COGENT

COGENT HOLDINGS LIMITED

Deliver Excellence Through An Integrated Logistics Service

ANNUAL REPORT 2011

CONTENTS

CORPORATE PROFILE

With an operating history spanning over 30 years, Cogent is one of the leading full-service logistics management services providers in Singapore offering Transportation Management Services, Warehousing and Container Depot Management Services, and Automotive Logistics Management Services predominantly for the OPEC (Oil, Petroleum, Energy and Chemicals) industry. Our customers include large local and international corporations such as A.P. Moller-Maersk A/S, The Polyolefin Company (S) Pte. Ltd., Mitsui O.S.K. Lines and Keppel Fels Limited.

TRANSPORTATION MANAGEMENT SERVICES

We are one of the leading transportation management services providers in Singapore.

WAREHOUSING & CONTAINER DEPOT MANAGEMENT SERVICES

Our container depot is one of the largest in Singapore.

AUTOMOTIVE LOGISTICS MANAGEMENT SERVICES

We focus on the processing, transportation & storage of motor vehicles.services providers in Singapore.

Cogent is also one of the strong players in the chemical logistics management service for non-hazardous and hazardous products. With our in-depth experience, knowledge and technological support in the storage and handling conditions of various classes of chemicals, the Group is well versed in the compliance with HAZMAT training, shipping regulations, National Environment Agency and Singapore Civil Defence Force (SCDF) compliance and Materials Safety Data Sheet (MSDS) reporting.

As an integrated Supply Chain Management (SCM) solutions provider, the Group manages and leases approximately 3.5 million square feet of warehousing space and premises. In addition, Cogent has one of the largest depot premises in Singapore located in a single location which can store more than 20,000 TEUs (Twenty-foot Equivalent Units). Complementing our warehouse and container depot management services, Cogent also offers cost-effective transport solutions that are backed by a strong fleet of approximately 100 prime movers, trucks and lorries and over 400 trailers.

CHAIRMAN'S MESSAGE

Tan Yeow Khoon
Executive Chairman & CEO

Dear Shareholders,

FY2011 was a year of strong growth for our Group with significantly better top line achieved across all its core operations. The Group's revenue surged 20% to S$65.1 million – a record high over the last five years. Despite the higher revenue in FY2011, the Group's net profit after tax declined by 27% to S$3.3 million due to the one-time exceptional gain of S$4.7 million from the disposal of property in FY2010. The Group's earnings per share was 0.94 cent for FY2011.

Driven by an increase in the volume of cargo transportation and handling, notably from the oil & gas and steel industries, our Group's Transport Management Services segment achieved a 27% increase in Group revenue to S$24.7 million. Revenue from the Warehouse and Container Depot Management Services segment rose 17% to S$32.4 million, largely due to the increased demand for warehouse storage, container storage and container repair services. Our Automotive Logistics Management Services segment, which experienced strong demand for the leasing of automotive logistics space, achieved revenue growth of 9% to S$8.1 million during the year in review.

The Group net asset value per share grew from 11.4 cents to 11.7 cents as at 31 December 2011.

BUSINESS PROSPECTS

While Eurozone debt crisis seems to be stabilising, uncertainties continue to loom ahead for the global economy. Our Group will brace itself for possible headwinds that could impede the growth of the Singapore logistics industry, notably the escalating cost of fuel, high rental overheads and tight labour market. We will monitor closely the macro operating environment and calibrate our business approach to ride on the challenges.

Integrated Logistics Hub

Starting this year, our Group will commence the construction of an integrated logistics hub at Tangjong Kling Road. Comprising multi-level warehouses and a container depot, the hub will enable Cogent to consolidate its existing Group operations on various sites into a one-stop integrated full-service logistics hub. We are confident that the hub will propel Cogent to higher level of operational and cost efficiencies through better economies of scale in running our core logistics businesses.

The construction project will be financed mainly by bank borrowings, proceeds raised from both the IPO and rights issue, and internal cash resources.

Turf City

In a bid to secure space to further grow our automotive logistics business and boost the diversity of our overall earnings capacity, our Group had been successfully awarded the master tenancy of Turf City on 10 October 2011. We believe that the master tenancy would enable Cogent to provide vehicle space leasing service for the used car market. Moreover, the master tenancy also allows the Group to reap income from the leasing and management of the existing Turf City mall which we intend to revamp and rebrand as a lifestyle hub called "The Grandstand". Renovation is currently ongoing and we expect completion by early September 2012.

ACKNOWLEDGMENTS

I would like to express my appreciation to all of our staff for their hard work and determination, and to my fellow directors on the Board for their advice and encouragement. We are also thankful to you, our shareholders, for your unwavering support. We look forward to delivering more shareholder value to you.

Tan Yeow Khoon
Executive Chairman & CEO

BOARD OF DIRECTORS

TAN YEOW KHOON
Executive Chairman and CEO

EDWIN TAN YEOW LAM
Managing Director

CHAN SOO SEN
Lead Independent Director

CHUA CHEOW KHOON, MICHAEL
Independent Director

TEO LIP HUA, BENEDICT
Independent Director

TAN YEOW KHOON

Executive Chairman and CEO

Mr Tan Yeow Khoon is our Executive Chairman and CEO and the founder of our Group. Mr Tan Yeow Khoon has more than 40 years of experience in the logistics services industry. Mr Tan Yeow Khoon began working in his family business in 1963. In the 1970s, Mr Tan Yeow Khoon took over the family business and set up a partnership known as Soon Hock Transport which provided transportation management services for the delivery of goods from the Singapore ports to designated premises of its customers. Mr Tan Yeow Khoon has been instrumental in the growth of the family business, which has since expanded to include container storage and warehouse management services. As the Executive Chairman and CEO of our Group, Mr Tan Yeow Khoon oversees all business operations of our Group, including making major business and finance decisions.

EDWIN TAN YEOW LAM

Managing Director

Mr Edwin Tan Yeow Lam is our Managing Director. Since 1976, together with Mr Tan Yeow Khoon, Mr Edwin Tan has been involved in the operations of the family business throughout its growth and expansion and has accumulated more than 33 years of experience in the logistics services industry. As the Managing Director of our Group, Mr Edwin Tan oversees the business operations of our Group, and is jointly involved in the decision making process of key business plans of our Group with Mr Tan Yeow Khoon.

CHAN SOO SEN

Lead Independent Director

Mr Chan Soo Sen is our Lead Independent Director. He also holds directorships in a few listed companies in Singapore.

Mr Chan had served in various ministries including the Prime Minister's Office, Ministry of Health, Ministry of Community Development, Youth and Sports, Ministry of Education, and Ministry of Trade and Industry from 1997 to 2006. In 2001, he was appointed Minister of State. He retired from ministerial appointments in May 2006. He continues to serve as Member of Parliament for Joo Chiat Constituency. He joined Keppel Corporation Ltd as Director, Chairman's Office to oversee general management of staff from July 2006 to June 2009. Before entering politics, Mr Chan played an instrumental role in the starting up of the China-Singapore Suzhou Industrial Park as its founding chief executive officer in 1994 and was also the executive director of the Chinese Development Assistance Council in 1992. Mr Chan graduated from the University of Oxford, United Kingdom in 1978 and holds a Master in Management Science from the University of Stanford, United States of America.

