



PRESS RELEASE

For immediate release

Sinwa's Full-year Net Profit (Before Forex Adjustment) Up 32.5 Per Cent to \$11.0 million - Full-year gross profit up 27.3 per cent to \$36.7 million

Singapore, February 27, 2009 – Mainboard-listed and Asia Pacific's leading marine supply and logistics company Sinwa Limited ("Sinwa" or "the Group"), today announced a 32.5 per cent surge in full-year net profit (excluding adjustment for foreign exchange losses) to \$11.0 million for the financial year ended 31 December 2008 ("FY2008"), compared to \$8.3 million for the corresponding period last year ("FY2007").

A net profit after income tax of \$9.4 million for FY 2008 was generated by the Group as compared to \$7.9 million recorded for FY2007.

The Group generated a full-year gross profit of \$36.7 million for FY2008, up 27.3 per cent year-on-year from \$28.8 million for FY2007. Revenue grew 7.2 per cent year-on-year to \$131.3 million from \$122.5 million.

Financial expenses increased by \$1.9 million of which \$1.3 million is accounted by an increase in net foreign exchange loss and \$0.4 million by an increase in banks' interest expense and \$0.2 million by increase in allowance for doubtful trade receivables. The increase in exchange loss is mainly due to the depreciation of the Australian dollar against the Singapore dollar.

Marketing, distribution and administrative costs inched higher from \$18.6 million to \$20.1 million. Such expenses totalled 15.3 per cent of turnover for FY2008, slightly up from 15.2 per cent for FY2007.

On a fully diluted basis, the Group's earnings per ordinary share increased from 3.63 cents for FY2007 to 4.24 cents for FY2008. As at 31 December 2008, the Group's net asset value per ordinary share stood at 24.89 cents, compared to 22.25 cents as at 31 December 2007.

The Directors have recommended a first and final dividend of 0.75 cent per ordinary share which, if approved at the next Annual General Meeting, will be paid to shareholders on a date to be announced later.

Commenting on the full-year financial performance, Mr Mike Sim, Executive Chairman and Chief Executive Officer of Sinwa, said: "We are pleased with our full-year financial results especially in the midst of a severe downturn in Q4 2008. In spite of this, the Group managed to grow both the top and bottom lines."

"The year ahead, especially the next six months or so, will pose a challenge to the marine supply and offshore sectors. However, with the completion of our restructuring in Australia, and the commencement of the charter of the jointly held

liftboat to Siemens' renewable wind energy project, we should be in a better position to ride out the turbulence ahead," he added.

Business Prospects

In 2009, Sinwa expects business conditions for the shipping and offshore sectors to mirror the state of the global economy.

The Group's operations in Australia contributed positively to the FY2008 results. Going forward, Sinwa will concentrate its supply operations in Western Australia and the Northern Territory with three operational bases in Perth, Karratha and Darwin. The Group will also begin constructing its new warehouse and office facilities in Perth and Karratha during the first half of 2009. In Darwin, the Group has just moved into new and larger premises to better service its offshore customers.

In China, Sinwa continues to offer its marine supply and logistics services via appointed third-party licensees. The Group operates from seven locations in mainland China and another in Hong Kong, providing extensive coverage of the coastline and nearby regions, and we are cautiously optimistic that given our world-wide network, we may be able to continue to maintain our current revenue levels through our PRC licensees.

The current slowdown in global shipping activities, and the corresponding decrease in ship arrivals into Singapore, is expected to impact on the growth of our marine supply and logistics business. The jointly held jack up liftboat will provide an additional revenue stream from March 2009, and we are currently marketing our jointly held accommodation barge which is scheduled for delivery in Q4 2009.

Barring any unforeseen circumstances, the Directors expect 2009 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 and has since formed joint ventures to acquire a lift boat, a seismic vessel and an accommodation barge.

For more information, please visit www.sinwaglobal.com

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