



CWT DISTRIBUTION LIMITED

(Company Registration No.: 197000498M)

First Quarter Financial Statement for the Period Ended 31/03/2005

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Consolidated Profit and Loss Account
For the three months ended 31 March 2005

	Three months ended 31 March		
	2005 S\$'000	2004 S\$'000 Restated	% Change
Revenue	57,118	48,754	17
Cost Of Sales	(51,904)	(44,419)	17
Gross Profits	5,214	4,335	20
Other Operating Income	169	181	(7)
Administrative Expenses	(2,459)	(2,835)	(13)
Other Operating Expenses	(814)	(953)	(15)
Share Of Profit/(Loss) from			
- Jointly-controlled entities	636	330	93
- Associates	(23)	(203)	(89)
Sub total	(2,491)	(3,480)	(28)
Profit before interest & tax	2,723	855	218
Finance Income	46	29	59
Finance Costs	(139)	(130)	7
Profit before taxation	2,630	754	249
Taxation	(514)	390	(232)
Profit after taxation	2,116	1,144	85
Attributable to:			
Equity holders of the parent	1,807	897	101
Minority Interest (MI)	309	247	25
Net Profit attributable to	2,116	1,144	85

Note:

The 1Q04 comparatives had been restated to take into consideration the change in accounting policy for consolidation of its jointly controlled entities., from proportionate accounting to equity accounting method.

Certain items in the comparative figures have been reclassified to conform with the current year's presentation.

1(a)(ii) **Notes to Income Statement**

Additional Disclosure items

	2005 \$'000	2004 \$'000 Restated
(Profit)/loss on sale of property, plant and equipment	(4)	(13)
Allowance made for doubtful debts	28	98
Depreciation and amortisation	1,310	1,439
Foreign exchange loss / (gain)	(107)	(11)
Waiver of debts by creditors	75	0
Write back of allowance made for doubtful debts	(28)	0
Write back of deferred tax (Note 1)	0	690

Note 1

Write back of deferred tax arising from the reduction in Singapore corporate tax rate from 22% to 20%.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

1(b)(i) Balance Sheets as at 31 March 2005

	Group		Company	
	31 Mar 2005 S\$'000	31 Dec 2004 S\$'000	31 Mar 2005 S\$'000	31 Dec 2004 S\$'000
Non-current assets				
Property, plant and equipment	94,348	95,195	67,891	68,599
Intangible assets	2,462	2,546	107	113
Subsidiaries	-	-	18,674	18,674
Associates	2,570	2,594	1,138	1,138
Jointly-controlled entities	11,008	7,568	4,092	4,092
Other investments	165	165	92	92
Other receivables	83	217	69	79
	<u>110,636</u>	<u>108,285</u>	<u>92,063</u>	<u>92,787</u>
Current assets				
Inventories	600	305	556	252
Trade and other receivables	39,045	38,903	18,084	17,610
Cash and cash equivalents	9,994	14,315	2,501	5,181
Tax Recoverable	781	804	781	792
	<u>50,420</u>	<u>54,327</u>	<u>21,922</u>	<u>23,835</u>
Total Assets	161,056	162,612	113,985	116,622
Less : Current Liabilities				
Trade and other payables	31,619	32,417	12,612	13,265
Interest-bearing borrowings	21,333	24,122	19,500	22,000
Current tax payable	1,086	1,224	-	-
Provisions	702	672	495	408
	<u>54,740</u>	<u>58,435</u>	<u>32,607</u>	<u>35,673</u>
Net Current Assets	106,316	104,177	81,378	80,949
Less :				
Non-Current Liabilities				
Interest bearing borrowings	20	45	-	-
Deferred tax liabilities	7,245	7,272	5,258	5,258
	<u>7,265</u>	<u>7,317</u>	<u>5,258</u>	<u>5,258</u>
Net Assets	99,051	96,860	76,120	75,691
Equity attributable to shareholders				
Share Capital	37,525	37,525	37,525	37,525
Share Premium	927	927	927	927
Non-distributable Capital Reserve	445	445	-	-
Statutory Reserve	239	239	-	-
Translation Reserves	(47)	(80)	-	-
Retained Earnings	49,698	47,891	37,668	37,239
	<u>88,787</u>	<u>86,947</u>	<u>76,120</u>	<u>75,691</u>
Minority Interests	10,264	9,913	-	-
Total Equity and Minority Interests	99,051	96,860	76,120	75,691

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand.

As at 31/03/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
-	21,333	26	24,096

Amount repayable after one year

As at 31/03/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
20	-	45	-

Details of any collateral

The secured loans are by a subsidiary on its leasehold building.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) Consolidated Statement of Cash Flows
For the three months ended 31 March 2005