CHUA CHEOW KHOON, MICHAEL

Independent Director

Mr Chua Cheow Khoon Michael is our Independent Director. He is currently the chief investment officer of Sapphire Corporation Limited and a Lead Independent Director of China Titanium Ltd. He has more than 30 years of experience in financial and management accounting and general management and has held senior positions in multinational companies including Gilbeys Australia Pty Ltd, Reckitts & Colman Singapore Pte Ltd, the Singapore Technologies group of companies and the Sembcorp group of companies, as well as Delifrance Singapore Pte Ltd. Mr Michael Chua holds a degree in accountancy from the Mitchell College of Advanced Education and is a Certified Public Accountant of Australia.

TEO LIP HUA, BENEDICT

Independent Director

Mr Teo Lip Hua, Benedict is our Independent Director. He has more than 20 years of experience in the legal industry and specialises in corporate finance, mergers and acquisitions, general corporate matters and China-related matters. He is currently a Director, Corporate & Finance Department, Drew & Napier LLC. He was previously a director at Yeo Wee Kiong Law Corporation and a partner in Allen & Gledhill and KhatterWong. He holds a Bachelor of Laws and a Master of Laws (Chinese Law) from the National University of Singapore. He is also a member of the Singapore Academy of Law and the Law Society of Singapore.

SENIOR MANAGEMENT

TAN MIN CHEOW, BENSON
Group General Manager

Mr Tan Min Cheow, Benson joined SH Cogent Logistics Pte Ltd (“SHCL”) in 2004 after completing his studies. He is responsible for managing sales and marketing, as well as overseeing the transportation and automotive logistics operations. Mr Tan has been instrumental in obtaining certain key contracts for our Group, including contracts for the provision of transportation management services to Keppel Fels, as well as assisting in securing the contracts for the provision of transportation and warehousing services to The Polyolefin Company (S) Pte. Ltd.

Mr Tan is the son of our Executive Chairman and CEO, Mr Tan Yeow Khoon and the nephew of our Managing Director, Mr Edwin Tan Yeow Lam.

LOY SUAN CHOO
Group Financial Controller

Mr Loy Suan Choo is responsible for the full spectrum of accounting, taxation and treasury functions in our Group. He oversees the day-to-day functioning of the finance and accounting operations, internal controls, regulatory compliance in taxation, group financial reporting and investor relations of our Group.

Mr Loy joined the Group in July 2009, and had at least 15 years of experience in accounting, finance and audit. Mr Loy graduated from Nanyang Technological University with a Bachelor of Accountancy in 1996. He is a member of the Institute of Certified Public Accountants of Singapore.

TAN KOK SIAN
Director of Business Development

Mr Tan Kok Sian has more than 19 years of experience in the logistics services industry. He joined SHCL in 1993 and has since been in charge of the business development of our Group. He oversees the container depot operations of our Group and is responsible for the sales and marketing and customer relations of our Group.

Mr Tan is the brother-in-law of our Executive Chairman and CEO, Mr Tan Yeow Khoon and our Managing Director, Mr Edwin Tan Yeow Lam.

YAP CHEE SING
General Manager, Chairman’s Office

Mr Yap Chee Sing is responsible for assisting the Chairman in all matters relating to the operations of our Group. His job responsibilities include liaising with the management staff and executing management plans assigned by the Chairman. Prior to joining SHCL in 2008, Mr Yap had accumulated more than 18 years of experience in the logistics industry, having previously been with Asahi Techno Vision (S) Pte Ltd and the Steamers Maritime Holding Limited group of companies.

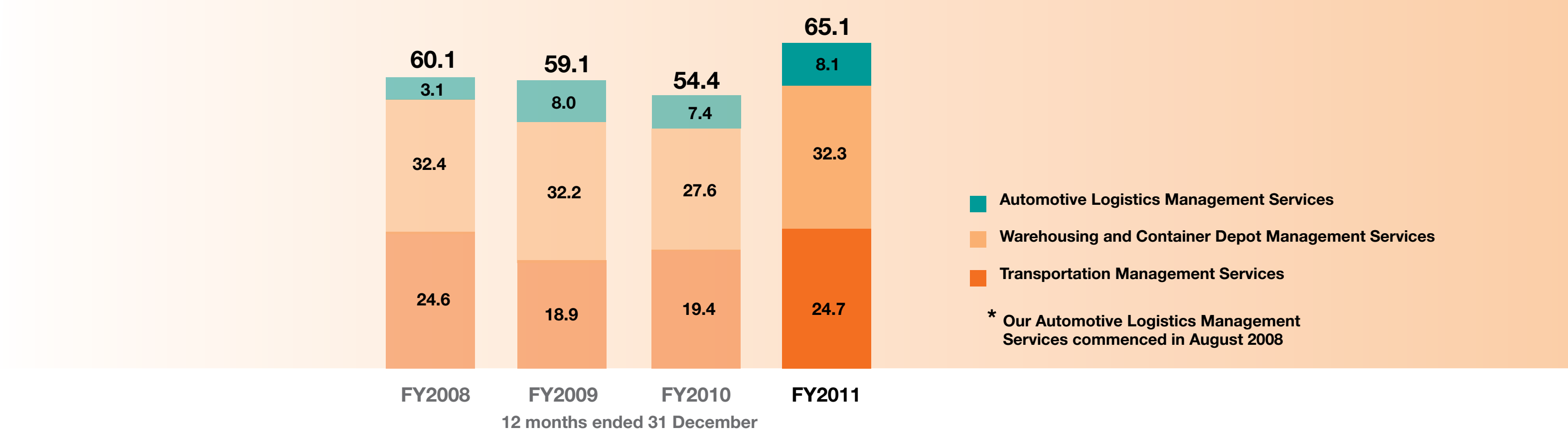
Mr Yap holds a Bachelor of Theology from the Southeast Asia Union College, Singapore and a Bachelor of Science in Business Administration from Walla Walla College, USA.

