



CWT Limited
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All business is transacted only in accordance with the Singapore Logistics Association Standard Trading Conditions. A copy is available upon request.

ANNOUNCEMENT

CWT ACQUIRES PACKING SOLUTIONS BUSINESS

I. Share Sale and Purchase Agreement

The Board of Directors of CWT Limited (“CWT” or the “Company”) wishes to announce that the Company has entered into a Share Sale and Purchase Agreement (“SPA”) to acquire 95% of the total issued shares of Teng Lee Green Pack Pte Ltd (“Teng Lee”), together with the entire shareholding stake in its associated entity Citi Pack Pte Ltd, for a total purchase consideration of S\$19.475 million (“Consideration”), subject to the terms as provided under the SPA (collectively the “Acquisition”). The balance 5% shares will be held equally by two key management members of Teng Lee and are subject to a CWT buy-back at the same terms of consideration at the end of two years from the date of completion of the Acquisition.

Established in 1979, Teng Lee’s core business has developed from timber sawmilling into a wooden pallet supply chain management company providing industrial packing, onsite packing and logistics services. Pallet supply chain entails timber sourcing, manufacturing control, heat treatment services, just-in-time delivery to customers and onsite packing and logistics services. Teng Lee has a proven track record of managing pallet supply chain and industrial packing solutions to a group of key multinational customers (MNCs). Teng Lee is the largest pallet supplier in Singapore with approximately 40% market share of the total supply of wooden pallets with heat treatment in Singapore.

II. Rationale

The Acquisition is made to further beef up CWT’s logistics solutions and extend value-add to its customers by providing them with a one-stop solution in Singapore from warehousing to packaging, packing supply and services to the movement and distribution of goods. The Acquisition allows CWT to gain immediate and substantial market share in the pallet market through Teng Lee, which services mainly MNCs, of whom a majority are from the chemical industry. With the combined strengths, CWT and Teng Lee will now be able to offer even broader logistics solutions to their customers. In addition, growing developments of chemical companies on Jurong Island are expected to present huge opportunities for pallet supply chain and packaging/packing solutions.

III. Consideration

The Consideration has been determined on a willing-buyer-willing-seller basis, and takes into account the net asset value, profitability and track record of Teng Lee, its management strengths and capabilities, its business contracts and customer relationships, the results of the financial due diligence and CWT’s assessment of the business and prospects of Teng Lee, including its potential synergy with the CWT Group.

Under the SPA, the Consideration will be fully paid in cash upfront upon the completion of the Acquisition. The two key management members will each sign with Teng Lee a 4-year service contract with an option of another 4 years and extendable. They will also be allowed to exercise Put & Call options of their shares no later than two years from the date of completion of the Acquisition.

IV. Financial Effects

Funded by borrowings, the Acquisition is not expected to have any material impact on the Company's earnings per share and net tangible assets per share for the current financial year ending 31 December 2014.

V. Interest of Directors and Controlling Shareholder

None of the Directors or controlling shareholder of the Company has any interest, direct or indirect, in the Acquisition.

VI. Documents for Inspection

In the meantime, a copy of the SPA is available for inspection at the registered office of the Company at 38 Tanjong Penjuru, CWT Logistics Hub 1, Singapore 609039 during normal business hours for a period of three (3) months commencing from the date of this Announcement.

By Order of the Board

Lye Siew Hong – Lynda Goh
Company Secretary
CWT Limited
24 January 2014

About CWT Group

CWT is a leading solutions provider of integrated logistics and supply chain management committed to connecting world trade and sustainable development. A Forbes Asia Fab 50 company, CWT serves the spectrum from small establishments to multinational corporations across multiple markets and geographies. Leveraging its strength and scale in logistics competencies, infrastructure and global network, CWT delivers solutions that help customers succeed and communities thrive. CWT has built a diversified portfolio around its core logistics capabilities. CWT provides commodity supply chain management for base metals and energy products. It is also engaged in engineering services for buildings, facilities and equipment fleet; property management; brokering services for exchange listed products; and asset and trust management for Cache Logistics Trust, a logistics property REIT. CWT is a Singapore corporation established in 1970 and traded on the Singapore Exchange since 1993. CWT employs around 6,000 people and reported revenue of S\$5,397 million in 2012. For more information, visit www.cwtlimited.com.

For more information, contact:

CWT Limited

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