	2005 S\$'000	2004 S\$'000 Restated
Operating activities		
Profit from ordinary activities before taxation	2,631	760
Adjustments for:		
Interest expense	139	130
Interest income	(46)	(29)
Depreciation	1,224	1,225
Share of loss of associates	22	197
Share of profit of jointly-controlled entities	(636)	(331)
Profit on sale of property, plant and equipment	(4)	(13)
Amortisation of intangible assets	86	214
Allowance made for doubtful debts	0	98
Operating profit before working capital changes	3,416	2,251
Change in working capital:-		
Inventories	(295)	(74)
Trade and other receivables	(117)	(193)
Trade and other payables	(792)	542
Cash generated from operations	2,212	2,526
Income taxes paid	(630)	(593)
Cash flows from operating activities	1,582	1,933
Investing activities		
Interest received	49	29
Purchase of property, plant and equipment	(380)	(154)
Purchase of intangible asset	(2)	0
Acquisition of interest in a jointly-controlled entity	(2,699)	0
Dividends received from jointly-controlled entity	0	66
Proceeds from sale of property, plant and equipment	8	89
Cash flows from/(used in) investing activities	(3,024)	30
Financing activities		
Interest paid	(76)	(130)
Repayment of short-term borrowings	(3,288)	(266)
Repayment of long-term borrowings	(25)	(1,149)
Proceeds from drawdown of borrowings	500	1,119
Cash flows used in financing activities	(2,889)	(426)
Net (decrease)/increase in cash and cash equivalents	(4,331)	1,537
Cash and cash equivalents at 1 January	14,315	7,892
Effects of exchange rate changes on balances held in foreign currency	10	(123)
Cash and cash equivalents at 31 March	9,994	9,306

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(d) Statement of Changes in Equity
For the three months ended 31 March 2005

Group S\$'000	Share capital	Statutory reserve	Share premium	Undistributable capital reserve	Currency translation	Revenue reserve	Minority Interest	Total
At 1 January 2005	37,525	239	927	445	(80)	47,891	9,913	96,860
Translation differences					33		42	75
Net profit for the quarter						1,807	309	2,116
At 31 March 2005	37,525	239	927	445	(47)	49,698	10,264	99,051
At 1 January 2004	37,525	51	927	445	228	48,988	10,042	98,206
Translation differences					(56)		101	45
Transfers to/(from) reserve								0
Net profit for the quarter						897	247	1,144
								0
At 31 March 2004	37,525	51	927	445	172	49,885	10,390	99,395
Company								
At 1 January 2005	37,525		927			37,239	0	75,691
Net profit for the quarter						429		429
At 31 March 2005	37,525	0	927	0	0	37,668	0	76,120
At 1 January 2004	37,525		927			39,503	0	77,955
Net profit for the quarter						692	0	692
At 31 March 2004	37,525	0	927	0	0	40,195	0	78,647

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of shares options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not Applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).**

Not Applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the year ended 31 December 2004 have been applied in the preparation for the financial statements for quarter ended 31 March 2005 except that the Group has adopted new and revised Financial Reporting Standards ("FRS") which became effective on 1 January 2005, as follows:

FRS 39 - Financial Instruments: Recognition and Measurement
FRS 103 – Business Combinations

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the FRS 103 has resulted in the Group ceasing goodwill amortization from 1 January 2005. The goodwill will be reviewed for impairment annually at the cash generating unit level (unless an event occurs during the year which requires the goodwill to be tested more frequently) from 1 January 2005 in accordance to FRS 36. The cessation of goodwill amortization has resulted in a cost reduction of \$78,000 in Q105.

The Group has assessed the impact of FRS 39 on its financial instruments and there was no material impact on the Q105 financials as a result of this adoption. In accordance with the transitional provisions of FRS 39, period prior to 1 January 2005, is not restated.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

In computing the EPS (a) below, the weighted average number of ordinary shares in issue is 150,101,550 (31 March 2004: 150,101,550) during the financial period under review.

There were no new shares issued during the period. The weighted average number of shares used for the computation for the EPS on fully diluted basis (b) is 150,101,550 (31 March 2004: 150,101,550).

EPS (cents)	Three months ended 31 March	
	2005	2004
(a) Basic	1.20	0.60
(b) Diluted	1.20	0.60

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year

	31 March 2005	31 December 2004
NAV per ordinary share (cents)		
- Group	59.15	57.93
- Company	50.71	50.43

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group Financial Highlights (for 1Q05)

Group Turnover improved by 17% to \$57.1 million in 1Q05 compared to 1Q04, contributed mainly by Non-Vessel Operating Common Carrier (“NVOCC”) business and the logistics services.

Gross Profit improved by 20% to \$5.2M in 1Q05. Higher contribution from NVOCC business, a more streamlined logistics operations and the implementation of various cost cutting measures are key contributing factors for the improvement.

Administrative expenses fell by 13% to \$2.4 million as a result of resource rationalization and cost management.

The share of profits from jointly-controlled entities rose by 93% to \$0.6 million contributed mainly by a newly acquired entity.

The share of losses from associates fell by 89% due to the disposal of a loss-making entity in end 2004 and the gradual turnaround of another associate.

On the whole, net profit after tax rose by 85% to \$2.1 million in 1Q05.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are generally in line with expectation.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has seen positive outcome of the various measures undertaken in the past months to cut cost, consolidate business/operations and to rationalize resources. These efforts will be further reinforced to maintain our competitiveness. Going forward, focus will be on market and business development to grow our business base locally and regionally.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No interim dividend has been declared or recommended in the current reporting period.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not Applicable

14. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable

15. A breakdown of sales.

Not Applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not Applicable

17. Interested Party Transactions

	Sales S\$'000
C & P Capital Pte Ltd	416

BY ORDER OF THE BOARD

**LYE SIEW HONG
COMPANY SECRETARY
13 May 2005**