ONG BEI KEAU
General Manager, HR /Admin

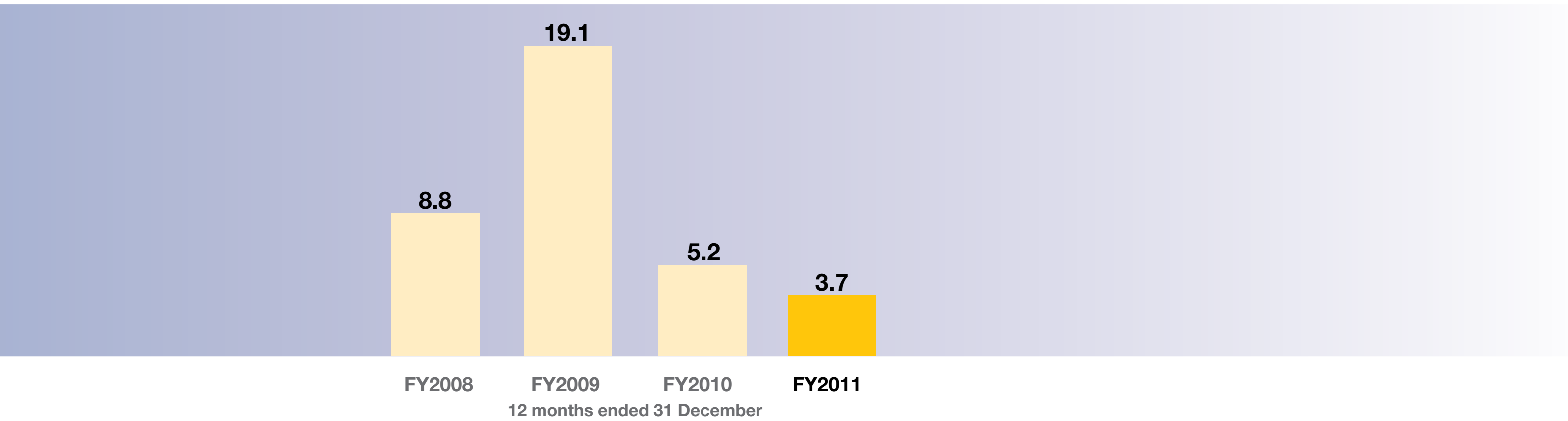
Ms Ong Bei Keau is responsible for the full spectrum of human resource management and administrative functions in the Group. She oversees all matters relating to human resource, security, safety, facility, insurance and claims as well as regulatory and legal issues. Ms Ong has more than 36 years of experience in the logistics industry.

FINANCIAL HIGHLIGHTS

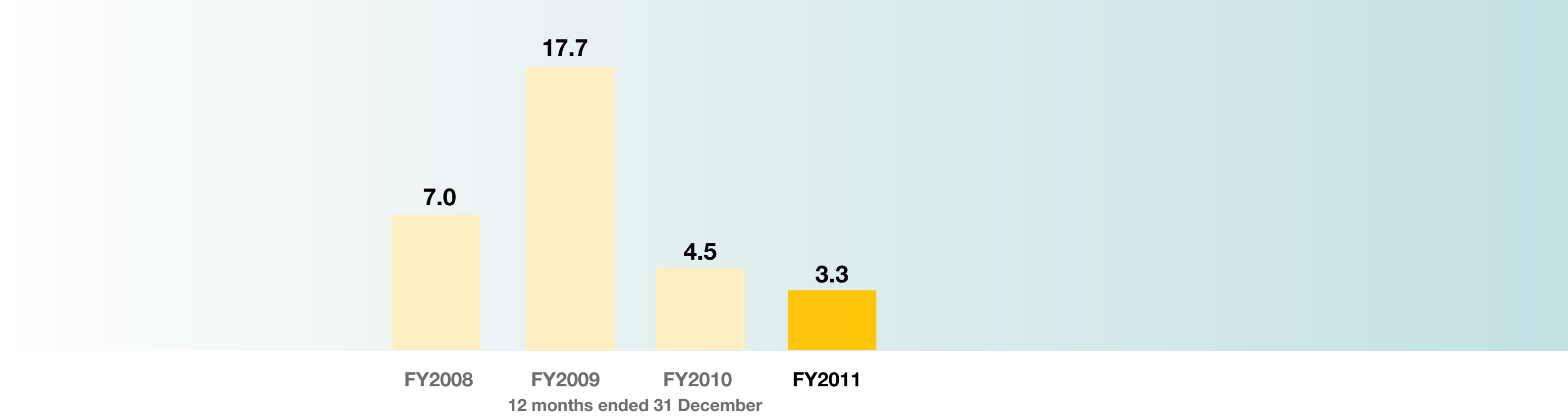
REVENUE (S$'M)



PROFIT BEFORE TAX (S$'M)



NET PROFIT (S$'M)



OPERATIONS & FINANCIAL REVIEW

FINANCIAL PERFORMANCE

Results of Operations	FY2011 (S$'000)	FY2010 (S$'000)	Change (%)
Revenue			
Transportation management services	24,694	19,425	27%
Warehousing and container depot management services	32,372	27,598	17%
Automotive logistics management services	8,076	7,413	9%
Total Revenue	65,142	54,436	20%
Other operating income	474	5,382	(91)%
Cost of services	(39,267)	(33,250)	18%
Employee benefits expense	(13,003)	(11,609)	12%
Depreciation	(5,200)	(4,739)	10%
Other operating expenses	(3,826)	(4,503)	(15)%
Finance costs	(270)	(472)	(43)%
Share of loss of joint ventures	(322)	(76)	324%
Profit before tax	3,728	5,169	(28)%
Income tax expense	(476)	(706)	(33)%
Profit for the year, representing total comprehensive income for the year	3,252	4,463	(27)%

REVENUE

The Group recorded revenue of S$65.1 million for FY2011, registering an increase of S$10.7 million or 20% above that of FY2010. The improvement was driven by growth in revenue across all business segments of the Group. In particular, the revenue of the transportation management services segment surged by S$5.3 million or 27% from S$19.4 million in FY2010 to S$24.7 million in FY2011, underpinned by increase in the volume of cargo transportation and handling.

The Group's revenue in the warehousing and container depot management services segment increased by S$4.8 million or 17% from S$27.6 million in FY2010 to S$32.3 million in FY2011. The increase was mainly due to i) higher demand for warehouse storage services; and ii) significant recovery in the demand for container storage and container repair services.

For the Group's automotive logistics management services segment, revenue increased by S$0.7 million or 9% from S$7.4 million in FY2010 to S$8.1 million in FY2011, mainly due to the increased contributions from leasing of automotive logistics space.

OTHER OPERATING INCOME

The Group's other operating income was S$4.9 million, or 91%, lower in FY2011 as compared to FY2010. The decrease was largely due to the S$4.7 million gain from disposal of leasehold property held-for-sale at 19 Tuas Avenue 20 occurred in FY2010.

COST OF SERVICE

The Group's cost of services rose S$6.0 million, or 18%, from S$33.3 million in FY2010 to S$39.3 million in FY2011. The increase in cost of services was generally in tandem with the increase in revenue.

EXPENSES

Employee benefits expenses rose S$1.4 million, or 12%, from S$11.6 million in FY2010 to S$13.0 million in FY2011. The increase was largely due to higher variable wages incurred to generate higher revenue from transportation management services and additional headcount.

Depreciation charges increased by S$0.5 million, or 10%, from S$4.7 million to S$5.2 million following the completion of the purchase of property at 11 Jalan Terusan and Jurong Port Road on 14 January 2011.

Other operating expenses decreased by S$0.7 million, or 15%, from S$4.5 million to S$3.8 million. The decrease was mainly attributable to lower expenses incurred in repair and maintenance, and the IPO expenses in FY2010.

Finance costs decreased by S$0.2 million, or 43%, from S$0.5 million to S$0.3 million mainly due to repayment of long term bank loans and hire purchases.

PROFITABILITY

The Group's net profit after tax decreased by S$1.2 million, or 27%, from S$4.5 million in FY2010 to S$3.3 million in FY2011. The decrease was mainly due to the one-time gain of S$4.7 million from disposal of leasehold property held-for-sale at 19 Tuas Avenue 20 in FY2010.

