



CWT DISTRIBUTION LIMITED

(Company Registration No.: 197000498M)

Second Quarter Financial Statement for the Period Ended 30/06/2005

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 30 June 2005

	Three months ended 30 June			Six months ended 30 June		
	2005 S\$'000	2004 S\$'000 Restated	% Change	2005 S\$'000 Restated	2004 S\$'000 Restated	% Change
Revenue	63,357	58,100	9	120,475	106,854	13
Cost Of Sales	(57,885)	(53,636)	8	(109,789)	(97,890)	12
Gross Profits	5,472	4,464	23	10,686	8,964	19
Other Operating Income	282	294	(4)	450	476	(5)
Administrative Expenses	(2,922)	(2,975)	(2)	(5,114)	(5,976)	(14)
Other Operating Expenses	(832)	(898)	(7)	(1,645)	(1,851)	(11)
Share Of Profit/(Loss) from						
- Jointly-controlled entities	849	328	159	1,218	634	92
- Associates	75	(136)	155	51	(338)	115
Sub total	(2,548)	(3,387)	(25)	(5,040)	(7,055)	(29)
Profit before interest & tax	2,924	1,077	171	5,646	1,909	196
Finance Income	46	53	(13)	92	81	14
Finance Costs	(168)	(113)	49	(307)	(242)	27
Profit before taxation	2,802	1,017	176	5,431	1,748	211
Taxation	(518)	(314)	65	(1,031)	100	(1,131)
Profit after taxation	2,284	703	225	4,400	1,848	138
Attributable to:						
Equity holders of the parent	2,082	379	449	3,889	1,276	205
Minority Interest (MI)	202	324	(38)	511	572	(11)
Net Profit attributable to shareholders	2,284	703	225	4,400	1,848	138

Note:

The Q204 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 to the current year's presentation. Certain items in Q105 figures have also been reclassified.

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

Additional Disclosure items

	Three months ended 30 June		Six months ended 30 June	
	2005 \$'000	2004 \$'000 Restated	2005 \$'000	2004 \$'000 Restated
Allowance made for doubtful debts	8	192	36	290
Depreciation and amortisation	1,238	1,506	2,548	2,945
Foreign exchange gain / (loss)	(6)	22	101	33
Gain on acquisition of subsidiaries	134	0	134	0
Gain on sale of property, plant and equipment	36	5	40	18
Loss on sale of club membership	13	0	13	0
Waiver of debts by creditors	0	0	75	0
Write back of allowance made for doubtful debts	282	0	310	0
Write back of deferred tax (Note 1)	0	0	0	690

Note 1

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

Taxation expense

The income tax expense is based on the statutory tax rates of the respective countries in which the companies are operating. There is no significant over or under provision of tax in Q205. The effective tax rate for Q205 is lower than Q204 due to higher tax-free profits from our joint-controlled entities in Dubai.

