



CWT DISTRIBUTION LIMITED

(Company Registration No.: 197000498M)

Third Quarter Financial Statement for the Period Ended 30/09/2004

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 2004

	Three months ended 30 September			Nine months ended 30 September		
	2004	2003	%	2004	2003	%
	S\$'000	S\$'000	Chng	S\$'000	S\$'000	Chng
Revenue	66,566	60,399	10	177,313	164,779	8
Cost Of Sales	(60,509)	(53,750)	13	(160,825)	(147,369)	9
Gross Profits	6,057	6,649	(9)	16,488	17,410	(5)
Other Operating Income	226	2,007	(89)	780	2,467	(68)
Administrative Expenses	(3,248)	(3,180)	2	(9,881)	(9,487)	4
Other Operating Expenses	(1,189)	(1,372)	(13)	(3,129)	(3,244)	(4)
Share Of Loss						
- Associates	(6)	(19)	(68)	(321)	(195)	65
Sub total	(4,217)	(2,564)	64	(12,551)	(10,459)	20
Profit before interest & tax	1,840	4,085	(55)	3,937	6,951	(43)
Finance Income	43	17	153	129	85	52
Finance Costs	(220)	(257)	(14)	(593)	(796)	(26)
Profit before taxation	1,663	3,845	(57)	3,473	6,240	(44)
Taxation	(359)	(530)	(32)	(322)	(1,579)	(80)
Profit after taxation	1,304	3,315	(61)	3,151	4,661	(32)
Minority Interest (MI)	(286)	(285)	0	(857)	(1,238)	(31)
Net Profit attributable to shareholders	1,018	3,030	(66)	2,294	3,423	(33)

Note:

The 3Q03 comparatives had been restated to take into consideration the change in accounting policy for consolidation of its jointly owned entities.

The 3Q03 comparatives were not restated for the reclassification of two of the Group's subsidiaries to an associated company & other investment. The financial impact of the reclassification for 3Q03 and YTD 3Q03 were (S\$39,000) and (S\$573,000) respectively.

Certain items in the comparative figures have been reclassified to conform with the current year's presentation.

1(a)(ii) Notes to Income Statement**Additional Disclosure items**

	Quarter Ended 30 September		Nine Months Ended 30 September	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Allowance made for doubtful debts	234	78	523	314
Foreign exchange loss / (gain)	106	(25)	73	111
Depreciation and amortisation	1,464	1,580	4,589	4,964
(Profit)/loss on sale of property, plant and equipment	(14)	14	(86)	30
Profit on sale of investments	0	1,328	0	1,332
Bad debts recovered	45	44	45	44
Waiver of debts by creditors	0	462	0	462
Write back of deferred tax (Note 1)	0	0	690	0

Note 1

Write back of deferred tax arising from the reduction in Singapore corporate tax rate from 22% to 20%.

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 2004

	Group		Company	
	30 Sept 2004 S\$'000	31 Dec 2003 S\$'000	30 Sept 2004 S\$'000	31 Dec 2003 S\$'000
Non-current assets				
Intangibles	534	688	-	30
Property, plant and equipment	105,226	108,108	69,471	71,301
Goodwill on consolidation	2,432	2,665	-	-
Interests in subsidiaries	-	-	18,674	18,674
Investments in associates	2,397	2,746	1,438	1,438
Investments in jointly-controlled entities	-	-	4,092	4,092
Other investments	169	380	95	95
Other receivables	129	235	129	120
	<u>110,887</u>	<u>114,822</u>	<u>93,899</u>	<u>95,750</u>
Current assets				
Inventories	468	482	376	441
Trade and other receivables	41,174	41,128	19,192	20,451
Cash and cash equivalents	12,104	9,911	1,286	1,291
Tax Recoverable	497	465	497	465
	<u>54,243</u>	<u>51,986</u>	<u>21,351</u>	<u>22,648</u>
Less : Current liabilities				
Bank overdrafts (unsecured)	168	461	-	-
Trade and other payables	31,303	28,271	11,060	10,841
Interest-bearing borrowings	24,930	26,173	22,000	23,750
Current tax payable	1,249	1,770	-	-
Provisions	56	77	56	50
	<u>57,706</u>	<u>56,752</u>	<u>33,116</u>	<u>34,641</u>
Net current liabilities	(3,463)	(4,766)	(11,765)	(11,993)
Less :				
Non-current liabilities				
Interest bearing borrowings	2,542	3,445	-	-
Deferred tax liabilities	7,648	8,405	5,258	5,802
	<u>10,190</u>	<u>11,850</u>	<u>5,258</u>	<u>5,802</u>
Minority interest	10,025	10,042	-	-
Net assets	<u>87,209</u>	<u>88,164</u>	<u>76,876</u>	<u>77,955</u>
Share capital & Reserves				
Share Capital	37,525	37,525	37,525	37,525
Share Premium	927	927	927	927
Non-distributable Capital Reserve	445	445	-	-
Statutory Reserve	51	51	-	-
Translation Reserves	(19)	228	-	-
Revenue Reserves	48,988	50,918	39,502	42,696
Current Year Profit/(Loss)	2,294	997	1,924	(266)
Dividends Paid	(3,002)	(2,927)	(3,002)	(2,927)
	<u>87,209</u>	<u>88,164</u>	<u>76,876</u>	<u>77,955</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 30/09/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
167	24,763	384	25,789

Amount repayable after one year

As at 30/09/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
1,277	1,265	1,268	2,177

Details of any collateral

The secured loans are made by a jointly controlled entity on all its property, plant & equipment and book debts as well as by a subsidiary on its leasehold building.

