

# COGENT HOLDINGS LIMITED

(Co. Reg. No. 200710813D)

(Incorporated in Singapore)

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## PROPOSED DISPOSAL OF PROPERTY AT NO. 1 CHIA PING ROAD, SINGAPORE 619967 - GRANT OF OPTION TO PURCHASE (THE "PROPOSED DISPOSAL")

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### 1. INTRODUCTION

The Board of Directors of Cogent Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that SH Cogent Logistics Pte Ltd (the "**Vendor**"), a wholly-owned subsidiary of the Company, has on 30 July 2013 granted an option to purchase (the "**Option to Purchase**") to Crane World Asia Pte Ltd. (Company Registration No. 201007930G) and/or its nominee(s) (the "**Purchaser**"), in consideration of Singapore Dollars One Hundred Thousand only (\$100,000.00) (hereinafter referred to as the "**Option Money**") pursuant to which the Purchaser has an option to purchase the Vendor's property at No. 1 Chia Ping Road, Singapore 619967 (the "**Property**") on the terms and subject to the conditions set out in the Option to Purchase.

### 2. THE PROPERTY

The Property comprises a land area of approximately 14,900 square metres. The Property is currently used for warehousing & related logistics services, engineering and handling of automobiles.

### 3. RATIONALE FOR THE PROPOSED DISPOSAL

The rationale for the Proposed Disposal is to consolidate and rationalise the Group's logistics operations. As part of this consolidation, the Group intends to reallocate its warehousing capabilities and resources, enhance coordination among its existing operations and broaden its customer bases at its other facilities.

The Proposed Disposal will also enable the Group to unlock shareholders' value, improve its cash flows and gearing, thereby resulting in a more efficient use of capital.

### 4. THE PROPOSED DISPOSAL

The salient terms of the Option to Purchase are, *inter alia*, as follows:-

- (i) The sale price of the Property is Singapore Dollars Ten Million only (S\$10,000,000.00) (hereinafter called the "**Sale Price**");
- (ii) The Property is sold free from any and all notices of intended acquisition or acquisition being served on or affecting the Property. In the event that the Property or any part thereof is affected by any notice of intended acquisition or acquisition by the government or any other competent authority or body, then the Purchaser shall be entitled to elect to rescind the Proposed Disposal and if the Purchaser so elects, the Vendor shall refund to the Purchaser all monies paid by the Purchaser pursuant to the Option to Purchase and upon refund, the Option to Purchase shall become null and void. Neither party shall have any claims or demands whatsoever against the other for costs damages or otherwise.
- (iii) The Purchaser shall exercise the Option to Purchase by 4.00 p.m. on 13 August 2013 ("**Expiry Date**");

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- (iv) This Option to Purchase shall be exercised by the Purchaser by signing the acceptance copy and delivering this Option duly signed to the Vendor's solicitors together with the payment of Singapore Dollars Four Hundred Thousand only (S\$400,000.00) (hereinafter called the "**Deposit**") equivalent to five per cent (5%) of the Sale Price (less the Option Money of S\$100,000.00) on or before the Expiry Date. The said payment of S\$400,000.00 shall be made by way of cheque or cashier's order, and the latter to be held by the Vendor's solicitors as stakeholders pending completion;
- (v) The Property is sold subject to all restrictive and other covenants and conditions but otherwise free from encumbrances on completion;
- (vi) The Property is sold in its present state and condition on an "as is where is" basis and the Purchaser shall be deemed to have *inter alia* inspected the Property and to buy with full knowledge and notice of the Property and the Purchaser shall not be entitled to make or raise any objection or requisition whatsoever in respect thereof;
- (vii) In the event any of the JTC approval for the Proposed Disposal is not obtained or shall be refused by the conditional date, or such other extended date as may be mutually agreed in writing by the Vendor and the Purchaser, and the failure to obtain such JTC approval is not due to any act, default or omission on the part of the Vendor or the Purchaser as the case may be, the Proposed Disposal shall become null and void and the Vendor shall refund to the Purchaser all monies paid herein without any interest compensation or deduction whatsoever and thereafter, neither party shall have any claim against the other party for damages, costs or otherwise whatsoever in the matter and each party shall bear their own solicitors' costs in the matter; and
- (viii) The Property is sold subject to the existing two (2) tenancies and the existing six (6) logistics service agreements that are still subsisting on completion, and the Purchaser shall accept vacant possession of the part or parts of the Property that fall vacant on or before completion. The aggregate security deposits held by the Vendor for the aforesaid tenancy agreements and logistics service agreements shall be transferred to the Purchaser on completion without any deductions whatsoever, whether on account of arrears of rental or service charges (if any) or otherwise.

