



CWT DISTRIBUTION LIMITED

(Company Registration No.: 197000498M)

Third Quarter Financial Statement for the Period Ended 30/09/2005

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 September 2005

	Three months ended 30 September			Nine months ended 30 September		
	2005 S\$'000	2004 S\$'000 Restated	% Change	2005 S\$'000 Restated	2004 S\$'000 Restated	% Change
Revenue	63,343	64,143	(1)	183,818	170,997	7
Cost Of Sales	(58,183)	(59,264)	(2)	(167,936)	(157,104)	7
Gross Profits	5,160	4,879	6	15,882	13,893	14
Other Operating Income	133	28	375	583	504	16
Administrative Expenses	(2,472)	(2,518)	(2)	(7,622)	(8,544)	(11)
Other Operating Expenses	(1,004)	(1,182)	(15)	(2,649)	(3,033)	(13)
Share Of Profit/(Loss) from						
- Jointly-controlled entities	988	538	84	2,206	1,172	88
- Associates	274	(1)	27,500	325	(339)	196
Sub total	(2,081)	(3,135)	(34)	(7,157)	(10,240)	(30)
Profit before interest & tax	3,079	1,744	77	8,725	3,653	139
Finance Income	51	41	24	143	122	17
Finance Costs	(215)	(161)	34	(522)	(403)	30
Profit before taxation	2,915	1,624	79	8,346	3,372	148
Taxation	(462)	(320)	44	(1,493)	(220)	579
Profit after taxation	2,453	1,304	88	6,853	3,152	117
Attributable to:						
Equity holders of the parent	2,215	1,018	118	6,104	2,294	166
Minority Interest (MI)	238	286	(17)	749	858	(13)
Net Profit attributable to shareholders	2,453	1,304	88	6,853	3,152	117

Note:

The Q304 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.

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

Additional Disclosure items

	Three months ended 30 September		Nine months ended 30 September	
	2005 \$'000	2004 \$'000 Restated	2005 \$'000	2004 \$'000 Restated
Allowance made for doubtful debts	12	185	48	475
Depreciation and amortisation	1,179	1,263	3,727	4,208
Foreign exchange gain / (loss)	(89)	40	12	73
Gain on acquisition of subsidiaries	0	0	134	0
Gain/(loss) on sale of property, plant and equipment	(24)	18	16	36
Loss on disposal of jointly-controlled entity	87	0	87	0
Loss on sale of club membership	0	0	13	0
Waiver of debts by creditors	0	0	75	0
Write back of allowance made for doubtful debts	348	0	658	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 Q305. The effective tax rate for Q305 is lower than Q304 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 September 2005

	<u>Group</u>		<u>Company</u>	
	30 Sept 2005 S\$'000	31 Dec 2004 S\$'000	30 Sept 2005 S\$'000	31 Dec 2004 S\$'000
Non-current assets				
Property, plant and equipment	93,669	95,195	66,580	68,599
Intangible assets	2,419	2,546	64	113
Subsidiaries	-	-	21,616	18,674
Associates	2,831	2,594	1,138	1,138
Jointly-controlled entities	10,491	7,568	3,716	4,092
Other investments	174	165	53	92
Other receivables	53	217	834	79
	<u>109,637</u>	<u>108,285</u>	<u>94,001</u>	<u>92,787</u>
Current assets				
Inventories	840	305	529	252
Trade and other receivables	43,276	38,903	19,616	17,610
Cash and cash equivalents	12,812	14,315	835	5,181
Tax Recoverable	821	804	821	792
	<u>57,749</u>	<u>54,327</u>	<u>21,801</u>	<u>23,835</u>
Total Assets	<u>167,386</u>	<u>162,612</u>	<u>115,802</u>	<u>116,622</u>
Less : Current Liabilities				
Trade and other payables	32,705	32,417	9,879	13,265
Interest-bearing borrowings	26,751	24,122	25,607	22,000
Current tax payable	1,446	1,224	-	-
Provisions	1,003	672	108	408
	<u>61,905</u>	<u>58,435</u>	<u>35,594</u>	<u>35,673</u>
Net Current Assets	<u>(4,156)</u>	<u>(4,108)</u>	<u>(13,793)</u>	<u>(11,838)</u>
Less :				
Non-Current Liabilities				
Interest bearing borrowings	185	45	123	-
Deferred tax liabilities	7,225	7,272	5,258	5,258
	<u>7,410</u>	<u>7,317</u>	<u>5,381</u>	<u>5,258</u>
Net Assets	<u>98,071</u>	<u>96,860</u>	<u>74,827</u>	<u>75,691</u>
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	388	(80)	-	-
Retained Earnings	50,994	47,891	36,375	37,239
	<u>90,518</u>	<u>86,947</u>	<u>74,827</u>	<u>75,691</u>
Minority Interests	7,553	9,913	-	-
Total Equity and Minority Interests	<u>98,071</u>	<u>96,860</u>	<u>74,827</u>	<u>75,691</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 30/09/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
36	26,715	26	24,096

Amount repayable after one year

As at 30/09/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
123	62	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 September 2005**

