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MEDIA RELEASE

Editor's note:

This media release should be read in conjunction with CWT's unaudited financial statement for the second quarter and half year ended 30/6/2016 issued in the results announcement dated 12 August 2016 on the SGXNET.

CWT reports 1H2016 net operating profit of S\$36.8 million

Singapore, August 12, 2016 – CWT Limited (SGX:C14) (“CWT” or the “Group”), a leading provider of integrated logistics solutions and Singapore's largest home-grown logistics provider, today announced earnings for its second quarter and half year ended 30 June 2016 (respectively “2Q2016” and “1H2016”).

For 2Q2016, CWT reported revenue of S\$2.4 billion, gross profit of S\$67.1 million, operating profit before tax of S\$18.2 million and net operating profit of S\$13.7 million. During the quarter, CWT posted diluted earnings per share of 2.27 cents.

For 1H2016, the Group reported revenue of S\$4.2 billion, gross profit of S\$150.7 million, operating profit before tax of S\$51.8 million and net operating profit of S\$36.8 million. During the half year, CWT posted diluted earnings per share of 6.22 cents.

Financial highlights

<i>In S\$'000 unless otherwise stated</i>	2Q2016	2Q2015	% Change +/(–)	1H2016	1H2015	% Change +/(–)
Revenue	2,366,495	2,793,339	(15)	4,242,016	4,974,379	(15)
Gross Profit	67,098	75,520	(11)	150,716	158,929	(5)
Operating Profit before tax	18,176	30,112	(40)	51,799	64,096	(19)
Taxation	(3,184)	(4,779)	(33)	(12,243)[†]	(8,942)	37
Profit after tax	14,992	27,817	(46)	40,069	57,864	(31)
Net Operating PATNCI	13,653	23,685	(42)	36,830	52,701	(30)
Net Profit Attributable to Owners	13,653	26,169	(48)	37,343	55,411	(33)
Earnings per ordinary share (cents)	2.27	4.36	(48)	6.22	9.23	(33)
NAV per ordinary share (cents)	-	-	-	134.7[*]	132.3 ^{**}	2

[†] Includes \$4.2 million withholding tax on dividend received from an overseas subsidiary in first quarter 2016 (“1Q2016”)

^{*} As at 30 June 2016

^{**} As at 30 June 2015

As at 30 June 2016, cash and cash equivalents totalled S\$288.7 million. The Group ended the half year with NAV per ordinary share of 134.7 cents, total assets of S\$4.8 billion and total equity of S\$835.5 million.

Performance highlights

The Group's revenue decreased by 15% in both 1H2016 and 2Q2016 over the previous corresponding periods mainly due to lower commodity trading volume notably in naphtha and a general drop in commodity prices, arising from the global downturn in the commodity sector.

Gross profit decreased by 5% in 1H2016 and 11% in 2Q2016 due to significant unrealised mark-to-market accounting losses registered in both financial periods in relation to Commodity Marketing business which practises hedging against commodity price risk. During the reported periods, the increase in certain commodity prices resulted in unrealised mark-to-market losses of the hedges being recognised in the income statement. However, there was no recognition of mark-to-market gain on the corresponding inventory which was stated at lower of cost or net realisable value. This resulted in a negative impact of S\$17.1 million on the profit for 1H2016.

Profit after tax decreased by 31% to S\$40.1 million in 1H2016 and 46% to S\$15.0 million in 2Q2016 mainly due to lower gross profit as explained above coupled with withholding tax incurred in 1Q2016 for foreign dividends received and higher interest expense utilised for financial services activities. Excluding the above-mentioned unrealised mark-to-market accounting losses and the withholding tax, profit after tax for 1H2016 would have been S\$61.3 million, up 6% over the previous corresponding period.

Meanwhile, Logistics Services business and Financial Services business performed better with higher net profit whilst Engineering Services business declined with less project income for the second quarter and half year ended 30 June 2016.

Logistics capacity expansion update

Construction of CWT mega integrated logistics hub is on track to complete by first half 2017.

-End-

About CWT

CWT is a leading provider of integrated logistics and supply chain solutions. Our business is about connecting world trade. We move, build and power customers' supply chain forward. We combine our logistics capabilities, global network and resources to add value for customers. CWT Group also provides commodity marketing, financial and engineering services ancillary to its core logistics business. For more information, visit www.cwtlimited.com.

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