Profitability at the operating segments is as follows:

a) **Transportation management services**
   The transportation management services segment achieved significantly improved profit of S$1.7 million in FY2011 as a result of buoyant job volume, notably for customers in the oil & gas and steel industries.

b) **Warehousing and container depot management services**
Stripping out the exceptional gain from disposal of property held-for-sale in FY2010, the warehousing and container depot management services segment posted stronger profit of S$3.2 million in FY2011 due to increased demand for warehousing activities.

c) **Automotive logistics services**
The automotive logistics services segment achieved improved profit of S$2.4 million largely due to higher demand for leasing of automotive logistics space coupled with more effective cost management.

ASSETS AND LIABILITIES

Financial Position	FY2011 (S$'000)	FY2010 (S$'000)	Change (%)
Total Assets	80,001	64,493	24%
Total Liabilities	23,991	28,063	(15)%
Total Equity	56,010	36,430	54%

Current assets increased by S$14.4 million, or 35%, from S$40.7 million to S$55.1 million as at 31 December 2011. The increase was mainly due to the following:

i) Increase of S$7.2m, or 25%, in cash and bank balances mainly due to the allotment of rights shares in November 2011;
ii) Increase of S$5.3 million, or 54%, in trade receivables largely due to relatively higher revenue generated in final quarter of FY2011 as compared to that of FY2010.
iii) Increase of S$1.9 million, or 73%, in other receivables was mainly due to the increase in rental deposits paid.

Non-current assets increased by S$1.1 million, or 5%, from S$23.8 million to S$24.9 million as at 31 December 2011 mainly due to the following:

i) Increase of S$0.5 million in the investment in joint ventures after deducting share of losses of the joint ventures; and
ii) Increase of S$0.7 million in net book value of property, plant and equipment.

Current liabilities decreased by S$0.2 million, or 1%, from S$15.5 million to S$15.3 million as at 31 December 2011. The decrease was mainly due to repayment of loan due to a related party, offset by increase in trade payables.

Non-current liabilities decreased by S$3.9 million, or 31%, from S$12.6 million to S$8.7 million as at 31 December 2011. The decrease was mainly due to repayment of loan due to a related party, repayment of bank borrowings and recognition of deferred income.

Share capital increased by S$17.2 million, or 62%, from S$27.9 million to S$45.1 million as at 31 December 2011. The increase was mainly due to the proceeds from allotment of rights shares in November 2011.

CASH FLOWS

During FY2011, the Group generated net cash inflows of S$7.2 million, increasing the cash and cash equivalents from S$24.9 million to S$32.1 million as at 31 December 2011.

	FY2011 (S$'000)	FY2010 (S$'000)
Net cash from operating activities	2,023	6,028
Net cash (used in) from investing activities	(4,251)	5,484
Net cash from (used in) financing activities	9,419	(9,563)
Net increase in cash and cash equivalents	7,191	1,949
Cash and cash equivalents at end of financial year	32,079	24,888

OPERATIONS & FINANCIAL REVIEW (CONT'D)

Net cash generated from operating activities was S$2.0 million in FY2011 as compared to S$6.0 million in FY2010. The reduction was mainly due to the increase in the trade and other receivables.

Net cash used in investing activities was S$4.3 million in FY2011 as compared to net cash generation of S$5.5 million during FY2010. There was a one-off proceeds received from disposal of leasehold property held-for-sale in FY2010.

Net cash generated from financing activities was S$9.4 million in FY2011 as compared to net cash used of S$9.6 million during FY2010. This was mainly due to lower dividend payments, higher proceeds from issuance of new shares, and lower repayment of bank loans.

INDEBTEDNESS

The aggregate amount of the Group's borrowing and debt securities is set out below:

	FY2011 (S$'000)	FY2010 (S$'000)
Amount repayable in one year or less		
- Secured	2,470	2,338
- Unsecured	-	2,000
Amount repayable after one year		
- Secured	4,047	4,811
- Unsecured	-	2,000

Total bank borrowings were secured by a fixed charge over certain property, plant and equipment purchased with the bank borrowings, corporate guarantee, and personal guarantees provided by certain directors.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman and CEO
Tan Yeow Khoon

Managing Director
Tan Yeow Lam

Lead Independent Director
Chan Soo Sen

Independent Director
Chua Cheow Khoon, Michael

Independent Director
Teo Lip Hua, Benedict

COMPANY SECRETARY

Lim Ka Bee (ACIS)

REGISTERED OFFICE

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Fax: +65 6501 5856
www.cogentholdingsltd.com

SHARE REGISTRAR

Boardroom Corporate &
Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: +65 6230 9612
fax: +65 6536 1360

AUDIT COMMITTEE

Chairman
Chua Cheow Khoon, Michael

Members
Chan Soo Sen
Teo Lip Hua, Benedict

NOMINATING COMMITTEE

Chairman
Chan Soo Sen

Members
Teo Lip Hua, Benedict
Chua Cheow Khoon, Michael

REMUNERATION COMMITTEE

Chairman
Teo Lip Hua, Benedict

Members
Chan Soo Sen
Chua Cheow Khoon, Michael

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
#32-00 DBS Building Tower Two
Singapore 068809

Audit Partner-In-Charge:
Patricia Lee Kuang Hong
(appointed since the financial year ended 31 December 2011)

PRINCIPAL BANKERS

Malayan Banking Berhad
DBS Bank Ltd
United Overseas Bank Limited

CORPORATE GOVERNANCE REPORT

The Board of Directors and Management of Cogent Holdings Limited (the "Company") are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, business integrity and professionalism in all its activities.

This Report sets out the corporate governance processes of the Company and its subsidiaries (the "Group") with specific reference to the principles of the Code of Corporate Governance 2005 (the "Code").

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Board oversees the affairs of the Company and is accountable to the shareholders for the management of the Group's business and its performance. The Board works with Management to achieve this and the Management remains accountable to the Board.

The principal duties of the Board include the following:

- setting and approving broad policies and strategies of the Group;
- reviewing management performance;
- reviewing the financial performance of the Group including approval of its half yearly and full year financial results announcements, annual audited accounts, proposals of dividends and the Directors' Report thereto;
- reviewing the adequacy of internal controls, risk management and the financial reporting and compliance; and
- approval of budget, major funding proposals, acquisition and divestment proposals.

To assist the Board to effectively discharge its oversight duties and functions, the Board has delegated certain duties to various Board committees. These committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), function within clearly defined terms of reference and operating procedures, which are reviewed by the Board on a regular basis. The Board also closely monitors the effectiveness of each committee.

The Board is scheduled to meet at least two times a year and where necessary, hold additional meetings to address significant issues that may arise. The Company's Articles of Association provides for meetings to be held via telephone conference. Important matters concerning the Group are also being put to the Board for its decision by way of written resolutions.