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 30 June 2005

	<u>Group</u>		<u>Company</u>	
	30 Jun 2005 S\$'000	31 Dec 2004 S\$'000	30 Jun 2005 S\$'000	31 Dec 2004 S\$'000
Non-current assets				
Property, plant and equipment	93,509	95,195	67,265	68,599
Intangible assets	2,434	2,546	79	113
Subsidiaries	-	-	21,616	18,674
Associates	2,506	2,594	1,138	1,138
Jointly-controlled entities	11,374	7,568	4,092	4,092
Other investments	134	165	53	92
Other receivables	21	217	14	79
	<u>109,978</u>	<u>108,285</u>	<u>94,257</u>	<u>92,787</u>
Current assets				
Inventories	389	305	349	252
Trade and other receivables	40,870	38,903	17,619	17,610
Cash and cash equivalents	8,602	14,315	1,413	5,181
Tax Recoverable	813	804	813	792
	<u>50,674</u>	<u>54,327</u>	<u>20,194</u>	<u>23,835</u>
Total Assets	160,652	162,612	114,451	116,622
Less : Current Liabilities				
Trade and other payables	28,419	32,417	11,862	13,265
Interest-bearing borrowings	25,220	24,122	23,500	22,000
Current tax payable	1,602	1,224	-	-
Provisions	1,003	672	11	408
	<u>56,244</u>	<u>58,435</u>	<u>35,373</u>	<u>35,673</u>
Net Current Assets	(5,570)	(4,108)	(15,179)	(11,838)
Less :				
Non-Current Liabilities				
Interest bearing borrowings	1,450	45	135	-
Deferred tax liabilities	7,259	7,272	5,280	5,258
	<u>8,709</u>	<u>7,317</u>	<u>5,415</u>	<u>5,258</u>
Net Assets	95,699	96,860	73,663	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	239	445	-	-
Statutory Reserve	445	239	-	-
Translation Reserves	325	(80)	-	-
Retained Earnings	48,779	47,891	35,211	37,239
	<u>88,240</u>	<u>86,947</u>	<u>73,663</u>	<u>75,691</u>
Minority Interests	7,459	9,913	-	-
Total Equity and Minority Interests	95,699	96,860	73,663	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 30/06/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
33	25,187	26	24,096

Amount repayable after one year

As at 30/06/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
65	1,385	45	-

Details of any collateral

The secured loans are hire purchase contracts undertaken by subsidiaries on their motor vehicles.

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 30 June 2005**

	2005 S\$'000	2004 S\$'000 Restated
Operating activities		
Profit from ordinary activities before taxation	2,802	1,050
Adjustments for:		
Allowance made for doubtful debts	8	92
Amortisation of intangible assets	38	78
Depreciation	1,200	1,332
Interest expense	168	113
Interest income	(46)	(53)
Loss on disposal of club membership	13	0
Negative goodwill	(134)	0
(Profit) / Loss on sale of property, plant and equipment	(36)	5
Share of (profit) / loss of associates	(75)	118
Share of profit of jointly-controlled entities	(849)	(343)
Write back of allowance made for doubtful debts	(282)	0
Operating profit before working capital changes	<u>2,807</u>	<u>2,392</u>
Change in working capital:-		
Inventories	211	(128)
Trade and other receivables	1,386	(492)
Trade and other payables	(2,639)	2,407
Cash generated from operations	<u>1,765</u>	<u>4,179</u>
Income taxes (paid) / recovered	121	(667)
Cash flows from operating activities	<u><u>1,886</u></u>	<u><u>3,512</u></u>
Investing activities		
Acquisition of additional interest in subsidiaries	(2,942)	0
Acquisition of a new jointly-controlled entity	(2,699)	0
Dividends received from associate	140	0
Dividends received from jointly-controlled entity	344	0
Interest received	35	53
Proceeds from sale of club membership	27	0
Proceeds from sale of property, plant and equipment	40	25
Purchase of intangible asset	(10)	0
Purchase of property, plant and equipment	(364)	(391)
Cash flows from/(used in) investing activities	<u><u>(5,429)</u></u>	<u><u>(313)</u></u>
Financing activities		
Interest paid	(186)	(113)
Dividends paid	(3,002)	(3,002)
Proceeds from drawdown of borrowings	8,329	225
Repayment of long-term borrowings	0	(712)
Repayment of short-term borrowings	(3,013)	(20)
Cash flows used in financing activities	<u><u>2,128</u></u>	<u><u>(3,622)</u></u>
Net (decrease)/increase in cash and cash equivalents	(1,415)	(423)
Cash and cash equivalents at 1 April	9,994	9,306
Effects of exchange rate changes on balances held in foreign currency	23	(202)
Cash and cash equivalents at 30 June	<u><u>8,602</u></u>	<u><u>8,681</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 30 June 2005

