

## COGENT HOLDINGS LIMITED

(Registration No: 200710813D)

(Incorporated in the Republic of Singapore)

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### INTERESTED PERSON TRANSACTION – LEASE OF SHOP AT THE GRANDSTAND TO PHOENIX WINES PTE. LTD.

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#### 1. INTRODUCTION

On or about 2 November 2012, Cogent Land Capital Pte Ltd (**CLC**) a wholly-owned subsidiary of Cogent Holdings Limited (**Company**) had entered into a lease agreement with Phoenix Wines Pte. Ltd. (**Phoenix**) (as tenant) for the lease of a shop unit (**Shop Unit**) at The Grandstand (**Shop Lease**). Phoenix is a company wholly-owned by Tan Meng Chong, Manfred, the son of Mr Tan Yeow Khoon, the chief executive officer and a substantial shareholder of the Company (**Mr Tan**). Accordingly, Phoenix is an interested person for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (**SGX-ST**) and the Shop Lease constitutes an interested person transaction (**Interested Person Transaction**) under the purpose of Chapter 9 of the SGX-ST Listing Manual.

#### 2. PRINCIPAL TERMS OF THE SHOP LEASE

Under the terms of the Shop Lease, Phoenix will lease from CLC for the purpose of retail of a wine shop. The Shop Lease is for a term of 2 years and 3 months for an area of 870 square feet (comprising 750 square feet of retail space and 120 square feet of storage space) at an aggregate monthly rental of \$4,000 per month including service charge. The term of the Shop Lease commenced on 1 December 2012 (upon the expiry of a one month rent-free period commencing on 1 November 2012 and expiring on 30 November 2012). Under the Shop Lease, Phoenix has an option to renew the Shop Lease for another three years at the then revised rent to be agreed and on such other terms and conditions as may be imposed by CLC.

#### 3. RATIONALE

The gross rent of the Shop Lease was arrived at after taking into consideration, *inter alia*, the size and location of the Shop Unit within The Grandstand, and is considered fair and reasonable, having regard to the prevailing market conditions and achievable rents for leases of shop units in and in the vicinity of The Grandstand.

#### 4. VALUE OF INTERESTED PERSON TRANSACTION

Based on the audited financial statements of the Group for the financial year ended 31 December 2011, the audited consolidated net tangible assets value (**NTA**) of the Group was S\$56,010,000. The transaction value of the Shop Lease is S\$108,000. The value of the transaction under the Shop Lease therefore represents approximately 0.19% of the Group's audited NTA as at 31 December 2011.

The aggregate value of the Shop Lease and other Interested Person Transactions entered into with Mr Tan and his associates, in the financial year ended 31 December 2012 represents approximately 4.46% of the NTA of the Group as at 31 December 2011.

The aggregate value of Interested Person Transactions entered into during the financial year ended 31 December 2012 which falls under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
SH Design & Build Pte Ltd		
- Construction of integrated logistics hub <sup>(1)</sup>	(17,270) <sup>(1)</sup>	Not applicable
- Purchase of renovation services	(2,100)	Not applicable
Phoenix Wines Pte Ltd		
- Shop Lease	108	Not applicable

Note:

(1) Approval obtained from shareholders at the extraordinary general meeting of the Company held on 27 June 2012

The Board of Directors (**Board**) of the Company also refers to the two (2) announcements, issued on 7 May 2012 in relation to the additions and alterations works in relation to The Grandstand, 200 Turf Club Road, Singapore 287994 (**Earlier Announcements**).

As the aggregate value of the A&A Awards and other Interested Person Transactions entered into with Mr Tan and his associates for the financial year ended 31 December 2012 represents more than 3% but less than 5% of the NTA of the Group, accordingly, under Rule 905(2) of the Listing Manual, the Company was required to make an immediate announcement of all future transactions entered into with that same interested person during that financial year including the Shop Lease.

At the time of entry into of the Shop Lease, due to an inadvertent calculation, the value of the Shop Lease was treated as a transaction below \$100,000 and was not announced pursuant to Rule 905(3) of the Listing Manual. However, the value of the Shop Lease has since been determined at \$108,000 and the details of the Shop Lease are being disclosed in this announcement in compliance with Rule 905(2) of the Listing Manual.

## 5. STATEMENT BY AUDIT COMMITTEE

The Audit Committee which comprises the independent directors of the Company, has reviewed the terms of the Shop Lease, and is of the view that the transaction is on normal commercial terms and is not prejudicial to the interest of the Group and its minority shareholders.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

As Phoenix is a company wholly owned by the immediate family member of Mr Tan, Mr Tan and his associates have abstained from deliberations regarding, and voting on the approval of the Shop Lease.

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company has an interest, direct or indirect, in the Shop Lease other than interests arising by virtue of their shareholdings in the Company.

### **By Order of the Board**

Tan Yeow Khoon

Executive Chairman & CEO

30 April 2013