COGENT HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200710813D)

Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2013

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income

	Group		
	6 months ended 30.06.13 $'000	6 months ended 30.06.12 $'000	Change %
Revenue	56,436	42,751	32%
Other operating income	499	178	180%
Cost of services	(30,938)	(25,698)	20%
Employee benefits expenses	(10,388)	(8,413)	23%
Depreciation	(3,241)	(2,722)	19%
Other operating expenses	(3,155)	(2,741)	15%
Finance costs	(75)	(105)	-29%
Share of loss of joint ventures	(61)	(169)	-64%
Profit before tax	9,077	3,081	195%
Income tax expense	(1,759)	(635)	177%
Profit for the period, representing total comprehensive income for the period attributable to owners of the Company	7,318	2,446	199%

1(a) (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year

Profit for the period is arrived at after crediting (charging) the following:

	Group		
	6 months ended 30.06.13 $'000	6 months ended 30.06.12 $'000	Change %
(Loss)/Gain from disposal of property, plant and equipment	(21)	58	n/m
Interest income	26	40	-35%
Write back of/(allowance for) doubtful debts and bad debts written off, net	3	(29)	n/m
Deferred income	500	500	0%
Interest on borrowings	(75)	(105)	-29%

n/m: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of financial position

	Group		Company	
	30.06.13	31.12.12	30.06.13	31.12.12
	$'000	$'000	$'000	$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	36,376	35,575	6,877	9,284
Trade receivables	16,706	16,454	5,806	3,704
Other receivables	5,646	3,890	418	1,681
Held-for-trading investments	27	23	-	-
Total current assets	58,755	55,942	13,101	14,669
Non-current assets				
Property, plant and equipment	74,254	49,018	7	8
Investment in subsidiaries	-	-	34,984	34,984
Investment in joint ventures	356	417	-	-
Other investment	36	36	-	-
Other receivables	1,809	2,228	-	-
Total non-current assets	76,455	51,699	34,991	34,992
Total assets	135,210	107,641	48,092	49,661
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank overdrafts and loans	597	1,007	-	-
Current portion of deferred income	1,000	1,000	-	-
Current portion of finance leases	1,091	1,187	-	-
Trade payables	5,963	5,530	68	78
Other payables	27,591	21,714	1,557	1,901
Income tax payable	3,241	2,517	2	5
Total current liabilities	39,483	32,955	1,627	1,984
Non-current liabilities				
Bank loans	17,370	1,445	-	-
Deferred income	2,500	3,000	-	-
Other payables	2,815	2,939	-	-
Provision for reinstatement costs	1,150	1,085	-	-
Finance leases	1,334	1,956	-	-
Deferred tax liabilities	428	492	-	-
Total non-current liabilities	25,597	10,917	-	-
Capital and reserves				
Share capital	45,092	45,092	45,092	45,092
Capital reserve	506	506	506	506
Merger reserve	(16,033)	(16,033)	-	-
Accumulated profits	40,565	34,024	867	2,079
Total equity	70,130	63,589	46,465	47,677
Total liabilities and equity	135,210	107,461	48,092	49,661

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	30.06.13		31.12.12	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	1,688	-	2,194	-
Amount repayable after one year	18,704	-	3,401	-

Details of any collateral:

Total bank borrowings are secured by the following:-
- a first mortgage over certain properties of a subsidiary;
- fixed and floating charge over all assets of a subsidiary;
- an assignment of the rights, interests and benefits arising under the construction contract and performance bonds relating to the construction of a property ("Property");
- an assignment of the rights, interests and benefits arising under the insurance policies relating to the construction of the Property; and
- corporate guarantee.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows

	Group	
	6 months ended 30.06.13 $'000	6 months ended 30.06.12 $'000
Cash flows from operating activities:		
Profit before tax	9,077	3,081
Add/(less):		
Depreciation of property, plant and equipment	3,241	2,722
Interest expense	75	105
Interest income	(26)	(40)
(Write back of)/allowance for doubtful debts and bad debts written off, net	(3)	29
Deferred income	(500)	(500)
Share of loss of joint ventures	61	169
Fixed asset written off	-	11
Loss/(Gain) from disposal of property, plant and equipment	21	(58)
Fair value gain on held-for-trading investment	(4)	-
Operating profit before working capital changes	11,942	5,519
Trade receivables	(249)	1,630
Other receivables	(1,337)	(1,180)
Trade payables	433	1,288
Other payables	5,753	7,553
Cash generated from operations	16,542	14,810
Income taxes paid	(1,099)	(915)
Net cash generated from operating activities	15,443	13,895
Cash flows from investing activities:		
Interest received	26	40
Investment in joint ventures	-	(100)
Purchase of property, plant and equipment (Note A)	(28,560)	(3,076)
Proceeds from disposal of property, plant and equipment	127	86
Net cash (used in) investing activities	(28,407)	(3,050)
Cash flows from financing activities:		
Interest paid	(75)	(105)
Dividends paid	(957)	-
Obligations under finance leases	(718)	(451)
New bank borrowings raised	16,359	-
Repayment of bank loans	(844)	(810)
Pledged deposits	(3,099)	47
Net cash generated from/(used in) financing activities	10,666	(1,319)