Group S\$'000	Share capital	Statutory reserve	Share premium	Undistributable capital reserve	Currency translation	Revenue reserve	Minority Interest	Total
At 1 April 2005	37,525	239	927	445	(47)	49,699	10,264	99,052
Translation differences	-	-	-	-	372	-	69	441
Adjustment relating to acquisition of additional MI in existing subsidiaries	-	-	-	-	-	-	(3,076)	(3,076)
Net profit for the quarter	-	-	-	-	-	2,082	202	2,284
Dividends paid	-	-	-	-	-	(3,002)	-	(3,002)
At 30 June 2005	37,525	239	927	445	325	48,779	7,459	95,699
At 1 April 2004	37,525	51	927	445	172	49,885	10,289	99,294
Translation differences	-	-	-	-	130	-	-	130
Net profit for the quarter	-	-	-	-	-	379	324	703
Dividends paid	-	-	-	-	-	(3,002)	(480)	(3,482)
At 30 June 2004	37,525	51	927	445	302	47,262	10,133	96,645
Company								
At 1 April 2005	37,525	-	927	-	-	37,668	-	76,120
Net profit for the quarter	-	-	-	-	-	545	-	545
Dividends paid	-	-	-	-	-	(3,002)	-	(3,002)
At 30 June 2005	37,525	-	927	-	-	35,211	-	73,663
At 1 April 2004	37,525	-	927	-	-	40,195	-	78,647
Net profit for the quarter	-	-	-	-	-	610	-	610
Dividends paid	-	-	-	-	-	(3,002)	-	(3,002)
At 30 June 2004	37,525	-	927	-	-	37,803	-	76,255

- 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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2004, except for the adoption of the following new Financial Reporting Standards ("FRS") that became effective for financial years beginning on or after 1 January 2005.

(a) FRS 103 – Business Combinations

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 : Impairment of Assets. The cessation of goodwill amortization has resulted in a cost reduction of \$78,000 and \$156,000 in Q205 and H105 respectively.

The Group is currently assessing our current year acquisitions to determine if there are any intangible assets and contingent liabilities, which could be separately identified and recorded.

Based on Management's preliminary assessment, the Group has recorded a negative goodwill of \$134,000 arising from the acquisition of MI from the existing subsidiaries and credited the amount to the current quarter's profit and loss statement.

(b) Other improvements to FRS applicable from 1 January 2005

Apart from FRS 103, the Group adopted various revisions in FRS, applicable from 1 January 2005. These do not have a significant financial impact on the Group. The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 1 : Presentation of Financial Statements, with the 2004 comparatives restated to conform with current year's presentation.

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 (30 June 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 (30 June 2004: 150,101,550).

EPS (cents)	Three months ended 30 June	
	2005	2004
(a) Basic	1.39	0.25
(b) Diluted	1.39	0.25

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

	30 June 2005	31 December 2004
NAV per ordinary share (cents)		
- Group	58.79	57.93
- Company	49.08	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 Q205)

Group Turnover improved by 9% to \$63.4 million in Q205 compared to Q204, contributed mainly by Non-Vessel Operating Common Carrier ("NVOCC") business and the logistics services.

Gross Profit improved by 23% to \$5.5M in Q205 contributed largely by NVOCC business.

The share of profits from jointly-controlled entities rose by 159% to \$0.8 million contributed mainly by a newly acquired entity and increased contribution from logistics business in Dubai.

Collectively, our associates returned a positive result as compared to a loss of \$0.1M in Q204 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 225% to \$2.3 million in Q205. For the first half year, net profit after tax grew by 138% to \$4.4 million.

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 logistics business in the local scene remains highly competitive. Fuel price hike would continue to weigh on our transportation business. The Group is aligning its business model to offer regional logistics solution. Building a regional logistics network is the Group's priority. On the NVOCC business front, continual efforts are made to strengthen and grow its global network to achieve a bigger business base. To meet the growing demand for the Company's metal surface preparation services, the Company is in the process of expanding its service capacity by installing a new plant.

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 have 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 Logistics Pte Ltd	214	-
C & P Capital Pte Ltd	416	614

BY ORDER OF THE BOARD

**LYE SIEW HONG
COMPANY SECRETARY
8 August 2005**