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Sinwa registers earnings of S\$2.2 million for 1Q2010

Singapore, 11 May 2010 – Listed on the SGX Mainboard and Asia Pacific’s leading marine supply and logistics player, **Sinwa Limited** (“Sinwa” or “the Group”), today announced its set of financial results for the three months ended 31 March 2010 (“1Q2010”). Not taking into account the foreign exchange gains in 1Q2009 and 1Q2010, the Group’s net profit attributable to equity holders of both quarters remain comparable.

FINANCIAL HIGHLIGHTS	1Q2010	1Q2009	Change
	S\$’000	S\$’000	%
Revenue	29,261	31,486	(7.1)
Gross profit	8,787	8,540	2.9
Gross profit margin	30.0%	27.1%	-
Net profit	2,161	3,287	(34.3)
Net profit margin	7.4%	10.4%	-
Basic earnings per share (cents)	0.97	1.48	(34.5)

The Group registered a 7.1% decrease in revenue to S\$29.3 million in 1Q2010 mainly due to drop in revenue from the marine supply businesses in Singapore and Australia. For Singapore side, the decrease was a direct outcome of the shipping downturn and over-supply concerns as many vessels were disposed off or laid up and also comparatively lesser number of vessels operating in and around the Singapore waters. The Australian supply side witnessed some slowdown in 1Q2010 in the Western Australian offshore segment, but this was more than offset by the appreciation of the A\$ against the S\$ (as A\$/S\$ comparatively increased over 25% when compared with that of 1Q2009).

The offshore vessel chartering business stayed robust and registered a small increase in revenue to S\$2.8 million in 1Q2010.

Despite the decline in revenue, the gross profit for the Group increased by 2.9% to S\$8.8 million and gross profit margin improved from 27.1% to 30.0% in 1Q2010 due to higher margins in the chartering side.

The Group’s net gearing level remained almost constant and the Group is holding cash and cash equivalents of S\$19.2 million as at 31 March 2010 (as highlighted in the table below).

FINANCIAL POSITION	31 Mar 2010	31 Dec 2009
Property, plant and equipment	74,804	74,553
Cash and cash equivalents	19,241	15,003
Total borrowings	48,900	42,607
Total equity	72,106	69,788
Gross gearing (total borrowings / equity)	67.8%	61.1%
Net gearing (total borrowings less cash / equity)	41.1%	39.6%

“Our performance was relatively stable in the quarter. Looking ahead, we are cautiously optimistic for the marine supply side to pick up in Singapore. For the Australian side, our enhanced facilities in Henderson and Karratha would be soon well in place to capitalize on the opportunities in the offshore segment. We are also making some progress towards establishing in the robust Vietnam market and we are in the midst of talking to some potential partners there and evaluating feasibility to work together.

Last, but not the least, we remain committed towards expanding our offshore chartering business. Acquiring more vessels is definitely part of the strategy and we would make these strategic asset acquisitions when any good opportunities come.”

Mr Mike Sim, Executive Chairman and CEO of Sinwa

Besides Singapore and Australia, the PRC operations remain robust as the Group continues to see growth in the total revenue of its PRC licensees in 1Q2010 whilst Sinwa continues to be represented by 6 PRC licensees in 8 locations including Hong Kong. Sinwa expects growth to continue in 2010 in PRC.

The charter for the Group’s seismic vessel will expire in September 2010 and the joint venture will be actively marketing the vessel soon. The liftboat is currently laid up and the management of the joint venture owning the liftboat is currently negotiating a charter hire for the vessel and once signed relevant announcement would be made.

Barring any unforeseen circumstances, the Directors expect Sinwa to remain profitable in financial year 2010.

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ABOUT SINWA LIMITED (Bloomberg Ticker: SKS SP)

Sinwa Limited was listed on the SGX SESDAQ in February 2003 and was upgraded to the Main Board of the Singapore Exchange in April 2005.

Sinwa is Asia-Pacific’s leading marine supply and logistics company servicing the offshore and general marine industry. Sinwa’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 and acquired a lift boat, a seismic vessel and an accommodation

barge (under construction currently). The Group also owns an anchor handling tug, which was acquired in October 2009.

For more information, please visit www.sinwaglobal.com

Issued for and on behalf of Sinwa Limited

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