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Sinwa registers earnings of S\$1.7 million for 2Q2010

- **Singapore supply and logistics business remains stable**
- **Australian marine supply business positioned for growth as the Northern Territory's offshore industry recovers and with the Group's new Karratha facility coming up**

Singapore, 6 August 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 30 June 2010 ("2Q2010").

The Group registered revenue of S\$30.6 million in 2Q2010 as compared to S\$32.8 in 2Q2009, mainly due to no charter income from the jointly held liftboat and also due to lower revenue from the Group's Australian marine supply business. The lower revenue from the Australian side was mainly due to a slowdown in the offshore industry in the Northern Territory ("NT") arising from a massive oil spill and fire on the West Atlas oil rig.

The Group's gross profit was S\$9.2 million in 2Q2010 compared with S\$11.4 for 2Q2009. The gross profit margin changed from 34.7% to 29.9% year-on-year ("yoy") as vessel chartering segment registered lower margins with the lay-up of the liftboat.

The net profit attributable to equity holders stood at S\$1.7 million for 2Q2010 (2Q2009: S\$5.0 million).

The Group's gearing (net debt to total capital) remained constant at 0.43 and the Group is holding cash and cash equivalents of S\$18.5 million as at 30 June 2010.

Operational Update

The Singapore supply and logistics operations registered 6.4% revenue decline in 1H2010 yoy, but had a 1.0% increase in revenue yoy and 6.9% increase quarter-on-quarter for 2Q2010. Despite the lower revenue in 1H2010, the Singapore operations remained profitable.

The Australian marine supply operations registered a 16.0% decrease in revenue in 1H2010 and a net loss of A\$0.2 million mainly due to the expenses involved with the opening of our new head office and warehouse facility in Henderson. Moreover, the massive oil spill and fire on the West Atlas oil rig incident in the NT also adversely affected the offshore industry and a slowdown was witnessed in 1H2010. The Group expects the Australian supply operations to be profitable in 2H2010 once the offshore activities in the NT region resume coupled with

the opening of the Group's new Karratha office and warehouse facility by mid of August 2010.

The PRC operations remained robust as the Group continues to see growth in revenue in each of its PRC licensees in 1H2010 whilst Sinwa continues to be represented by 6 PRC licensees in 8 locations including Hong Kong.

The charter for the Group's seismic vessel will mature in September 2010 and the joint venture owning the vessel is actively marketing the vessel. For the liftboat, there are negotiations ongoing for use in the Atlantic Ocean, but no contract has been signed yet.

“Our mainstay Singapore supply business continues to be stable and profitable. With our new Karratha facility opening soon, we will be well positioned to capitalize on opportunities in the offshore industry in the entire Western Australian coastline from Perth/Fremantle, right up to Darwin in the Northern Territories. We are currently in discussions with an oil major for the leasing of the liftboat and will continue to keep our shareholders advised on this matter in due course.”

Mr Mike Sim, Executive Chairman and CEO of Sinwa

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 and a seismic vessel. 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

By Financial PR Pte Ltd

For more information, please contact:

Romil SINGH / Kathy ZHANG

romil@financialpr.com.sg

Tel: (65) 6438 2990, Fax: (65) 6438 0064