



CWT LIMITED

(Company Registration No.: 197000498M)

Second Quarter Financial Statement for the Period Ended 30/06/2006

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 30 June 2006

	Three months ended 30 June			Six months ended 30 June		
	2006 S\$'000	2005 S\$'000 Restated	% Change	2006 S\$'000 Restated	2005 S\$'000 Restated	% Change
Revenue	75,500	63,357	19	158,657	120,475	32
Cost Of Sales	(68,762)	(58,610)	17	(145,357)	(111,326)	31
Gross Profits	6,738	4,747	42	13,300	9,149	45
Other Operating Income	171	275	(38)	295	551	(46)
Administrative Expenses	(3,214)	(2,664)	21	(6,286)	(4,870)	29
Other Operating Expenses	(289)	(359)	(19)	(606)	(453)	34
Share Of Profit/(Loss) from						
- Jointly-controlled entities	288	404	(29)	460	773	(40)
- Associates	785	520	51	1,447	496	192
Sub total	(2,259)	(1,824)	24	(4,690)	(3,503)	34
Profit before interest & tax	4,479	2,923	53	8,610	5,646	52
Finance Income	114	46	148	221	92	140
Finance Costs	(464)	(168)	176	(869)	(307)	183
Profit before taxation	4,129	2,801	47	7,962	5,431	47
Taxation	(814)	(517)	57	(1,680)	(1,031)	63
Profit after taxation	3,315	2,284	45	6,282	4,400	43
Attributable to:						
Equity holders of the parent	3,097	2,082	49	5,865	3,889	51
Minority Interest (MI)	218	202	8	417	511	(18)
Net Profit attributable to shareholders	3,315	2,284	45	6,282	4,400	43

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

	Three months ended 30 June		Six months ended 30 June	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Profit/(loss) on sale of property, plant and equipment	(3)	36	9	40
Negative goodwill arising from acquisition of a subsidiary	87	134	87	134
Loss on sale of other investments	-	-	(10)	-
Loss on sale of Club membership		(13)		(13)
Allowance made for doubtful debts	(7)	(8)	(7)	(36)
Depreciation and amortisation	(1,579)	(1,238)	(3,087)	(2,548)
Foreign exchange gain/(loss)	(361)	(6)	(430)	101
Waiver of debts by creditors	-	-	-	75
Write back of allowance made for doubtful debts	-	282	-	310

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 2006

	Group		Company	
	30 Jun 2006 S\$'000	31 Dec 2005 S\$'000	30 Jun 2006 S\$'000	31 Dec 2005 S\$'000
Non-current assets				
Property, plant and equipment	52,043	111,508	26,817	67,619
Intangible assets	10,383	2,594	146	43
Subsidiaries	-	-	31,161	23,792
Associates	9,231	8,369	1,348	1,242
Jointly-controlled entities	12,058	8,845	8,425	5,314
Other investments	107	113	33	39
Other receivables	117	120	2,000	2,000
Deferred tax assets	608	88	-	-
	<u>84,547</u>	<u>131,637</u>	<u>69,930</u>	<u>100,049</u>
Current assets				
Inventories	720	296	59	73
Trade and other receivables	61,228	45,734	7,909	18,367
Cash and cash equivalents	21,345	18,103	672	2,869
Tax recoverable	506	973	720	766
Assets Held for Sales	77,387	-	56,740	-
	<u>161,186</u>	<u>65,106</u>	<u>66,100</u>	<u>22,075</u>
Total assets	<u>245,733</u>	<u>196,743</u>	<u>136,030</u>	<u>122,124</u>
Equity attributable to equity holders of the parent				
Share capital	37,525	37,525	37,525	37,525
Reserves	68,153	66,262	36,384	37,567
	<u>105,678</u>	<u>103,787</u>	<u>73,909</u>	<u>75,092</u>
Minority interests	12,924	12,961	-	-
Total equity	<u>118,602</u>	<u>116,748</u>	<u>73,909</u>	<u>75,092</u>
Non-Current Liabilities				
Interest bearing liabilities	20,911	17,461	15,500	17,109
Deferred tax liabilities	7,725	7,727	5,373	5,373
	<u>28,636</u>	<u>25,188</u>	<u>20,873</u>	<u>22,482</u>
Current liabilities				
Bank overdrafts	251	476	251	-
Trade and other payables	56,240	38,689	6,298	12,189
Interest-bearing liabilities	38,448	12,839	34,555	12,183
Current tax payable	2,563	1,579	-	-
Provisions	993	1,224	144	178
	<u>98,495</u>	<u>54,807</u>	<u>41,248</u>	<u>24,550</u>
Total liabilities	<u>127,131</u>	<u>79,995</u>	<u>62,121</u>	<u>47,032</u>
Total equity and liabilities	<u>245,733</u>	<u>196,743</u>	<u>136,030</u>	<u>122,124</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 30/06/2006		As at 31/12/2005	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
68	38,380	64	12,775