### 5. CONDITIONS PRECEDENT

The Option to Purchase provides for the following conditions precedents *inter alia*:

- (i) The sale and purchase of the Property is subject to satisfactory replies to the legal requisitions to be undertaken by the Purchaser's solicitors;
- (ii) The sale herein is also subject to the written approval of Jurong Town Corporation, (hereinafter called "**JTC**"), the National Environment Agency and all other relevant authorities being obtained:-
  - (a) for the sale by the Vendor and the purchase by the Purchaser of all the interests of the Vendor in the Property; and
  - (b) for the change of use of the Property,

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(collectively called the "JTC approval") within three (3) months from the date of the exercise of this Option, or a further extension of three (3) months in the event JTC approval is not obtained within the first 3 months, or such other extended date as may be mutually agreed in writing by the Vendor and the Purchaser (the "conditional date");

- (iii) The Purchaser shall within two (2) weeks from the date of exercise of this Option deliver to the Vendor or their solicitors the prescribed JTC joint application form duly completed by the Purchaser and the Vendor shall complete their portion of the joint application form and submit the same to JTC within seven (7) Business Days from the date of receipt of the joint application form from the Purchaser; and
- (iv) The Proposed Disposal shall be completed within twelve (12) weeks from (a) the conditional date; (b) the date of satisfactory completion of the Environmental Baseline Study ("EBS") if written notification ("EBS Notice") is served by JTC; (c) the date of completion of the relevant decontamination works to the satisfaction of JTC if the relevant remediation notice is served by JTC; or (d) such other date as the parties may both agree to in writing, whichever is later.

### 6. RULE 1006 OF THE SGX-ST LISTING MANUAL

Based on the latest announced audited financial statements of the Group for the financial year ended 31 December 2012, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual of the SGX-ST are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value <sup>(1)</sup>	5.6%
(b)	Net profit <sup>(2)</sup> before tax and minority interest attributable to the assets to be disposed of, compared with the Group's net profits	6.4%
(c)	Aggregate value of the consideration to be received, compared with the Company's market capitalisation on 29 July 2013, being the market day preceding the date of the Option to Purchase <sup>(3)</sup>	8.4%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable

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### Notes:

- (1) Based on the Group's latest announced audited financial statements for the financial year ended 31 December 2012, assuming the disposal was effected on 31 December 2012.
- (2) Under Rule 1002(3)(b), "net profit" means profit before income tax, minority interests and extraordinary items. The Group's net profit was approximately S\$7,759,000 for the year ended 31 December 2012 ("FY2012") and the aggregate net profit attributable to the Property was approximately S\$495,000 for FY2012.
- (3) This represents the Sale Price as a percentage of the Company's market capitalisation of S\$119,481,450 on 29 July 2013.

Based on the relative figures computed above, the Proposed Disposal is a disclosable transaction for purposes of Chapter 10 of the Listing Manual of the SGX-ST and therefore approval of shareholders of the Company (the "Shareholders") is not required.

### 7. IMPACT OF PROPOSED DISPOSAL ON THE GROUP'S BUSINESSES

As the Property does not constitute a material and integral part of the Group's core assets, the Proposed Disposal will neither have any material impact on the Group's businesses nor result in any material change to the nature of the Group's businesses.

### 8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal on the Company's consolidated net tangible assets ("**NTA**"), consolidated Earnings Per Share ("**EPS**") and gearing ratio are set out below, and have been prepared on the basis that the Proposed Disposal had taken place:

- (i) for the purpose of the balance sheet, as at 31 December 2012, being the date to which the latest full year audited financial statements of the Company were made up; and
- (ii) for the purpose of the profit and loss account, from 1 January 2012 being the start of the latest audited financial year.

The pro forma financial effects of the Proposed Disposal on the consolidated NTA and consolidated EPS of the Company are purely for illustrative purposes only. The financial effects stated below are neither indicative of the actual financial effects of the Proposed Disposal on the consolidated NTA and consolidated EPS of the Company, nor are they indicative of the financial performance of the Company for the financial year ended 31 December 2012 ("**FY2012**").

#### (a) EPS

The pro forma financial effects of the Proposed Disposal on the earnings per share of the Company for FY2012, assuming that the Proposed Disposal had been effected as at 1 January 2012 are as follows:-

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	Before the Proposed Disposal	After the Proposed Disposal
Net profit after tax (S\$ '000)	7,759	13,703
Weighted average number of shares ('000)	478,500	478,500
Earnings per Share (S\$ cents)	1.62	2.86

(b) NTA

The pro forma financial effects of the Proposed Disposal on the NTA of the Company as at 31 December 2012, assuming that the Proposed Disposal had been effected as at 31 December 2012 are as follows:-

	Before adjusting for the Proposed Disposal	After adjusting for the Proposed Disposal
NTA (S\$ '000)	63,769	70,207
NTA per share (S\$ cents)	13.33	14.67

(c) Gearing

The pro forma financial effects of the Proposed Disposal on the gearing of the Group for FY2012, assuming that the Proposed Disposal had been effected as at 31 December 2012 are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Total borrowings (S\$ '000)	5,595	3,826
Total equity (S\$ '000)	63,769	70,207
Gearing (times) <sup>(4)</sup>	0.09	0.05

**Note:**

(4) Gearing equals total borrowings divided by total equity.

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### 9. VALUE OF THE PROPERTY AND GAIN ON DISPOSAL

As at 31 December 2012, the net book value ("NBV") of the Property was approximately S\$3,561,000. Given that the Sale Price represents an excess over the NBV of the Property, the Proposed Disposal will result in a gross gain of approximately S\$6,439,000.

### 10. USE OF PROCEEDS

The proceeds from the Proposed Disposal will be deployed to meet the general working capital requirements of the Group.

### 11. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholding interests in the Company).

### 12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Option to Purchase will be made available for inspection during normal business hours of the Company for three (3) months from the date of this announcement at 7 Penjuru Close #05-00 Singapore 608779.

### 13. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Disposal and other matters contemplated by this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Tan Yeow Khoon  
Executive Chairman and Chief Executive Officer  
30 July 2013