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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 full year ended 31/12/2016 issued in the results announcement dated 24 February 2017 on the SGXNET.

CWT reports full year results for fiscal 2016

Singapore, February 24, 2017 – 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 financial results for the full year ended December 31, 2016 (“FY2016”).

For FY2016, CWT reported revenue of S\$9.3 billion, gross margin of 3.5%, net income of S\$73.6 million and earnings per share of 12.3 cents. Cash and cash equivalents, total equity and total assets increased to S\$337.1 million, S\$904.0 million and S\$5.4 billion respectively at the end of the fiscal year. There were approximately 600.3 million ordinary shares issued and outstanding as of December 31, 2016.

“By delivering on our execution with a strong focus in business synergies and financial discipline, CWT posted continued profits whilst improving its balance sheet amidst a tough 2016,” said CWT Group CEO Loi Pok Yen. “We remain committed to sustainable performance and creating long-term value for our customers and shareholders.”

Dividend

In FY2016, CWT paid an interim net cash dividend of approximately S\$36 million which was declared based on earnings from the preceding year. For FY2016, the board of directors of CWT has proposed a final one-tier cash dividend of S\$0.03 per share. The cash dividend is payable May 15, 2017 to shareholders of record at the close of business on May 2, 2017.

Logistics capacity expansion

The construction of CWT mega integrated logistics hub is on track to complete by first half 2017, with Level 1 & Level 2 of the warehouse obtaining T.O.P. on February 16, 2017.

Financial highlights

<i>In S\$'000 unless otherwise stated</i>	<i>FY2016</i>	<i>FY2015</i>	<i>% Change + / (-)</i>
Revenue	9,251,854	9,931,619	(7)
Gross Profit	320,809	336,198	(5)
Operating Profit Before Tax (" Operating PBT ")	127,911	141,939	(10)
Profit Before Tax (" PBT ")	104,801	131,720	(20)
Taxation	(25,781)*	(17,801)	45
Operating Profit After Tax (" Operating PAT ")	102,388	124,138	(18)
Profit After Tax (" PAT ")	79,020	113,919	(31)
Net Profit Attributable to Owners	73,559	108,911	(32)
Earnings Per Ordinary Share (cents)	12.25	18.14	(32)
NAV Per Ordinary Share (cents)	145.63	139.83	4

* Includes \$7.6 million withholding tax on dividend received from an overseas subsidiary

For FY2016, group revenue declined by 7% whilst PBT decreased by 20%. There were exceptional costs incurred/accrued in FY2016 arising from an ongoing project. 60% of the exceptional costs are accrued cost, payable only upon success of the project. Excluding the exceptional costs and other non-recurring items, Operating PBT is S\$127.9 million, 10% lower than the preceding year.

In FY2016, dividends were up-streamed from a foreign subsidiary which incurred withholding tax of S\$7.6 million. The combined withholding tax and above exceptional items had resulted in a lower PAT of S\$79.0 million.

Excluding the withholding tax and exceptional items, Operating PAT would have been S\$110.1 million instead of S\$102.4 million.

An analysis commentary for the segment operating performance of the Group is provided as follows:

Logistics Services

Freight logistics and general logistics were affected by generally weaker business sentiment and slower trade flow but warehousing logistics performed better with optimal utilisation. The net result is a 4% slip in segment revenue whilst segment PBT improved by 11.7% due to stronger earnings from warehousing and commodity logistics.

Commodity Marketing

Commodity Marketing operated in a weaker commodities market as average prices further softened in 2016. Although trading volumes for base metal non-ferrous concentrates remained stable, there was a significant drop in naphtha volumes. This weighed down the segment revenue by 7% and segment PBT by 39%, the latter due in part to unrealised mark-to-market losses on hedges (whereby the corresponding gains on inventory value were not recognised) and impairment taken up for amounts receivable from suppliers.

Financial Services

Business volumes for derivatives brokerage and structured trade services remained stable in FY2016. As a result, segment revenue and PBT were consistently strong compared to the preceding year despite a generally weaker business sentiment.

Engineering Services

Engineering maintenance services delivered improved results but there were fewer design-and-build projects handled during FY2016. As a result, segment revenue and PBT decreased by 8% and 25% respectively.

For FY2016, group revenue contribution mix was Logistics Services 9%; Commodity Marketing 88%; Financial Services 1%; and Engineering Services 2%. Logistics Services and Commodity Marketing are managed on a worldwide basis and the Group operates principally in Singapore, China, other parts of Asia Pacific, Europe, Latin America and Africa. Engineering Services activities are primarily in Singapore while Financial Services operates mainly in China, Singapore and North America.

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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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