Amount repayable after one year

As at 30/06/2006		As at 31/12/2005	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
161	20,750	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 30 June 2006**

	2006 S\$'000	2005 S\$'000
Operating activities		
Profit before taxation	4,129	2,802
Adjustments for:		
Interest expense	464	168
Interest income	(114)	(46)
Depreciation of property, plant and equipment	1,526	1,200
Fixed assets written down	(9)	-
Loss/(Gain) on disposal of property, plant and equipment	3	(36)
Loss on disposal of club membership	-	13
Share of profit of associates	(785)	(520)
Share of profit of jointly-controlled entities	(288)	(404)
Amortisation of intangible assets	53	38
Write back of provision for taxation	489	-
Negative goodwill	(87)	(134)
Operating profit before working capital changes	<u>5,381</u>	<u>3,081</u>
Change in working capital:-		
Inventories	(246)	211
Trade and other receivables	(3,164)	1,112
Trade and other payables	(8,277)	(2,639)
Cash generated from operations	<u>(6,306)</u>	<u>1,765</u>
Income taxes (paid)/recovered	<u>(1,913)</u>	<u>121</u>
Cash flows from operating activities	<u><u>(8,219)</u></u>	<u><u>1,886</u></u>
Investing activities		
Interest received	118	35
Acquisition of interest in jointly-controlled entities	(3,257)	(2,699)
Acquisition of additional interest in subsidiaries	(100)	(2,942)
Capital project development and purchase of property, plant and equipment	(15,103)	(364)
Purchase of intangible asset	(324)	(10)
Purchase of other investments	(3)	-
Proceeds from sale of property, plant and equipment	28	40
Proceeds from sale of club membership	-	27
Proceeds from sale of other investments	2	-
Dividends received from associates	690	140
Dividends received from jointly-controlled entities	459	344
Cash flows used in investing activities	<u>(17,490)</u>	<u>(5,429)</u>
Financing activities		
Interest paid	(520)	(186)
Dividends paid to shareholders	(3,602)	(3,002)
Dividends to minority shareholders of subsidiaries	(600)	-
Capital contribution from minority shareholders	254	-
(Decrease)/Increase in hire purchase and finance lease obligations	(14)	-
Repayment of short-term borrowings	(12,850)	(3,013)
Repayment of long-term borrowings	(2,406)	-
Proceeds from short-term borrowings	<u>31,305</u>	<u>8,329</u>
Cash flows from/(used in) financing activities	<u><u>11,567</u></u>	<u><u>2,128</u></u>

	2006	2005
	S\$'000	S\$'000
Net increase/(decrease) in cash and cash equivalents	(14,141)	(1,415)
Cash and cash equivalents at 1 April	35,235	9,994
Effects of exchange rate changes on balances held in foreign currency	-	23
Cash and cash equivalents at 30 June	<u>21,094</u>	<u>8,602</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 2006

Group	Share capital	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 April 2006	38,452	49	10,162	426	246	-	56,938	106,273	13,243	119,516
Translation differences	-	-	-	(90)	-	-	-	(90)	4	(86)
Acquisition of Shares from Minority shareholders	-	-	-	-	-	-	-	-	(195)	(195)
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	254	254
Net profit for the quarter	-	-	-	-	-	-	3,097	3,097	218	3,315
Dividends paid	-	-	-	-	-	-	(3,602)	(3,602)	(600)	(4,202)
At 30 June 2006	38,452	49	10,162	336	246	-	56,433	105,678	12,924	118,602
At 1 April 2005	38,452	-	-	(47)	239	445	49,699	88,788	10,264	99,052
Translation differences	-	-	-	372	-	-	-	372	69	441
Adjustment relating to acquisition of additional MI in existing subsidiaries	-	-	-	-	-	-	-	-	(3,076)	(3,076)
Net profit for the quarter	-	-	-	-	-	-	2,082	2,082	202	2,284
Dividends paid	-	-	-	-	-	-	(3,002)	(3,002)	-	(3,002)
At 30 June 2005	38,452	-	-	325	239	445	48,779	88,240	7,459	95,699
Company										
At 1 April 2006	38,452	-	-	-	-	-	36,951	75,403	-	75,403
Net profit for the quarter	-	-	-	-	-	-	2,108	2,108	-	2,108
Dividends Paid	-	-	-	-	-	-	(3,602)	(3,602)	-	(3,602)
At 30 June 2006	38,452	-	-	-	-	-	35,457	73,909	-	73,909
At 1 April 2005	38,452	-	-	-	-	-	37,668	76,120	-	76,120
Net profit for the quarter	-	-	-	-	-	-	545	545	-	545
Dividends Paid	-	-	-	-	-	-	(3,002)	(3,002)	-	(3,002)
At 30 June 2005	38,452	-	-	-	-	-	35,211	73,663	-	73,663

- 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 300,203,100 (30 June 2005: 300,203,100) during the financial period under review.