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 2004**

	2004	2003
	S\$'000	S\$'000
Operating activities		
Profit from ordinary activities before taxation	1,663	3,845
Adjustments for:		
Amortisation of goodwill	79	75
Interest expense	220	185
Interest income	(43)	(16)
Depreciation	1,365	1,465
Gain on sale of investment	-	(1,328)
Share of loss of associates	6	19
Profit on sale of property, plant and equipment	(14)	(14)
Amortisation of software	20	-
Allowance made for doubtful debts	357	78
Operating profit before working capital changes	<u>3,653</u>	<u>4,309</u>
Change in working capital:-		
Inventories	219	146
Trade and other receivables	(1,343)	(4,034)
Trade and other payables	1,398	436
Cash generated from operations	<u>3,927</u>	<u>857</u>
Income taxes paid	(367)	(755)
Cash flows from operating activities	<u><u>3,560</u></u>	<u><u>102</u></u>
Investing activities		
Interest received	43	16
Purchase of property, plant and equipment / intangibles	(823)	(693)
Proceed from redemption of investment	417	20
Acquisition of other financial assets	-	(7)
Proceeds from disposal of subsidiaries	-	1,268
Cash flows from/(used in) investing activities	<u><u>(363)</u></u>	<u><u>604</u></u>
Financing activities		
Interest paid	(220)	(185)
Repayment of borrowings	(1,561)	(2,999)
Proceeds from drawdown of borrowings	205	1,405
Dividend paid to MI of subsidiaries	(288)	0
Cash flows used in financing activities	<u><u>(1,864)</u></u>	<u><u>(1,779)</u></u>
Net (decrease)/increase in cash and cash equivalents	1,333	(1,073)
Cash and cash equivalents at 1 July	10,413	11,641
Effects of exchange rate changes on balances held in foreign currency	190	(53)
Cash and cash equivalents at 30 September	<u><u>11,936</u></u>	<u><u>10,515</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 2004

Group S\$'000	Share capital	Statutory reserve	Share premium	Undistributable capital reserve	Currency translation	Revenue reserve	Total
At 1 July 2004	37,525	51	927	445	317	47,262	86,527
Translation differences					(336)		(336)
Net profit for the quarter						1,018	1,018
Dividends paid							0
At 30 September 2004	37,525	51	927	445	(19)	48,280	87,209
At 1 July 2003	37,525	28	927	445	190	48,408	87,523
Translation differences					(123)		(123)
Transfers to/(from) reserve		5					5
Net profit for the quarter						3,030	3,030
Dividends paid							0
At 30 September 2003	37,525	33	927	445	67	51,438	90,435
Company							
At 1 July 2004	37,525		927			37,803	76,255
Net profit for the quarter						621	621
Dividends paid							0
At 30 September 2004	37,525	0	927	0	0	38,424	76,876
At 1 July 2003	37,525		927			40,599	79,051
Net profit for the quarter						619	619
Dividends paid							0
At 30 September 2003	37,525	0	927	0	0	41,218	79,670

- 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 adopted the same accounting policies and methods of computation in the financial statements of the current reporting period compared with the audited financial statements as at 31 December 2003.

- 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.**

Not Applicable

- 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 2003: 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 2003: 150,101,550).

EPS (cents)	Three months ended 30 September	
	2004	2003
(a) Basic	0.68	2.02
(b) Diluted	0.68	2.02

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 2004	31 December 2003
NAV per ordinary share (cents)		
- Group	58.10	58.70
- Company	51.22	51.90

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 3Q04)

Group Turnover improved by 10% to \$66.6 million in 3Q04 compared to 3Q03, contributed mainly by Non-Vessel Operating Common Carrier ("NVOCC") business and the logistics services.

Increased freight rates pushed up the turnover and cost of sales of NVOCC business. Profit margins were squeezed due to keen competition amidst changing market conditions. Volume of logistics business improved whilst prices remained soft. Consequently, Group Gross Profit fell by 7% to \$6.2M compared to 3Q03.

The movements in administrative expenses and other operating expenses between 3Q04 and 3Q03 arose mainly from backtracking changes in the accounting classifications.

Other Operating Income fell by 89% or \$1.8 million as 3Q03 included a gain on disposal of a subsidiary.

As a result, net profit fell by 66% to \$1 million in 3Q04.

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 having regard to the competitive market condition as anticipated in the previous announcement.

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.**

With the takeover of the controlling shares in CWT by C & P Holdings Pte Ltd on 30/9/2004, a comprehensive review of the operation and business structure of CWT will be carried out to drive profitability. Business wise, more volume is expected to be generated for our logistics and NVOCC businesses with the recovery of the economy. The logistics and NVOCC business landscape continue to experience competition.

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.**

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year ()	Previous Full Year ()
Ordinary	0	0
Preference	0	0
Total	0	0

17. **Interested Party Transactions**

	Sales S\$'000	Purchases S\$'000
Suzue-PSA Cold Storage Pte Ltd	(44)	-
PSA Corporation Limited	-	266

BY ORDER OF THE BOARD

**LYE SIEW HONG
COMPANY SECRETARY
10 November 2004**