

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 159,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF COGENT HOLDINGS LIMITED AT AN ISSUE PRICE OF S\$0.11 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE (AS DEFINED BELOW), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

---

**1. INTRODUCTION**

- 1.1 The Board of Directors (**Directors**) of Cogent Holdings Limited (**Company**, together with its subsidiaries, **Group**) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (**Proposed Rights Issue**) of up to 159,500,000 new ordinary shares in the capital of the Company (**Rights Shares**) at an issue price of S\$0.11 (**Issue Price**) for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (**Shares**) held by the shareholders of the Company (**Shareholders**) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Proposed Rights Issue (**Books Closure Date**), fractional entitlements to be disregarded.
- 1.2 The Rights Shares will be issued pursuant to the authority granted by the share issue mandate that was approved by Shareholders at the annual general meeting held on 26 April 2011 (**Share Issue Mandate**). Pursuant to Shareholders' approval on 26 April 2011, the Directors are authorised to, *inter alia*, issue shares in the Company (**Shares**) whether by way of rights, bonus or otherwise provided that the aggregate number of Shares to be issued shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company.
- 1.3 Kim Eng Corporate Finance Pte. Ltd. (**Manager**) has been appointed by the Company as its manager in respect of the Proposed Rights Issue.

**2. PROPOSED RIGHTS ISSUE**

- 2.1 The Company is proposing to undertake the Proposed Rights Issue, at the Issue Price for each Rights Share on a renounceable basis to Shareholders whose registered addresses with the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (**Share Registrar**) or The Central Depository (Pte) Limited (**CDP**), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (**Entitled Shareholders**).
- 2.2 Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Mainboard of the Singapore Exchange Securities Trading Limited (**SGX-ST**) over a period to be determined by the Directors in compliance with the listing rules of the SGX-ST (**Listing Rules**). Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their

provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue (**Excess Rights Shares**).

- 2.3 Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company, subject to applicable laws and Listing Rules. In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and substantial Shareholders and Directors will rank last in priority. The Company will also not make any allotment and issuance of any Excess Right Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- 2.4 The Rights Shares are payable in full upon acceptance and/or application, details of which are provided for in Section 6 below. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, **Record Date** means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions.
- 2.5 Based on the issued share capital of the Company of 319,000,000 Shares as at the date of this announcement, up to 159,500,000 Rights Shares will be issued pursuant to the Proposed Rights Issue. As at the date of this announcement, the Company has not granted any options under the Cogent Holdings Employee Share Option Scheme or granted any awards of Shares under the Cogent Holdings Performance Share Plan.
- 2.6 The Rights Shares are priced at the Issue Price of S\$0.11 and represents a discount of approximately 10.93% to the weighted average market price of S\$0.1235 per Share on the SGX-ST on 12 August 2011, being the last trading day preceding the release of this announcement.
- 2.7 The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement to be issued by the Company (**Offer Information Statement**) to be lodged by the Company with the Monetary Authority of Singapore, which will be despatched to Entitled Shareholders in due course.

### 3. PURPOSE OF THE PROPOSED RIGHTS ISSUE

- 3.1 The Directors refer to the announcement released by the Company on 12 August 2011 which states that SH Cogent Logistics Pte. Ltd. (**SHCL**), a wholly-owned subsidiary of the Company has on 12 August 2011 accepted a letter of offer dated 11 July 2011 from Jurong Town Corporation (also known as JTC Corporation, **JTC**) in relation to the leasing of the land at L8201011015, Tanjong Kling in Jurong Industrial Estate (**Land**) where SHCL intends to construct a standalone integrated full-service logistics hub on the Land (**Proposed Project**).

- 3.2 The Company intends to use the net proceeds from the Proposed Rights Issue to partially finance the Proposed Project and the balance, if any, to be used for working capital purposes. Please refer to paragraph 5 for further details on the use of the net proceeds from the Proposed Rights Issue.

#### 4. IRREVOCABLE UNDERTAKING

- 4.1 As at the date of this announcement, Mr. Tan Yeow Khoon, the Executive Chairman and CEO of the Company, owns an aggregate of 171,441,000 Shares representing approximately 53.74% of the existing share capital of the Company. To show his support for the Proposed Rights Issue and to demonstrate his commitment to and confidence in the prospects of the Company, Mr Tan Yeow Khoon (**Undertaking Shareholder**) has given an irrevocable undertaking dated 12 August 2011 to the Company that, *inter alia*, he will subscribe and pay for and/or procure the subscription and payment for, in accordance with the terms of the Proposed Rights Issue, not less than 85,720,500 Rights Shares, no later than the last time and date for acceptance and payment for the Rights Shares under the Proposed Rights Issue (**Irrevocable Undertaking**).
- 4.2 The Irrevocable Undertaking is subject to and conditional upon:
- (a) Approval in-principle having been granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST subject to certain conditions being acceptable to the Company (and such approval not having been withdrawn or revoked on or prior to the Closing Date); and
  - (b) the lodgement of the offer information statement in connection with the Proposed Rights Issue together with all other accompanying documents by the Company with the Monetary Authority of Singapore.
- 4.3 The Undertaking Shareholder will not trigger an obligation under the Singapore Code on Take-overs and Mergers to make a general offer for the Shares of the Company in the event that none of the other Shareholders subscribes for the Rights Shares.
- 4.4 In view of the Irrevocable Undertaking and the savings in costs by the Company in respect of underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