	2005 S\$'000	2004 S\$'000 Restated
Operating activities		
Profit from ordinary activities before taxation	2,915	1,624
Adjustments for:		
Allowance made for doubtful debts	12	185
Amortisation of intangible assets	15	78
Depreciation	1,164	1,185
Interest expense	215	161
Interest income	(51)	(41)
(Profit) / Loss on sale of property, plant and equipment	24	(18)
(Profit) / Loss on disposal of jointly-controlled entity	87	-
Share of (profit) / loss of associates	(274)	1
Share of profit of jointly-controlled entities	(988)	(538)
Write back of allowance made for doubtful receivables	(348)	-
Operating profit before working capital changes	<u>2,771</u>	<u>2,637</u>
Change in working capital:-		
Inventories	(451)	211
Trade and other receivables	(1,907)	(1,461)
Trade and other payables	2,355	1,612
Cash generated from operations	<u>2,768</u>	<u>2,999</u>
Income taxes (paid) / recovered	(660)	(344)
Cash flows from operating activities	<u><u>2,108</u></u>	<u><u>2,655</u></u>
Investing activities		
Dividends received from jointly-controlled entity	-	215
Interest received	56	40
Proceeds from disposal of jointly-controlled entity	1,704	-
Proceeds from sale of property, plant and equipment	91	20
Purchase of property, plant and equipment	(1,439)	(765)
Cash flows from/(used in) investing activities	<u>412</u>	<u>(490)</u>
Financing activities		
Interest paid	(215)	(160)
Dividends paid	(201)	(288)
Proceeds from drawdown of borrowings	4,860	223
Repayment of long-term borrowings	(15)	(10)
Repayment of short-term borrowings	(2,750)	(1,268)
Cash flows used in financing activities	<u>1,679</u>	<u>(1,503)</u>
Net (decrease)/increase in cash and cash equivalents	4,199	662
Cash and cash equivalents at 1 July	8,602	8,200
Effects of exchange rate changes on balances held in foreign currency	11	209
Cash and cash equivalents at 30 September	<u><u>12,812</u></u>	<u><u>9,071</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 September 2005

Group S\$'000	Share capital	Statutory reserve	Share premium	Undistributable capital reserve	Currency translation	Revenue reserve	Minority Interest	Total
At 1 July 2005	37,525	239	927	445	325	48,779	7,459	95,699
Translation differences	-	-	-	-	270	-	50	320
Adjustment relating to acquisition of additional MI in existing subsidiaries	-	-	-	-	-	-	7	7
Net profit for the quarter	-	-	-	-	-	2,215	238	2,453
Dividends paid	-	-	-	-	-	-	(201)	(201)
Disposal of jointly-controlled entities	-	-	-	-	(207)	-	-	(207)
At 30 September 2005	37,525	239	927	445	388	50,994	7,553	98,071
At 1 July 2004	37,525	51	927	445	302	47,262	10,133	96,645
Translation differences	-	-	-	-	(321)	-	(394)	(715)
Net profit for the quarter	-	-	-	-	-	1,018	286	1,304
Dividends paid	-	-	-	-	-	-	-	-
At 30 September 2004	37,525	51	927	445	(19)	48,280	10,025	97,234
Company								
At 1 July 2005	37,525	-	927	-	-	35,211	-	73,663
Net profit for the quarter	-	-	-	-	-	1,164	-	1,164
Dividends paid	-	-	-	-	-	-	-	-
At 30 September 2005	37,525	-	927	-	-	36,375	-	74,827
At 1 July 2004	37,525	-	927	-	-	37,803	-	76,255
Net profit for the quarter	-	-	-	-	-	621	-	621
Dividends paid	-	-	-	-	-	-	-	-
At 30 September 2004	37,525	-	927	-	-	38,424	-	76,876

- 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 \$234,000 in Q305 and for the period ended 30 September 2005 respectively.

As mentioned in the last quarter's announcement, 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 last quarter's profit and loss statement, based on Management's preliminary assessment. The review of the current year acquisitions to determine if there are any intangible assets and contingent liabilities, which could be separately identified and recorded, is on-going.

(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. The Group is assessing the financial impact of the various FRS 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 September 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 September 2004: 150,101,550).

EPS (cents)	Three months ended 30 September	
	2005	2004
(a) Basic	1.48	0.68
(b) Diluted	1.48	0.68

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 September 2005	31 December 2004
NAV per ordinary share (cents)		
- Group	60.30	57.93
- Company	49.85	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

Group Turnover remained stable at \$63.3 million, whilst gross profit improved by 6% to \$5.2 million. The Group's Non-Vessel Operating Common Carrier (NVOCC) business continued to grow its profit in Q305. Logistics business remained fairly stable notwithstanding fuel price hike weighing on the Group's transportation business.

The share of profits from jointly-controlled entities rose by 84% to \$1 million contributed mainly by entity acquired in Q205 and increased contribution from logistics business in Dubai.

Collectively, associated companies returned a pre-tax profit of \$0.3 million.

On the whole, net profit after tax rose by 88% to \$2.5 million in Q305 over Q304. For the first nine months, Group turnover rose by 7% to \$184 million whilst net profit after tax grew by 117% to \$6.9 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 local operating environment for logistics business remains competitive amidst high fuel price. Regional logistics & NVOCC network development remain our priority focus.

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

BY ORDER OF THE BOARD

**LYE SIEW HONG
COMPANY SECRETARY
11 November 2005**