



PRESS RELEASE

For immediate release

Sinwa's Year-to-date Net Profit Up 12.6% to \$5.2 Million - Revenue up 8.2% to \$80.7 million

Singapore, November 6, 2006 – Mainboard-listed and Asia Pacific's largest marine supply company, Sinwa Limited ("Sinwa" or "the Group"), today announced that its net profit for the year to date (as at 30 September 2006) surged to \$5.2 million, up 12.6 per cent from \$4.6 million recorded during the corresponding period last year.

Year to date turnover as of 30 September 2006 reached \$80.7 million, up 8.2 per cent as compared to the same period last year which was \$74.5 million.

The increase in revenue is mainly due to:

- Sinwa's appointed marine supply and logistics companies in China
- Higher sales by Windsor Marine and Sinwa Offshore
- Increased supplies to vessels serviced in Singapore

As of 30 September 2006, operating expenses dropped to \$10.4 million which represented 12.9 per cent of total sales, against 15.1 per cent during the corresponding period last year.

Operating costs dropped due to the following reasons:

- the current restructuring exercise in the Group's operations in Australia has resulted in cost savings
- some expenses, such as promotion and marketing expenses incurred by Sinwa's Australia operations during the first quarter of 2005, were non-recurring

Commenting on the latest results, Mr Mike Sim, Executive Chairman and Chief Executive Officer of Sinwa, said: "Sinwa is on a strong growth path by effectively riding on the current global marine and offshore boom. We recently signed supply contracts with several major petroleum and shipping companies, as well as purchased a jack-up rig and entered into a 5-year leasing agreement with a South American State Oil company in a joint venture with KS Energy Services Ltd. These developments will help the Group to maintain its growth momentum."

Business Prospects

The general shipping market is expected to remain vibrant for the rest of 2006, boosted by the growth in the shipping trade and increase in offshore activities in East Asia.

Sales from the Group's China operations are expected to increase due to a greater number of foreign vessels calling at China for cargo operations and general repairs. Sinwa currently operates from 6 major ports in China.

Competition remains extremely keen in Australia. The operations in Australia are under some pricing pressure. Despite this, Sinwa is seeking to increase its market share and footprint in Australia, and is confident that its Australian operations will remain competitive.

Barring any unforeseen circumstances, the directors expect the rest of FY2006 to be profitable.

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About Sinwa Limited ("Sinwa")

Sinwa Limited ("Sinwa") was listed on the SGX-ST Dealing and Automated Quotation System (the "SGX SESDAQ") in February 2003. In April 2005, Sinwa was upgraded to the Main Board of the Singapore Exchange. Sinwa is Asia Pacific's largest marine supply company servicing the oil and gas industry and sea-going vessels in Singapore, the PRC and Australia. Founded in the 1960s, Sinwa's core business includes 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. For more information, please visit www.sinwa.com.sg

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