The attendance of the Directors at Board and Board committees meetings held during FY2011 are set out below:

Type of Meetings	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	5	4	1	1
Name of Director and Attendance				
Tan Yeow Khoon, Executive Chairman & CEO	5	N/A	N/A	N/A
Edwin Tan Yeow Lam, Managing Director	5	N/A	N/A	N/A
Chan Soo Sen, Lead Independent Director	3	3	0	0
Chua Cheow Khoon, Michael, Independent Director	5	4	1	1
Teo Lip Hua, Benedict, Independent Director	5	4	1	1

N/A: Not Applicable

CORPORATE GOVERNANCE REPORT

(CONT'D)

Principle 2: Board Composition and Balance

The Board comprises five directors, three of whom are Independent Directors.

The NC reviews the independence of each director annually. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire in each year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment. Key information about the directors is detailed in the "Board of Directors" section.

There is a good balance between the executive and non-executive directors and a strong element of independence in the Board to enable an objective judgment of the corporate affairs of the Group by Board members.

As a group, the Directors bring with them a broad range of industry knowledge, expertise and experience in areas such as legal, financial and management accounting and general management. The diversity of the Directors' experience will allow for constructive exchange of ideas and view as well as provide for effective decision-making. The Board has assessed and considers the present size appropriate for the current nature and scope of the Group's business operations.

Principle 3: Chairman and Chief Executive Officer

Pursuant to the Code, the chairman of the board of directors and the chief executive officer should be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Although Mr Tan Yeow Khoon serves as the Executive Chairman and CEO of the Company, the Board is of the opinion that it is not necessary to separate the roles of the Chairman and CEO after taking into account the size, scope and the nature of the operations of the Group. Mr Tan Yeow Khoon is the founder of the Group and has played an instrumental role in developing the business of the Group. He has considerable industry experience and has also provided the Group with strong leadership and vision. It is hence the view of the Board that it is in the best interests of the Group to adopt a single leadership structure. The Board is of the view that there are sufficient safeguards and checks in place to ensure that management is accountable to the Board as a whole. The Nominating Committee, Remuneration Committee and Audit Committee comprise and are all chaired by Independent Directors. In addition, Mr Chan Soo Sen has been appointed as the Lead Independent Director of the Company and is available to the shareholders in respect of concerns which contact through the normal channel of the Chairman has failed to resolve or for which such contact is inappropriate.

In view of the above, the Directors are of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and is based on collective decision-making without Mr Tan Yeow Khoon being able to exercise considerable concentration of power or influence.

The Executive Chairman approves board meeting schedules and agendas for Board meetings in consultation with the Directors. The Board is advised of the meeting of Board Committees.

Principle 4: Board Membership

The NC comprises three Independent Directors.

Chan Soo Sen	(Chairman)
Chua Cheow Khoon, Michael	(Member)
Teo Lip Hua, Benedict	(Member)

The principal duties of the Nominating Committee include:

(a) re-nomination of Directors having regard to the Director's contribution and performance;

(b) determining annually whether or not a director is independent;

(c) evaluation of the performance of the Board and the contributions from the Directors on a year-to-year basis; and

(d) reviewing and approving any new employment of related persons and the proposed terms of their employment.

The Board has implemented a process which is carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director towards the effectiveness of the Board. Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The Directors submit themselves for re-nomination and re-election at regular interval. Under the Articles of Association of the Company, at each AGM, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Retiring directors are selected on the basis of those who have been longest in office since their last re-election or appointment.

The NC has recommended for the re-election of Mr Chua Cheow Khoon, Michael, Independent Director and Mr Teo Lip Hua, Benedict, Independent Director of the Company who will be retiring pursuant to Article 94 at the forthcoming AGM. The Board has accepted the NC's recommendation and the two retiring Directors have offered themselves for re-election.

Principle 5: Board Performance

The NC assesses the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board on an annual basis.

In its assessment of the Board effectiveness, the NC takes into consideration the frequency of the Board meetings, the rate at which issues raised are adequately dealt with and the reports from the various Board Committees.

Principle 6: Access to Information

The Board members are being provided with adequate and timely information prior to Board meetings and on an on-going basis. The Board has separate and independent access to the Group's senior management. Requests for information from the Board are be dealt with promptly. The Board is informed of all material events and transactions as and when they occur. Senior management is requested to attend Board meetings to provide additional insight on matters being discussed and to respond to any queries from Directors as and when necessary.

The Company Secretary attends and prepares minutes of Board meetings and assists the Chairman in ensuring that board procedures are observed and all applicable rules and regulations are complied with.

The Board may also take independent professional advice as and when necessary to enable it to discharge its responsibilities effectively at the expense of the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration

The RC comprises three Independent Directors:

Teo Lip Hua, Benedict	(Chairman)
Chan Soo Sen	(Member)
Chua Cheow Khoon, Michael	(Member)

The Remuneration Committee has put in place a framework of remuneration for the Directors and senior management. The Remuneration Committee determines the specific remuneration packages for each Executive Director and the Group Financial Controller; and also reviews the remuneration of senior management and employees related to the Directors. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

The remuneration policy for key executives is based largely on the Group's performance and the responsibilities and performance of each individual key executive. In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and local practices.

The Company has entered into separate service agreements with the two Executive Directors, namely Mr Tan Yeow Khoon, Executive Chairman and CEO, and Mr Edwin Tan Yeow Lam, Managing Director. The service agreements are for an initial period of three years, commencing from date of admission of the Company on the Official List of the SGX-ST, subject to automatic renewal for another one-year term on the same terms and conditions upon expiry thereof. The service agreements cover the terms of employment, salaries and other benefits.

Independent Directors have no service agreements and they receive Directors' fees. Such fees take into account the level of contribution and responsibilities of the Directors as well as the need to pay competitive fees to attract, retain and motivate the Directors. These fees are subject to shareholders' approval at the AGM.

As at present date, the Company has not implemented the Cogent Holdings Performance Share Plan or the Cogent Holdings Employee Share Option Scheme.

Principle 9: Disclosure of Remuneration

Remuneration Band & Name of Directors	Salary	Bonus	Fees	Other Benefits
S$250,000 to below S$500,000				
Tan Yeow Khoon	69%	23%	-	8%
Edwin Tan Yeow Lam	53%	39%	-	8%
Below S$250,000				
Chua Cheow Khoon, Michael	-	-	100%	-
Chan Soo Sen	-	-	100%	-
Teo Lip Hua, Benedict	-	-	100%	-

Remuneration Band & Name of Key Executives	Salary	Bonus	Fees	Other Benefits
Below S$250,000				
Tan Min Cheow, Benson	66%	20%	-	14%
Loy Suan Choo	78%	21%	-	1%
Tan Kok Sian	68%	19%	-	13%
Yap Chee Sing	72%	22%	-	6%
Ong Bei Keau	75%	18%	-	7%

Mr Tan Min Cheow, Benson, who is an employee of the Group, is an immediate family member (as defined in the Listing Manual of the SGX-ST) of Mr Tan Yeow Khoon, Executive Chairman and CEO of the Company and whose remuneration exceeds S$150,000 during the financial year ended 31 December 2011.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is responsible for providing a balanced and understandable assessment of the Company and Group's performance, position and prospects, including the half-year and full-year financial results announcements, as well as any other price-sensitive information through public announcements.