There were new bonus shares issued during the period. The weighted average number of shares used for the computation for the EPS on fully diluted basis (b) is 300,203,100 (30 June 2005: 300,203,100).

EPS (cents)	Three months ended 30 June	
	2006	2005
(a) Basic	1.03	0.69
(b) Diluted	1.03	0.69

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

There were new bonus shares issued during the period. The NAV per ordinary share for 30 June 2006 and 31 December 2005 was computed based on the new share base of 300,203,100.

	30 June 2006	31 December 2005
NAV per ordinary share (cents)		
- Group	35.20	34.58
- Company	24.62	24.62

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 2Q06)

The Group generated a turnover of \$75.5 million for **Q206** and \$158.6m for the half year ended Jun 2006 ("**H106**"). These were 19% and 32% higher than the corresponding periods in 2005. In terms of Profit Before Tax and Interest, **Q206** improved 8% over **Q106** to return \$8.6m for the half year ended 30 June 2006. Non vessel operating common carrier ("**NVOCC**"), facilities maintenance and marine engineering logistics businesses are main contributors to the improved performance.

Administration and other operating expenses increased in the current year accounted for by newly acquired/established entities. Finance cost increased as a result of higher interim borrowings to fund expansion and increase in interest rates.

Profit after tax and minority interest ("**PATMI**") for H106 rose 51% over the same period in 2005. **PATMI** for Q206 improved by about 12% over Q106 contributed mainly by NVOCC business and logistics services.

Non-current assets of the Group increased by \$30 million accounted for by:-

- a) The capital work in progress payments for the new logistics hubs under the Company;
- b) The commissioning of 2 new metal surface preparation plants in Q405 and Q106.
- c) The increase in Intangible Assets arising from the acquisition of Indeco Engineers.
- d) Investment in Warehouse project in Thailand

Group Current assets and current liabilities other than borrowings increased due to newly acquired/established entities. Group borrowings grown by about \$30 million for the purpose of funding new capital expenditure and investments. (Note : The temporary net current liabilities position had been reversed to net current assets position on 25th July 06 on receipt of \$145m proceeds from the sale and lease back of two properties)

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 existing businesses remain stable notwithstanding competitive business condition.

In July 06, the Group completed the sale and lease transaction for two of its warehouse properties for a total consideration of \$145 million. The proceeds from the sales will be used to redeem short term bank loans and to finance new business projects. The financial effect of the sale and lease back will be accounted for in the 3rd Quarter results.

The Group also entered into a sale and purchase agreement with its parent company etc for the takeover of a 100% interest in C&P Asia Pte Ltd (“CPA”) with an aggregate post tax profit guarantee of \$11m for FY2006 and FY2007. CPA is a sister company of CWT with principal business in commodity logistics and collateral management business. The transaction will be tabled for consideration at an extraordinary general meeting to be held around end Sept06/Oct 06.

Development of the new logistics hubs, CWT Logistics Hub 1 and 2 and CWT Cold Hub, are progressing well. CWT Logistics Hub 1 is scheduled for completion by end 2006 and the CWT Cold Hub is targeted for completion by 2nd Quarter 2007 while CWT Logistics hub 2 by 4th Quarter 2007. Take-up rates for the 3 hubs have been encouraging.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Following the successful completion of the sale and lease back of two of its properties on 25th July 2006, the Board of Directors is pleased to declare a special dividend of 3 cents per ordinary shares to shareholders (the “Special Dividend”) or a total of approximately \$9 million less 20% tax (equivalent to \$7.2 million net of tax).

Name of Dividend : Special Dividend
Dividend Type : Cash
Dividend Rate : 3 cents per ordinary share less tax
Tax Rate : 20%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

This is the first time in the corporate history that CWT is paying out Special Dividend.

(c) Date payable

The Special Dividend is expected to be paid on 6th September 2006

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 25th August 2006, for the purpose of determining shareholders’ entitlements to the Special Dividend. Duly completed transfers received by the Company’s Share Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 up to 5.00pm on 24th August 2006 will be registered to determine shareholders’ entitlements to the Special Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Ltd are credited with shares as at 5.00pm on 24th August 2006 will be entitled to the Special Dividend.

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

Not Applicable

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 August 2006**