#### 5. USE OF THE PROCEEDS FROM THE PROPOSED RIGHTS ISSUE

- 5.1 Assuming that all the Rights Shares have been subscribed for by the Entitled Shareholders and/or applied for under the excess applications (**Maximum Subscription Scenario**), the maximum gross proceeds of the Proposed Rights Issue is approximately S\$17,545,000. Under the Maximum Subscription Scenario, the estimated net proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$320,000, will amount to approximately S\$17,225,000.
- 5.2 Assuming that only the Undertaking Shareholder pursuant to the Irrevocable Undertaking subscribes and/or procures subscription for his provisional allotments of Rights Shares (**Minimum Subscription Scenario**), the minimum gross proceeds of the Proposed Rights Issue, is approximately S\$9,429,255. Under the Minimum Subscription Scenario, the estimated net proceeds of the Proposed Rights issue, after deducting estimated expenses of approximately S\$320,000, will amount to approximately S\$9,109,255 (**Minimum Net Proceeds**).

- 5.3 The Company intends to use the net proceeds from the Proposed Rights Issue to partially finance the Proposed Project and the balance, if any, to be used for working capital purposes.
- 5.4 The Directors are of the reasonable opinion that barring unforeseen circumstances, taking into account the internal resources, proceeds from the Company's initial public offer, current banking facilities, bank borrowings to be taken to finance the Proposed Project, the requirements of the Group and the requirements of the Proposed Project, the Minimum Net Proceeds is the minimum amount to be raised from the Proposed Rights Issue.
- 5.5 The Company will make periodic announcements on the utilisation of the net proceeds from the Proposed Rights Issue as and when such proceeds are materially disbursed and subsequently provide a status report on the specific use of such proceeds and any material deviations therefrom in its annual report.
- 5.6 Pending the deployment of the net proceeds from the Proposed Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis as the Directors may deem appropriate in the interest of the Group.

## 6. ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE

The Company proposes to provisionally allot by way of rights to the Entitled Shareholders, which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

### 6.1 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (**Depositors**) will be provisionally allotted Rights Shares entitlements on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be **Entitled Depositors**, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

### 6.2 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (**Scripholders**) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title by the Share Registrar latest by 5.00 p.m. (Singapore time) on the Books Closure Date by the Share Registrar, in order to be registered to determine the transferee's provisional allotments of Rights Shares entitlements under the Proposed Rights Issue. To be **Entitled Scripholders**, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements under the Proposed Rights Issue.

Persons who bought their Shares previously under the Central Provident Fund Investment Scheme (**CPFIS**) and/or the Supplementary Retirement Scheme (**SRS**) can only accept their provisional allotments of Rights Shares by instructing the relevant banks in which they hold their CPFIS accounts and/or SRS accounts to do so on their behalf.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Proposed Rights Issue.

### 6.3 Foreign Shareholders

The Offer Information Statement will not be registered or lodged in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (**Foreign Shareholders**, any of them, **Foreign Shareholder**).

**Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Issue. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for excess Rights Shares by Foreign Shareholders will be valid.**

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence, such sales may, however be effected if the Company in its absolute discretion, determining that a premium can be obtained from such sale, taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds arising from such sales after deducting all expenses will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made for amounts of less than S\$10.00 to a single Foreign Shareholder, and such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Manager or the Share Registrar in connection therewith.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights

Shares represented by such provisional allotments will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Manager or the Share Registrar in connection therewith.

## **7. APPROVALS**

The Proposed Rights Issue is subject to, *inter alia*, the following:-

- (a) the approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST; and
- (b) the lodgement of the Offer Information Statement with the Monetary Authority of Singapore.

An application will be made by the Company to obtain the SGX-ST's approval for the listing of and quotation for the Rights Shares on the SGX-ST. The Company will announce the receipt of the approval in-principle of the SGX-ST for the Proposed Rights Issue once this is received.

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

None of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Rights Issue (other than through their respective shareholdings in the Company).

## **9. RESPONSIBILITY STATEMENT**

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

## **BY ORDER OF THE BOARD**

Tan Yeow Khoon  
Executive Chairman and CEO  
12 August 2011