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Sinwa acquires Rapid Offshore & Marine, extends HVAC&R and Integrated M&E services to Offshore and Marine Industry

- **Rapid Offshore & Marine is the leading HVAC&R (Heating, Ventilation, Air-conditioning and Refrigeration) and Integrated M&E (Mechanical & Electrical) one-stop solution provider for the Offshore and Marine industry**
- **Sinwa is taking a 70% stake and payment is through two tranches at 3.5 times PE multiple capped at S\$12.25 million**
- **The acquisition will significantly contribute to the Group's future earnings**

Singapore, 6 January 2011 – Listed on the SGX Mainboard and Asia Pacific's leading marine supply and logistics player, **Sinwa Limited** ("Sinwa" or "the Group"), is pleased to announce that the Group has signed a sale and purchase agreement with the shareholder ("Vendor") of **Rapid Offshore & Marine Pte Ltd** ("RO&M") to acquire 70% of the issued and paid up share capital of RO&M via payment through two tranches.

RO&M is a leading HVAC&R and Integrated M&E company in the global marine and offshore industry servicing the offshore and marine industry. RO&M is helmed by experienced, senior management team and backed up by a **250 strong team of dedicated staff**, specialising in engineering, design, project management, field operations and administration.

To date, RO&M has successfully completed HVAC&R systems for more than **20% of the global FPSO fleet**.

The acquisition underscores Sinwa's vision to expand into, and offer its customers, a comprehensive range of HVAC&R and Integrated M&E services in addition to its core business of marine supplies and logistics.

"The acquisition of RO&M is in line with Sinwa's vision to offer a full range of HVAC&R and Integrated M&E services, engineering and related services to the offshore and marine industry. We are confident that the synergistic combination of complementary capabilities

after the acquisition is completed will further enhance the market reach of RO&M's services through Sinwa's global network."

Mr Mike Sim, Executive Chairman and CEO of Sinwa

"Y2011 will be a significant milestone for RO&M. By leveraging on Sinwa's global reach and customer base, we are poised to be a major player as the HVAC&R and Integrated M&E one-stop solution provider for the Offshore and Marine industry."

Mr Jeffrey Choo, Chairman & CEO of RO&M

The payment for the 70% stake comprises:

(a) The first tranche of S\$7.35 million computed based on 70% of P/E Ratio of 3.5 times the audited profit after tax of the RO&M group for the financial year ended 31 July 2010 ("PAT2010") to be paid as (i) S\$3.675 million new Sinwa shares to be issued to the Vendor; and (ii) S\$3.675 million by way of cash on the Completion Date of the acquisition;

(b) A second tranche computed based on 70% of P/E Ratio of 3.5 times the PAT2011 less the first tranche to be paid as: (i) 50% to be satisfied through the issue of new Sinwa shares; and (ii) 50% by cash, subject to the terms of the transaction.

For the remaining 30% of the shareholdings in RO&M still held by the Vendor after the two tranches are completed, Sinwa and the Vendor shall enter into a Call and Put Option, to be exercised within six months from the end of 31 December 2014 following the completion of the two tranches. The form of payment of the consideration for the remaining 30% shareholdings shall be mutually agreed at the time of the entry into the Call and Put Option.

Sinwa continues to look out for M&A opportunities to further expand both our presence and our scope of services in the offshore and marine markets.

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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

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