Consolidated statement of cash flows (… cont'd)

	Group	
	6 months ended 30.06.13	6 months ended 30.06.12
	$'000	$'000
Net (decrease)/increase in cash and cash equivalents	(2,298)	9,526
Cash and cash equivalents at beginning of period	32,225	32,079
Cash and cash equivalents at end of period (Note B)	29,927	41,605

Note A

During 1HFY2013, the Group acquired property, plant and equipment at an aggregate cost of $28,560,000 of which $16,359,000 were acquired under term loan. Cash payment of $12,201,000 were made to purchase property, plant and equipment.

Note B

Cash and cash equivalents consist of the following:-

	Group	
	30.06.13	30.06.12
	$'000	$'000
Cash and bank balances	36,376	45,051
Less: Pledged deposits	(6,449)	(3,446)
Cash and cash equivalents	29,927	41,605

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.

Group	Attributable to shareholders of the Company				
	Share Capital	Merger reserve	Capital reserve	Accumulated profits	Total
	$'000	$'000	$'000	$'000	$'000
At 1 January 2012	45,092	(16,033)	506	26,445	56,010
Total comprehensive income for the period	-	-	-	2,446	2,446
At 30 June 2012	45,092	(16,033)	506	28,891	58,456
At 1 January 2013	45,092	(16,033)	506	34,204	63,769
Dividends	-	-	-	(957)	(957)
Total comprehensive income for the period	-	-	-	7,318	7,318
At 30 June 2013	45,092	(16,033)	506	40,565	70,130

Company	Attributable to shareholders of the Company			
	Share Capital	Capital reserve	Accumulated profits	Total
	$'000	$'000	$'000	$'000
At 1 January 2012	45,092	506	177	45,775
Total comprehensive income for the period	-	-	688	688
At 30 June 2012	45,092	506	865	46,463
At 1 January 2013	45,092	506	2,079	47,677
Dividends	-	-	(957)	(957)
Total comprehensive loss for the period	-	-	(255)	(255)
At 30 June 2013	45,092	506	867	46,465

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

There was no change in the Company's share capital for the 6 months ended 30 June 2013. There are no outstanding convertibles or shares held as treasury shares as at 30 June 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.06.13	31.12.12
Number of ordinary shares	478,500,000	478,500,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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 auditors' 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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited consolidated financial statements as at 31 December 2012, a.k.a. applicable Financial Reporting Standards ("FRS"), which became effective for financial year beginning on or after 1 January 2013.

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.

None.

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:
(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	6 months ended 30.06.13	6 months ended 30.06.12
Profit attributable to shareholders of the Company ($'000)	7,318	2,446
Weighted average number of ordinary shares on issue during the period ('000)	478,500	478,500
Basic and diluted earnings per ordinary share (cents)	1.53	0.51

The basic and diluted earnings per ordinary share for the period ended 30 June 2013 has been calculated based on profit attributable to shareholders of approximately $7,318,000 divided by the weighted average number of ordinary shares of approximately 478,500,000 in issue during the financial period.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.06.13 (cents)	31.12.12 (cents)	30.06.13 (cents)	31.12.12 (cents)
Net asset[A] value per ordinary share[B]	14.66	13.30	9.71	10.00

[A] Net asset refers to shareholders' funds

[B] Based on the total number of issued shares of approximately of 478,500,000 shares.

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.

Revenue

For the 6 months ended 30 June 2013 ("1HFY2013"), the Group generated revenue of $56.4 million, which represents an increase of $13.7 million or 32% over that of prior comparative period ("1HFY2012"). The increase in revenue was due to the following:

i) growth in business volume coupled with service rate revision across the Group's Transportation Management Service, Warehousing and Container Depot Management Services segments; and
ii) increased revenue from the Group's operations at The Grandstand.

Other operating income

The Group's other operating income increased by $0.3 million, or 180%, from $0.2 million to $0.5 million in 1HFY2013. The increase was largely attributable to foreign exchange gain, monetary award for success in The Next Generation Container Port (NGCP) Challenge, and forfeiture of customers' deposits.

Cost of services

The Group's cost of services increased by $5.2 million, or 20%, from $25.7 million to $30.9 million in 1HFY2013. The increase was largely due to the following:

- increase in rental and utility costs attributable to 6 months' operations at The Grandstand during 1HFY2013 (1HFY2012: 4 months' operations);
- increase in rental cost at certain warehousing facilities; and
- increase in certain variable costs incurred to generate higher revenue, notably in the warehousing management services.