Principle 11: Audit Committee

The AC comprises three Independent Directors.

Chua Cheow Khoon, Michael	(Chairman)
Chan Soo Sen	(Member)
Teo Lip Hua, Benedict	(Member)

The Audit Committee meets periodically to perform the following duties:

(a) review with the external auditors the audit plan, scope of work, their management letter and management's responses, and the results of audits conducted by the internal and external auditors;

(b) review the half-year and annual financial statements and results announcements before submission to the Board for approval, with emphasis on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Manual and any other statutory/regulatory requirements;

(c) review the effectiveness and adequacy of the internal controls and procedures, and ensure co-ordination between the external auditors and management, reviewing the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matter which the auditors may wish to discuss (in the absence of management where necessary);

(d) review and discuss with the external auditors on any suspected fraud or irregularity, or suspected infringement of any relevant law, rule or regulation, which has, or is likely to have, a material impact on the Company's operating results or financial position, and management's response;

(e) consider the appointment or re-appointment of the external auditors, and matters relating to resignation or dismissal of the auditors;

(f) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual (if any);

(g) review any potential conflict of interest;

(h) review the adequacy of potential business risk management processes;

(i) review and approve all hedging policies and instruments (if any) to be implemented by the Group; undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;

(j) review and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group;

(k) review and establish procedures for the receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and

(l) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The Audit Committee is scheduled to meet at least twice a year and holds additional meetings, when necessary. Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has, or is likely to have, a material impact on the Group's operating results and/or financial position. Each member of the Audit Committee shall abstain from reviewing any particular transaction or voting on such resolution in respect of which he is or may be interested in.

The Independent Directors do not have any existing business or professional relationship of a material nature with the Group, the Directors or Substantial Shareholders.

The primary responsibility of the AC is to provide support and assistance to the Board in ensuring that a high standard of corporate governance is maintained at all times. The AC has full access to all senior management personnel and has full discretion to invite any Director and/or Executive Officer to attend its meetings.

The AC has put in place procedures to provide employees of the Group with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to the Group, and for the independent investigation of any reports by employees and appropriate follow up action. A whistle blowing policy has been adopted by the Company to encourage employees of the Group to report possible improprieties in matter of financial reporting or other matters in good faith, with the confidence that employees making such reports will be treated fairly, and to the extent possible, be protected from reprisal. The Audit Committee has received no complaints up to the date of this report.

The AC has conducted an annual review of the non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the auditors.

Principle 12: Internal Controls

The Group has in place a system of internal controls to safeguard the shareholders' investments and the Company's assets. The external auditors also highlight to the management and AC any material internal control weakness noted in the course of their statutory audit.

The AC and the Board review with the internal auditors and management the adequacy of the key internal control system, including financial, operational and compliance controls, and risk management on an on-going basis.

The Board and Audit Committee are of the opinion that the Group's internal controls were adequate based on:

- The internal controls established and maintained by the Group;
- Work performed by the internal and external auditors; and
- Regular reviews performed by the management, various Board committees and the Board.

The Board recognises the importance of establishing a formal Enterprise Risk Management Framework to facilitate the governance of risks and monitoring the effectiveness of internal controls. Accordingly, the Board is considering the engagement of an external consultant to set up a formal Enterprise Risk Management Framework for the Group.

Principle 13: Internal Audit

The Group has outsourced the internal audit functions to Yang Lee & Associates, a firm of certified public accountants. On an annual basis, the internal auditors review and assess the system of internal controls of the key subsidiaries of the Group. The internal auditors report directly to the Audit Committee on the findings of its internal audit.

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation

The Board strives to ensure that all material information is disclosed to the shareholders in an adequate and timely manner. The Board informs and communicates with shareholders through annual reports, announcement releases through SGX-ST, advertisement of notice of general meetings and at general meetings of the Company.

At general meetings of the Company, shareholders will be given opportunity to air their views and ask questions regarding the Company and the Group.

Chairperson of the AC, NC and RC, or members of the respective Board Committees standing in for them, as well as external auditors will be present and available to field questions raised at general meetings of the Company.

INTERESTED PARTY TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the AC.

The aggregate value of interested person transactions entered into during the year which fall under Chapter 9 of the Listing Manual of the SGX-ST 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)	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 $100,000)
	S$'000	S$'000
Soon Hock Property Development Pte Ltd Purchase of vehicles, equipment and property (pursuant to IPO prospectus)	(1,967)	-
SH Design & Build Pte Ltd Purchase of renovation works and repair & maintenance	(222)	-

MATERIAL CONTRACTS

Except as disclosed under the section on Interested Person Transactions above and in Note 5 (Related Party And Other Transactions) of the Notes To Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

RISK MANAGEMENT

The Group regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Group reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board. The financial risk management objectives and policies are outlined in the financial statements.

UTILISATION OF IPO PROCEEDS

As at the date of the Report of the Directors, the status on the use of proceeds raised from the initial public offering ("IPO") and the rights issue ("Rights Issue") of the Company is as follows:

Proceeds from IPO	**Allocation S$'million**	**Amount utilised S$'million**	**Amount yet to be utilised S$'million**
Intended use			
a) Expansion of container depot operations and warehousing space	6.1	(0.9)	5.2
b) Expansion of vehicle logistics operations	2.0	-	2.0
c) Working capital	1.0	(1.0)	-
	9.1	(1.9)	7.2
Proceeds from Rights Issue			
Construction of integrated logistics hub	17.2	-	17.2

DEALINGS IN SECURITIES

The Company has adopted an internal code to provide guidance with regards to the dealings in the Company's securities by its Directors and officers.

The internal code provides that Directors and officers of the Group are prohibited from dealing in the securities of the Company when they are in possession of any unpublished material price-sensitive information of the Group. Directors and officers of the Group are also prohibited from dealing in the Company's securities during the period commencing one month before the date of announcement of the Company's half-year or full-year results and ending on the date of announcement of the relevant results.

Directors and officers are also required to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Directors and officers are expected not to deal in the Company's securities for short-term considerations.

FINANCIAL CONTENTS

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company for the financial year ended December 31, 2011.

1 DIRECTORS

The directors of the company in office at the date of this report are:

Tan Yeow Khoon
Tan Yeow Lam
Chan Soo Sen
Chua Cheow Khoon Michael
Teo Lip Hua Benedict

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the names of directors		
Name of directors and company in which interests are held	**At beginning of year**	**At end of year**	**At January 21, 2012**
The company (Ordinary shares)			
Tan Yeow Khoon	171,441,000	316,975,775	316,975,775
Tan Yeow Lam	60,609,000	65,000,000	65,000,000

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the company or any corporation in the group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of options to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under options.

6 AUDIT COMMITTEE

The Audit Committee of the company comprises three members who are non-executive and independent directors. The members of the Audit Committee are:

- Chua Cheow Khoon Michael (Chairman)
- Chan Soo Sen
- Teo Lip Hua Benedict

The Audit Committee performed the functions specified in the Singapore Companies Act. The functions performed are detailed in the Corporate Governance Report.

