



CWT DISTRIBUTION LIMITED

(Company Registration No.: 197000498M)

First Quarter Financial Statement for the Period Ended 31/03/2006

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 2006

	Three months ended 31 March		
	2006 S\$'000	2005 S\$'000 Restated	% Change
Revenue	83,157	57,118	46
Cost Of Sales	(76,357)	(52,716)	45
Gross Profits	6,800	4,402	54
Other Operating Income	124	276	(55)
Administrative Expenses	(3,310)	(2,474)	34
Other Operating Expenses	(317)	(94)	237
Share Of Profit/(Loss) from			
- Jointly-controlled entities	172	380	(55)
- Associates	662	233	184
Sub total	(2,669)	(1,679)	59
Profit before interest & tax	4,131	2,723	52
Finance Income	106	46	130
Finance Costs	(404)	(139)	191
Profit before taxation	3,833	2,630	46
Taxation	(867)	(514)	69
Profit after taxation	2,966	2,116	40
Attributable to:			
Equity holders of the parent	2,767	1,807	53
Minority Interest (MI)	199	309	(36)
Net Profit attributable to shareholders	2,966	2,116	40

Note:

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

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

Additional Disclosure items

	Quarter Ended 31 March	
	2006 \$'000	2005 \$'000
Profit/(loss) on sale of property, plant and equipment	12	4
Loss on sale of other investments	(10)	-
Allowance made for doubtful debts	-	(28)
Depreciation and amortisation	(1,508)	(1,310)
Foreign exchange gain/(loss)	(69)	107
Waiver of debts by creditors	-	75
Write back of allowance made for doubtful debts	-	28

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 2006

	<u>Group</u>		<u>Company</u>	
	31 Mar 2006 S\$'000	31 Dec 2005 S\$'000	31 Mar 2006 S\$'000	31 Dec 2005 S\$'000
Non-current assets				
Property, plant and equipment	115,930	111,508	70,203	67,619
Intangible assets	10,128	2,594	30	43
Subsidiaries	-	-	28,794	23,792
Associates	9,136	8,369	1,348	1,242
Jointly-controlled entities	8,914	8,845	5,267	5,314
Other investments	106	113	32	39
Other receivables	117	120	2,000	2,000
Deferred tax assets	607	88	-	-
	<u>144,938</u>	<u>131,637</u>	<u>107,674</u>	<u>100,049</u>
Current assets				
Inventories	474	296	40	73
Trade and other receivables	58,224	45,734	14,092	18,367
Cash and cash equivalents	35,235	18,103	2,393	2,869
Tax recoverable	895	973	697	766
	<u>94,828</u>	<u>65,106</u>	<u>17,222</u>	<u>22,075</u>
Total assets	<u><u>239,766</u></u>	<u><u>196,743</u></u>	<u><u>124,896</u></u>	<u><u>122,124</u></u>
Equity attributable to equity holders of the parent				
Share capital	37,525	37,525	37,525	37,525
Reserves	68,748	66,262	37,878	37,567
	<u>106,273</u>	<u>103,787</u>	<u>75,403</u>	<u>75,092</u>
Minority interests	<u>13,243</u>	<u>12,961</u>	<u>-</u>	<u>-</u>
Total equity	<u><u>119,516</u></u>	<u><u>116,748</u></u>	<u><u>75,403</u></u>	<u><u>75,092</u></u>
Non-Current Liabilities				
Interest bearing liabilities	23,329	17,461	17,000	17,109
Deferred tax liabilities	7,727	7,727	5,373	5,373
	<u>31,056</u>	<u>25,188</u>	<u>22,373</u>	<u>22,482</u>
Current liabilities				
Bank overdrafts	-	476	-	-
Trade and other payables	64,383	38,689	10,888	12,189
Interest-bearing liabilities	20,000	12,839	16,100	12,183
Current tax payable	3,544	1,579	-	-
Provisions	1,267	1,224	132	178
	<u>89,194</u>	<u>54,807</u>	<u>27,120</u>	<u>24,550</u>
Total liabilities	<u><u>120,250</u></u>	<u><u>79,995</u></u>	<u><u>49,493</u></u>	<u><u>47,032</u></u>
Total equity and liabilities	<u><u>239,766</u></u>	<u><u>196,743</u></u>	<u><u>124,896</u></u>	<u><u>122,124</u></u>

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

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

As at 31/03/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
73	19,927	64	12,775

Amount repayable after one year

As at 31/03/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
173	23,156	148	17,313