Expenses

Employee benefits expenses increased by $2.0 million, or 23%, from $8.4 million to $10.4 million in 1HFY2013. The increase was mainly due to higher provision for profit-based bonus, 6 months of operations at The Grandstand during 1HFY2013 (1HFY2012: 4 months), and increase in staff count.

Depreciation charges increased by $0.5 million, or 19%, from $2.7 million to $3.2 million. The increase was largely attributable to depreciation on renovation works completed at The Grandstand.

Other operating expenses increased by $0.4 million, or 15%, from $2.7 million to $3.2 million. The increase was mainly due to the increase in advertising expenses and repair and maintenance of business premises;

Finance cost decreased by 29% due to further repayment of bank term loans and finance leases.

Profitability

The Group's net profit after tax significantly increased by $4.9 million, or 199%, from $2.4 million in 1HFY2012 to $7.3 million in 1HFY2013. The improvement was the result of stronger performance achieved by most of the Group's core operations, notably the Warehousing and Container Depot Management Services segment, Automotive Logistics Management Service segment and the Property Management Service segment. The Transportation Management Service segment registered higher revenue but delivered lower profit in 1HFY2013 due to an increase in operating overheads.

Assets and liabilities

Current assets increased by $2.8 million, or 5%, from $55.9 million as at 31 December 2012 to $58.8 million as at 30 June 2013. The increase was largely due to the following:

i) increase of $0.8 million in cash and bank balance; and
ii) increase of $1.8 million in other receivable due to increase in deposits placed with suppliers and increase in prepayments.

Non-current assets increased by $24.8 million, or 48%, from $51.7 million as at 31 December 2012 to $76.5 million as at 30 June 2013. The increase resulted mainly from the following:

i) increase of $25.2 million in property, plant and equipment largely due to $27.0 million cost invested in constructing the integrated logistics hub, offset by depreciation charges;
ii) decrease of $0.4 million in non-current other receivables, mainly due to amortisation of trade discounts granted to customers and decrease in prepayments.

Current liabilities increased by $6.5 million, or 20%, from $33.0 million as at 31 December 2012 to $39.5 million as at 30 June 2013. The increase was mainly due to the following:

i) increase of $5.9 million in other payables largely due to increase in retention sum payable and income received in advance; and
ii) increase of $0.7 million in income tax payable.

Non-current liabilities increased by $14.7 million, or 134%, from $10.9 million as at 31 December 2012 to $25.6 million as at 30 June 2013. The increase was mainly due to the following:

i) increase of $15.9 million in bank loan as fresh loan was drawn down to finance the integrated logistics hub construction, offset by repayment of other existing loan balances;
ii) decrease of $0.5 million in deferred income due to amortisation of deferred income; and
iii) decrease of $0.6 million in finance leases due to further repayment of finance lease installments.

Cash flows

During 1HFY2013, the Group's cash and cash equivalents decreased by $2.3 million from $32.2 million as at 31 December 2012 to $29.9 million as at 30 June 2013.

Net cash generated from operating activities was $15.4 million in 1HFY2013 as compared with $13.9 million in 1HFY2012. The improvement was mainly due to higher net operating profit in 1HFY2013, offset by difference in working capital changes.

Net cash used in investing activities was $28.4 million in 1HFY2013 as compared with $3.0 million in 1HFY2012. The increase was primarily due to the construction of the integrated logistics hub.

Net cash generated from financing activities was $10.7 million in 1HFY2013 as compared with net cash used of $1.3 million in 1HFY2012. The difference was mainly due to $16.4 million of bank loan drawn down for financing the construction of the integrated logistics hub, offset by dividend payout of $1.0 million, repayment of existing bank loans and finance leases of $0.3 million, and $3.1 million of increase in pledged deposits.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

The global growth outlook remains uncertain, and the Group continues to work towards consolidating and rationalizing its 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. In navigating the Group towards a better earnings growth track, the Group will continue to explore and focus on suitable value-creating business opportunities that may emerge.

11. If a decision regarding dividend has been made,

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

There is no dividend declared for the current financial period.

(b) (i) Amount per share?

Nil

(ii) Previous corresponding period

There is no dividend declared for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommend by the Board for the current financial period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
SH Design & Build Pte Ltd		
- Fee for use of parking facility	(111)	Not applicable

14 Use of proceeds from rights issue

Intended Use	Balance at 31.12.12	Amount Utilised	Balance at 30.06.13
Proceeds from Rights Issue:			
For construction of integrated logistics hub ($'million)	12.6	(12.6)	-

15 Negative assurance confirmation on Interim Financial Statement

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group for the half year ended 30 June 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Yeow Khoon
Executive Chairman
7 August 2013