The Audit Committee has recommended to the directors, the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the company, at the forthcoming annual general meeting of the company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Tan Yeow Khoon

Tan Yeow Lam

March 30, 2012

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 27 to 63 are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at December 31, 2011, and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Tan Yeow Khoon

Tan Yeow Lam

March 30, 2012

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COGENT HOLDINGS LIMITED

Report on the Financial Statements

We have audited the financial statements of Cogent Holdings Limited (the "company") and its subsidiaries (the "group") which comprise the statements of financial position of the group and the company as at December 31, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 63.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at December 31, 2011 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants
Singapore

Patricia Lee Kuang Hong
Partner

Appointed since financial year ended December 31, 2011

March 30, 2012

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2011

	Note	Group		Company	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
ASSETS					
Current assets					
Cash and bank balances	6	35,572	28,360	24,390	11,858
Trade receivables	7	15,053	9,774	2,548	416
Other receivables	8	4,485	2,591	1,329	8
Held-for-trading investments	9	11	11	-	-
Total current assets		55,121	40,736	28,267	12,282
Non-current assets					
Property, plant and equipment	10	24,358	23,697	11	2
Investment in subsidiaries	11	-	-	18,284	18,284
Investment in joint ventures	12	486	24	-	-
Other investment		36	36	-	-
Total non-current assets		24,880	23,757	18,295	18,286
Total assets		80,001	64,493	46,562	30,568
LIABILITIES AND EQUITY					
Current liabilities					
Current portion of bank loans	13	1,636	1,573	-	-
Current portion of loan from related party	14	-	2,000	-	-
Current portion of deferred income	15	1,000	1,000	-	-
Current portion of finance leases	16	834	765	-	-
Trade payables	17	4,106	3,811	101	64
Other payables	18	6,471	4,365	686	559
Income tax payable		1,203	1,958	-	-
Total current liabilities		15,250	15,472	787	623
Non-current liabilities					
Bank loans	13	2,456	4,127	-	-
Loan from related party	14	-	2,000	-	-
Deferred income	15	4,000	5,000	-	-
Finance leases	16	1,591	684	-	-
Deferred tax liabilities	19	694	780	-	-
Total non-current liabilities		8,741	12,591	-	-
Capital and reserves					
Share capital	20	45,092	27,871	45,092	27,871
Capital reserve		506	506	506	506
Merger reserve		(16,033)	(16,033)	-	-
Accumulated profits		26,445	24,086	177	1,568
Total equity		56,010	36,430	45,775	29,945
Total liabilities and equity		80,001	64,493	46,562	30,568

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2011

	Note	2011 $'000	2010 $'000
Revenue	21	65,142	54,436
Other operating income	22	474	5,382
Cost of services		(39,267)	(33,250)
Employee benefits expense		(13,003)	(11,609)
Depreciation	10	(5,200)	(4,739)
Other operating expenses		(3,826)	(4,503)
Finance costs	23	(270)	(472)
Share of loss of joint ventures	12	(322)	(76)
Profit before tax		3,728	5,169
Income tax expense	24	(476)	(706)
Profit for the year, representing total comprehensive income for the year attributable to the owners of the company	25	3,252	4,463
Earnings per share			
Basic and diluted (cents)	26	0.94	1.36*

* Restated after factoring for the rights shares issued during the financial year ended December 31, 2011 (See Note 20).

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2011

Group	Share capital $'000	Merger reserve $'000	Capital reserve $'000	Accumulated profits (losses) $'000	Total $'000
At January 1, 2010	500	-	-	28,491	28,991
Adjustment arising from restructuring exercise (Note 1)	(500)	(16,033)	-	-	(16,533)
Increase in share capital arising from restructuring exercise (Note 1)	18,284	-	-	-	18,284
Issuance of new shares	10,120	-	-	-	10,120
New shares issuance expense [b]	(533)	-	506	-	(27)
Total comprehensive income for the year	-		-	4,463	4,463
Dividends (Note 27)	-	-	-	(8,868)	(8,868)
At December 31, 2010	27,871	(16,033)	506	24,086	36,430
Issuance of new shares	17,545	-	-	-	17,545
New shares issuance expense	(324)	-	-	-	(324)
Total comprehensive income for the year	-	-	-	3,252	3,252
Dividends (Note 27)	-	-	-	(893)	(893)
At December 31, 2011	45,092	(16,033)	506	26,445	56,010

Company	Share capital $'000	Merger reserve $'000	Capital reserve $'000	Accumulated profits (losses) $'000	Total $'000
At January 1, 2010 [a]	-	-	-	(661)	(661)
Increase in share capital arising from restructuring exercise (Note 1)	18,284	-	-	-	18,284
Issuance of new shares	10,120	-	-	-	10,120
New shares issuance expense [b]	(533)	-	506	-	(27)
Total comprehensive income for the year	-	-	-	11,097	11,097
Dividends (Note 27)	-	-	-	(8,868)	(8,868)
At December 31, 2010	27,871	-	506	1,568	29,945
Issuance of new shares	17,545	-	-	-	17,545
New shares issuance expense	(324)	-	-	-	(324)
Total comprehensive income for the year	-	-	-	(498)	(498)
Dividends (Note 27)	-	-	-	(893)	(893)
At December 31, 2011	45,092	-	506	177	45,775

(a) The share capital of the company was $2 representing 2 ordinary shares.

(b) Included in new shares issuance expense is a non-audit fees of $30,000.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2011

	2011 $'000	2010 $'000
Operating activities		
Profit before tax	3,728	5,169
Adjustments for:		
Depreciation	5,200	4,739
Interest expense	270	472
Interest income	(57)	(108)
Shares issuance expense	-	400
Allowance for doubtful trade receivables	335	177
Bad debts written off – trade	-	6
Deferred income recognised	(1,000)	(1,000)
Share of loss of joint ventures	322	76
Fair value gain on held-for-trading investments	-	(3)
Gain on disposal of held-for-trading investment	-	(14)
Gain on disposal of property, plant and equipment	(351)	(256)
Gain on disposal of leasehold property held-for-sale	-	(4,741)
Operating cash flows before movements in working capital	8,447	4,917
Trade receivables	(5,614)	2,056
Other receivables	(1,894)	875
Trade payables	295	(737)
Other payables	2,106	(47)
Cash generated from operations	3,340	7,064
Income tax paid	(1,317)	(1,036)
Net cash from operating activities	2,023	6,028
Investing activities		
Interest received	57	108
Investment in joint ventures	(784)	(100)
Purchase of property, plant and equipment (Note A)	(4,118)	(5,577)
Proceeds from disposal of property, plant and equipment	594	4,808
Net proceeds from disposal of leasehold property held-for-sale	-	6,223
Proceeds from disposal of held-for-trading investments	-	22
Net cash (used in) from investing activities	(4,251)	5,484

See accompanying notes to financial statements.

