus Shares, when issued, will be rank pari passu with the existing shares of the Company except that they will not be entitled to any dividend declared in respect of the financial year ended 31 December 2005.

Commenting on the full-year results, Mr Mike Sim, Sinwa's Executive Chairman and CEO said, "With 14 locations spread across 3 countries, and servicing our marine and offshore customers in well over 70 ports in these countries, we are firmly poised to benefit from the continued growth in trade, marine and offshore activities in East Asia, particularly in China."

"The recent addition of Tianjin to our Group's reach in China underscores our objective to be the leading foreign marine supply and logistics player in China," added Mr Sim.

Besides China, Sinwa also see long-term growth potential in the Australian market. Last month, the Group signed a memorandum of understanding with Longzhu Oilfield Services (S) Pte Ltd (“Longzhu”) to form a joint venture company in Perth, Western Australia. Under the MOU, Sinwa will take a 51% stake in LS Offshore Services Pty Ltd with an investment of A\$102,000 (S\$130,000). Longzhu will hold the remaining 49% in the joint venture company. LS Offshore Services Pty Ltd, which will provide crew and manpower support, as well as the supply of equipment, general consumables and provisions to the offshore industry in Australia.

The joint venture will further extend Sinwa’s presence in Australia. Coupled with its existing four Australian operations in Sydney, Melbourne, Perth and Brisbane, Sinwa is able to effectively tap into the markets and customer bases in virtually all Australian ports.

Business Prospects

The Group expects the general shipping market to remain buoyant in 2006, even as shipping trade as well as offshore activities in East Asia continue to increase. Revenue from its China operations is expected to rise in line with the growth in the number of foreign vessels calling at China for both cargo operations and general repairs.

The Group’s Australian operations will continue to be restructured to benefit from economies of scale especially in the areas of purchasing, marketing and accounting. Despite intense competition, which may subject Sinwa to some pricing pressure, the Group is confident that its Australian companies will remain competitive and profitable in the long run.

Barring unforeseen circumstances, the Directors expect another profitable year ahead.

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 offshore and marine in Singapore, the PRC and Australia.

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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