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 2006**

	2,006 S\$'000	2,005 S\$'000
Operating activities		
Profit before taxation	3,833	2,630
Adjustments for:		
Interest expense	404	139
Interest income	(106)	(46)
Depreciation of property, plant and equipment	1,476	1,224
Gain on disposal of property, plant and equipment	(12)	(4)
Loss on disposal of other investments	10	-
Share of profit of associates	(662)	(233)
Share of profit of jointly-controlled entities	(172)	(380)
Amortisation of intangible assets	32	86
Operating profit before working capital changes	<u>4,803</u>	<u>3,416</u>
Change in working capital:-		
Inventories	(177)	(295)
Trade and other receivables	3,206	(117)
Trade and other payables	10,741	(792)
Cash generated from operations	<u>18,573</u>	<u>2,212</u>
Income taxes paid	<u>(227)</u>	<u>(630)</u>
Cash flows from operating activities	<u><u>18,346</u></u>	<u><u>1,582</u></u>
Investing activities		
Interest received	110	49
Acquisition of a subsidiary	(7,402)	-
Acquisition of interest in a jointly-controlled entity	-	(2,699)
Acquisition of additional interest in an associate	(105)	-
Capital project development and purchase of property, plant and equipment	(5,943)	(380)
Purchase of intangible asset	(19)	(2)
Purchase of other investments	(5)	-
Proceeds from sale of property, plant and equipment	21	8
Proceeds from sale of other investments	2	-
Cash flows used in investing activities	<u>(13,341)</u>	<u>(3,024)</u>
Financing activities		
Interest paid	(297)	(76)
Proceeds from issue of shares to minority shareholders	107	-
Increase in hire purchase and finance lease obligations	34	-
Repayment of short-term borrowings	(2,850)	(3,288)
Repayment of long-term borrowings	(156)	(25)
Proceeds from drawdown of borrowings	16,002	500
Cash flows from/(used in) financing activities	<u>12,840</u>	<u>(2,889)</u>
Net increase/(decrease) in cash and cash equivalents	17,845	(4,331)
Cash and cash equivalents at 1 January	17,627	14,315
Effects of exchange rate changes on balances held in foreign currency	(237)	10
Cash and cash equivalents at 31 March	<u><u>35,235</u></u>	<u><u>9,994</u></u>

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 2006

Group	Share capital	Share premium	Fair value reserve	Revaluation reserve	Currency translation	Statutory reserve	Non-distributable reserves	Revenue reserve	Total attributable to equity holders of the parent	Minority interest	Total
S\$'000											
At 1 January 2006	37,525	927	49	10,162	707	246	-	54,171	103,787	12,961	116,748
Translation differences	-	-	-	-	(281)	-	-	-	(281)	(24)	(305)
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	-	107	107
Net profit for the quarter	-	-	-	-	-	-	-	2,767	2,767	199	2,966
At 31 March 2006	37,525	927	49	10,162	426	246	-	56,938	106,273	13,243	119,516
At 1 January 2005	37,525	927	-	-	(80)	239	445	47,891	86,947	9,913	96,860
Translation differences	-	-	-	-	33	-	-	-	33	42	75
Net profit for the quarter	-	-	-	-	-	-	-	1,807	1,807	309	2,116
At 31 March 2005	37,525	927	-	-	(47)	239	445	49,698	88,787	10,264	99,051
Company											
At 1 January 2006	37,525	927	-	-	-	-	-	36,640	75,092	-	75,092
Net profit for the quarter	-	-	-	-	-	-	-	311	311	-	311
At 31 March 2006	37,525	927	-	-	-	-	-	36,951	75,403	-	75,403
At 1 January 2005	37,525	927	-	-	-	-	-	37,239	75,691	-	75,691
Net profit for the quarter	-	-	-	-	-	-	-	429	429	-	429
At 31 March 2005	37,525	927	-	-	-	-	-	37,668	76,120	-	76,120

- 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 2005 have been applied in the preparation for the financial statements for quarter ended 31 March 2006. The Group is still assessing the financial impact by adopting the following Financial Reporting Standard ("FRS") and Interpretation that become effective for financial years beginning on or after 1 January 2006:

FRS 102	<i>Share-based payment</i>
Amendments to FRS 19	<i>Amendments to FRS 19 Employee Benefits – Actuarial gains and losses, Group plans and Disclosures</i>
INT FRS 104	<i>Determining whether an Arrangement contains a Lease</i>
INT FRS 105	<i>Rights to Interest arising from Decommissioning: Restoration and Environmental Rehabilitation Funds</i>
Amendments to FRS 39	<i>Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Cash Flow Hedge Accounting of Forecast Intragroup Transactions</i>
INT FRS 106	<i>Exploration and Evaluation of Mineral Resources</i>

The financial effects may be subject to adjustments when they are audited at the end of the year.

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.**

Please see item 4 above.

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 2005: 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 2005: 150,101,550).

EPS (cents)	Three months ended 31 March	
	2006	2005
(a) Basic	1.84	1.20
(b) Diluted	1.84	1.20

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 2006	31 December 2005
NAV per ordinary share (cents)		
- Group	70.80	69.14
- Company	50.23	50.03

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 1Q06)

Group Turnover increased by 46% to \$83.2 million whilst Gross Profit improved by 54% in 1Q06 compared to 1Q05, contributed mainly by the newly acquired Indeco Engineers Pte Ltd, metal surface preparation business and Non-Vessel Operating Common Carrier (“NVOCC”) business.

Administrative expenses increased by 34% to \$3.3 million accounted for mainly by newly acquired entities and new entities.

Joint ventures and Associates collectively returned 36% higher contribution in earnings accounted for mainly by the businesses in Dubai.

With increased investments and working capital requirements as well as interest rates hike, Finance costs rose to \$0.4 million.

On the whole, net profit after tax & minority interest grew by 53% to \$2.8 million in 1Q06 compared to 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 local operating environment for logistics business remains competitive amidst the persistently high fuel price, which mainly affects the Transportation Division but this has minimal impact on the overall group performance. The group would continue to generate healthy earnings from its existing core businesses and build on its new niche businesses. Several new developments of logistics infrastructure in Singapore and in the region are on going and earnings of such projects will flow in only in year 2007.

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	Purchases S\$'000
C & P Capital Pte Ltd	-	697
C&P Transport (Pte) Ltd	108	-

BY ORDER OF THE BOARD

**LYE SIEW HONG
COMPANY SECRETARY
10 May 2006**