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## MEDIA RELEASE

# Logistics specialist CWT reports S\$33.9 million in earnings for FY09

- Gross profits and margins boosted by soft commodity logistics business in Europe
- Excluding the various exceptional and non-recurring items, operating PATMI grew by 26% from S\$25.5 million in FY08 to S\$32.1 million in FY09
- Expect greater business opportunities regionally and globally following recent developments such as the proposed sales and leaseback transaction of CWT Commodity Hub and CWT Cold Hub

**Singapore, 25 February 2010** – CWT Limited (“CWT” or the “Group”), a leading supply chain logistics solutions provider, is pleased to announce a net profit attributable to shareholders of S\$33.9 million for the financial year ended 31 December 2009 (“FY09”).

### Financial Highlights

S\$'000	FY09	FY08	% Change +/(–)
Revenue	623,929	602,708	4
Gross Profit	86,666	66,937	29
Gross Profit Margin	13.9%	11.1%	-
Other Operating Income	7,482	78,936	(91)
Profit After Tax	36,909	72,777	(49)
Net Profit Attributable to Shareholders	33,945	73,912	(54)
Basic earnings per ordinary share (cents)	5.91	12.87	(54)

Revenue grew by 4% to S\$623.9 million, with major contributions from the mainstay warehousing segment and the soft commodity logistics business in Europe. This is partially offset by the decrease in contribution from the Non-Vessel Operating Common Carrier (“NVOCC”) freight forwarding business due to lower freight rates and volume in FY09. As logistics businesses typically fetch better margins than other business segments, this resulted in a 29% improvement in gross profit to S\$86.7 million, with a healthy gross profit margin of 13.9%.

During the period under review, the Group reported a lower other income due to the absence of exceptional gains recorded in FY08. Coupled with the incremental administrative expenses due to newly acquired entities in Europe since November 2008, the Group's bottom line performance decreased by 54% to S\$33.9 million, which equated to basic earnings per ordinary share of 5.91 Singapore cents (FY08: 12.87 cents).

Excluding the exceptional and non-recurring items, operating PATMI effectively improved from S\$25.5 million in FY08 to S\$32.1 million in FY09, up by 26%.

S\$'000	As at 31 December 2009	As at 31 December 2008 (restated)*	% Change +/( -)
Property, plant and equipment	181,263	322,330	(44)
Cash and cash equivalents	90,456	77,690	16
Total bank borrowings	178,767	139,833	28
Shareholders' equity	309,504	282,905	9
Net gearing	22%	18%	-
Net asset value per ordinary share (cents)	53.9	49.3	9

\* FY08 figures were restated to reflect the adjustments to initial accounting for the acquisition of two subsidiaries in Europe. Please refer to Note 1(b)(i) of the SGX announcement dated 25 February 2010 for details.

In view of the recent proposed sales and leaseback transaction of CWT Commodity Hub and CWT Cold Hub, the two properties were reclassified from "property, plant and equipment" to "non-current assets held for sale", leading to the significant decrease in the former account category.

The Group continues to maintain a healthy balance sheet with a net asset value per ordinary share of 53.9 cents as at 31 December 2009.

### Rewarding shareholders

To appreciate the support of shareholders, the Directors proposed a final one-tier cash dividend of 2 cents per share for FY09, subject to shareholders' approval in the forthcoming Annual General Meeting.

### Corporate Updates

In October 2009, Phase 2B of the CWT Commodity Hub was fully completed. The Group is pleased to announce that the warehouse space in Phase 1 is now fully occupied, and Phase 2 warehouse is over 70% booked at the time of announcement.

Early 2010, the Group revealed the plan for proposed sales and leaseback transactions of its two primary assets, CWT Commodity Hub (recently completed in October 2009) and CWT Cold Hub, and subsequently gained shareholders' approval in February 2010. The transaction was intended to sell

these properties to Cache Logistics Trust (“CLT”), a newly set up trust currently awaiting listing approval from MAS. Once the deal materialises, the Group is expected to reap a one-off gain of S\$157.7 million out of S\$445.0 million gross proceeds, which will serve as a strong war chest for CWT’s future expansion plans and repayment of bank borrowings.

To further enhance CWT’s capabilities as an integrated solutions provider, the Group acquired a 70% stake in Force 21 Equipment Pte Ltd, a regional solutions provider for security, defence and rescue gear and equipment, which sharpened the Group’s competitive edge in the niche defence logistics sector. In addition, CWT also committed a 35% investment in Westford Trade Services (“WTS”) in January 2010. WTS specialises in trade finance facilitation services, which proved to be synergistic with the Group’s commodity logistics business and collateral management services.

### **Moving forward**

**“Our recent announcements marked some very important milestones in the history of CWT. On top of strengthening the Group via strategic acquisitions and investments, we believe the creation of CLT will serve as a capital-efficient asset-owning vehicle to complement the core logistics businesses of CWT. This would open up various doors of opportunities for the Group to expand regionally and globally, and in line with Singapore’s vision of becoming a global business hub.**

**Internally, we remained prudent in managing day-to-day cost efficiency on both operational and administrative fronts to ensure optimisation of the Group’s resources.**

**Mr Loi Pok Yen,  
Group CEO of CWT**

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### **About CWT ([www.cwtlimited.com](http://www.cwtlimited.com))**

CWT Limited was set up in 1970 and listed on the Singapore Exchange in 1993. CWT has since grown and the principal businesses of CWT currently comprise integrated logistics solutions, international freight forwarding and engineering maintenance and facilities management services.

Being the largest listed logistics company in Southeast Asia, CWT offers integrated logistics solutions to some of the world’s leading brands in the chemical, commodities, automotive, marine, oil & gas, defence and industrial sectors.

Through its global network, the CWT Group is able to connect customers to 120 ports and 1,200 destinations seamlessly around the world.

For more information please visit [www.cwtlimited.com](http://www.cwtlimited.com).

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