



## ***PRESS RELEASE***

*For immediate release*

### **Sinwa's Full-year Net Profit Surges 14.8% to \$7.6 Million** - Revenue up 9.8% to \$111.2 million

**Singapore, February 27, 2007** – Mainboard-listed and Asia Pacific's leading marine supply and logistics company Sinwa Limited ("Sinwa" or "the Group"), today announced a 14.8 per cent surge in full-year net profit to \$7.6 million for the financial year ended 31 December 2006, up from \$6.6 million for the corresponding period ended 31 December 2005.

The Group recorded full-year turnover of \$111.2 million, a 9.8 per cent year-on-year rise from the \$101.2 million registered during the previous financial full-year.

The surge in earnings is from increased revenues recorded by:

- Sinwa's appointed marine supply and logistics companies in China
- Windsor Marine and Sinwa Offshore
- Sinwa (Singapore) Pte Ltd

Operating expenses (comprising marketing, distribution and administrative costs) are up 5.3 per cent, from \$14.9 million to \$15.8 million. Such expenses totalled 14.3 per cent of turnover for the year ended 31 December 2006, an improvement over the 14.7 per cent for the corresponding period ended 31 December 2005.

In percentage terms, 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

Based on the Group's full-year results, earnings per share on a fully diluted basis increased from 3.47 Singapore cents to 3.99 cents while net asset value per ordinary share rose from 13.47 cents to 15.70 cents.

Commenting on the full-year financial performance, Mr Mike Sim, Executive Chairman and Chief Executive Officer of Sinwa, said: "The new contracts signed with several major petroleum and shipping companies last year and increased turnover from China and Singapore operations have contributed to the overall performance of the Group".

"Against a backdrop of a bright outlook for the global marine and offshore industry, I am confident that Sinwa will continue to benefit from the increased activities," added Mr Sim.

***Business Prospects***

The Group expects the general shipping market to continue to be buoyant for 2007. This positive outlook is boosted by the growth in the shipping trade and increase in offshore activities in East Asia.

Revenues from the China operations are expected to increase due to the growth in the number of foreign vessels calling at China for both cargo operations and general repairs. Sinwa currently operates from six major ports in mainland China, as well as another port in Hong Kong.

Competition remains keen in Australia. Despite this, Sinwa is seeking to further increase its market share and presence in Australia, through its offshore and ship-supply activities in Western Australia

The Directors have recommended a first and final dividend of 1.12 cent per ordinary share, which if approved in the next annual general meeting, will be paid to shareholders on a date to be announced later.

Barring any unforeseen circumstances, the directors expect 2007 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 leading marine supply and logistics company servicing the offshore and general marine industry. The Group’s main operations and head office are in Singapore, with subsidiaries and offices in Australia and China.

Founded in the 1960s, Sinwa’s core business includes the supply of a wide range of ships’ heavy deck and engine equipment, ships’ spares, general hardware and provisions to the offshore and general maritime industry, and providing a full and comprehensive range of shipping agency, logistics, warehousing and related support services. In 2006, Sinwa diversified into the oil and gas industry through a joint venture to build a self-propelled offshore jack-up rig. The rig will be leased to a South American National Oil Company for 5 years.

For more information, please visit [www.sinwa.com.sg](http://www.sinwa.com.sg)

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