

**SINWA LIMITED**

(Company Registration No. 200206542H)

(Incorporated in Singapore)

**ADDITIONAL INFORMATION TO THE SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

In response to the queries from SGX-ST on 12 August 2009, the Board of Directors of Sinwa Limited (the "Company") would like to provide the following additional information:-

Question 1:

Please provide and elaborate on the details of this legal claim, including the parties and entities involved and the date arising, as well as the circumstances leading to this legal claim being made.

Reply:

One of our joint ventures, Nordic International Limited ("Nordic"), is claiming against the charterer of its seismic vessel, BGP GeoExplorer Pte Ltd ("BGP"), for unpaid monthly charter fee from January 2009 to June 2009. A legal letter for the claim was first sent to BGP on 7 April 2009. The latest reply from the lawyers representing BGP was dated 23 June 2009 and they have suggested arbitration with certain conditions precedent to the arbitration. The case is still in negotiations.

Question 2:

Please clarify the relevant accounting items which were affected by this provision of S\$1.2 million.

Reply:

The \$1.2 million provision is a provision for doubtful debts and the impact on the income statement is accounted for under "Financial Expenses" while the provision account in the balance sheet had been offset against the corresponding trade receivable to arrive at a net figure accounted under the "Trade and Other Receivables" in the balance sheet.

Question 3:

Please provide an explanation for the delay in announcement of this legal claim given that the provision had been made in Q109.

Reply:

At this moment, there is no notice of arbitration or legal proceedings as the case is still in negotiation. We will make an announcement accordingly after a notice of arbitration or legal proceedings has been served by either parties. We highlighted the provision of \$1.2 mil in the first quarter 2009 results announcement but we did not mentioned the legal claim served on the charterer of the seismic vessel because the lawyers of BGP had not responded with BGP's instructions as of 13 May 2009, the date on which our first quarter 2009 results were released.

Question 4:

Please provide your opinion whether this information is material.

Reply:

At this juncture, this information is not material because of the above mentioned reason and also that our first quarter 2009 results is a profit attributable to shareholders and this profit is higher than that of the corresponding period in 2008. As a matter of prudence, a provision of \$1.2 million was included in the first quarter results and the provision was again mentioned in the second quarter results announcement to highlight this matter to the shareholders.

By Order of the Board

Tan Lay Ling  
Executive Director

13 August 2009