	2011 $'000	2010 $'000
Financing activities		
Interest paid	(270)	(472)
Dividends paid	(893)	(8,868)
Repayment of obligations under finance leases	(1,010)	(1,456)
Amount due from directors	-	(3)
Shares issuance expense paid	(324)	(728)
Capital contribution from shareholders	-	506
Proceeds from issue of shares	17,545	10,120
Repayment of bank loans	(1,608)	(6,299)
Repayment of loan from a related party	(4,000)	(2,000)
Pledged deposits	(21)	(363)
Net cash from (used in) financing activities	9,419	(9,563)
Net increase in cash and cash equivalents	7,191	1,949
Cash and cash equivalents at beginning of year	24,888	22,939
Cash and cash equivalents at end of year (Note B)	32,079	24,888

Note A

During the year ended December 31, 2011, the group acquired property, plant and equipment at an aggregate cost of $6,104,000 (2010: $6,539,000) of which $1,986,000 (2010: $962,000) were acquired under finance leases respectively. During the year, cash payment of $4,118,000 (2010: $5,577,000) were made to purchase property, plant and equipment.

Note B

Cash and cash equivalents comprise:

	2011 $'000	2010 $'000
Cash and bank balances	35,572	28,360
Less: Pledged deposits	(3,493)	(3,472)
Cash and cash equivalents	32,079	24,888

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

1 GENERAL

The company (Registration No. 200710813D) is incorporated in Singapore with its registered office and principal place of business at 7 Penjuru Close, #05-00, Singapore 608779. The financial statements are expressed in Singapore dollars. On February 25, 2010, the company was listed on the main board of Singapore Exchange Securities Trading Limited.

The principal activity of the company is that of an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 11 of the financial statements.

Pursuant to a group restructuring exercise to rationalise the structure of the company and its subsidiaries (hereinafter collectively referred to as the "group") in preparation for the listing of the company on the Singapore Exchange Securities Trading Limited, the company underwent a restructuring exercise ("Restructuring Exercise") in 2010 involving the following:

(a) Acquisition of SH Cogent Logistics Pte Ltd ("SHCL")

On January 18, 2010, the company entered into a sale and purchase agreement to acquire the entire interest in SHCL, which are under common control, from the respective shareholders for a consideration of $12,674,975 based on the net tangible assets of SHCL as at December 31, 2008. The consideration was satisfied by the allotment and issue of 1,400,000 ordinary shares in the company. The acquisition was completed on January 19, 2010.

(b) Acquisition of Soon Hock Transportation Pte. Ltd. ("SHT")

On January 18, 2010, the company entered into a sale and purchase agreement to acquire the entire interest in SHT, which are under common control, from the respective shareholders for a consideration of $2,885,386 based on the net tangible assets of SHT as at December 31, 2008. The consideration was satisfied by the allotment and issue of 300,000 ordinary shares in the company. The acquisition was completed on January 19, 2010.

(c) Acquisition of Cogent Investment Group Pte. Ltd. ("CIG") and Cogent Automotive Logistics Pte. Ltd. ("CAL")

On July 31, 2008, the shareholders of the company acquired an effective equity interest of 99% in both CIG and CAL from third parties for an aggregate consideration of approximately $1.78 million.

In May 2009, one of the shareholders of the company acquired the remaining 1% and 0.33% of equity interest in CIG and CAL respectively for an aggregate consideration of $18,000.

On January 18, 2010, the company entered into a sale and purchase agreement to acquire the entire equity interest of CIG, which are under common control, from the respective shareholders for a consideration of $897,250 based on the net tangible assets of CIG as at December 31, 2008. The consideration was satisfied by the allotment and issue of 99,998 ordinary shares in the company. The acquisition was completed on January 19, 2010.

On January 18, 2010, the company entered into a sale and purchase agreement to acquire the entire interest of CAL, which are under common control, from the respective shareholders for a consideration of $1,827,154 based on the net tangible assets of CAL as at December 31, 2008. The consideration was satisfied by the allotment and issue of 200,000 ordinary shares in the company and CIG renounced its 66.67% equity interest in CAL to the respective shareholders. The acquisition was completed on January 19, 2010.

Upon the completion of the Restructuring Exercise, SHCL, SHT, CIG and CAL became wholly-owned subsidiaries of the Company (Note 11).

1 GENERAL (CONT'D)

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended December 31, 2011 were authorised for issue by the Board of Directors of the company on 30 March 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2011. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the group and the company were issued but not effective:

- Amendments to FRS 1 Presentation of Financial Statements – *Amendments relating to Presentation of Items of Other Comprehensive Income ("OCI")*
- Amendment to FRS 107 Financial Instruments: *Disclosures – Transfer of Financial Assets*
- FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*
- FRS 111 *Joint Arrangements and FRS 28 Investments in Associates and Joint Ventures*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the group and the company in the period of their initial adoption.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the company's financial statements, investments in subsidiaries and joint venture are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as at FVTPL where the financial asset is either held-for-trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is part of an identified portfolio of financial statements that the company manages together and has recent actual pattern of short-term profit-making; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on the basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in 'other gains and losses' line in the statement of comprehensive income. Fair value is determined in the manner described in Note 4.

Loans and receivables

Trade receivables and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term payables where the recognition of interest would be immaterial.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVPTL, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (Cont'd)

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are expensed off to profit or loss as these are immaterial.

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

SALE AND LEASEBACK TRANSACTIONS – For sale and leaseback transactions which result in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss shall be recognised immediately. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be deferred (recorded as deferred income) and amortised over the period for which the asset is expected to be used.

OTHER INVESTMENTS –These comprise investments in club memberships which are stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO FINANCIAL STATEMENTS
(CONT'D)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Depreciation is charged so as to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and building	–	25 years or over the period of lease whichever is lower
Office and warehouse equipment	–	5 years
Furniture and fittings	–	5 years
Leasehold improvements	–	5 years
Motor vehicles	–	5 or 10 years

Construction in-progress is stated at cost. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use. Depreciation is not provided for construction in-progress.

The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

IMPAIRMENT OF ASSETS – At end of each reporting period, the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

INTERESTS IN JOINT VENTURES – A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the company's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the company and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The company reports its interests in jointly controlled entities using the equity method of accounting.

Where the company transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the company's interest in the joint venture.

PROVISIONS – Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

MERGER RESERVE – Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the group and the nominal amount of the share capital issued as consideration for the acquisition.

CAPITAL RESERVE – Capital reserve represents the difference between the reimbursement received from the vendors and the allocated initial public offering expenses. The excess of allocated initial public offering expenses is recognised as deemed capital contribution by the vendors.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Management service income

Revenue from rendering of management services includes transportation management services, warehousing and container depot management services and automotive logistics services. Such revenue is recognised when services are rendered to the customers.

Rental income

Revenue generated from rental income includes the rental of warehouse and open storage space. Such revenue is recognised on a straight-line basis over the term of the relevant leases.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associate, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognised as an expense or income in profit or loss.

FOREIGN CURRENCY TRANSACTIONS – The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the group are presented in Singapore dollars, which is the functional of the company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the entity's accounting policies

Apart from those involving estimations discussed below, the management has not made any critical judgement in the process of applying the group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

<u>Depreciation of property, plant and equipment</u>

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated useful lives as set out in Note 2 to the financial statements. Changes in the expected level and future usage can impact the economic useful lives of these assets with consequential impact on the future depreciation charge.

The carrying amounts of property, plant and equipment are stated in Note 10 to the financial statements.

<u>Impairment of property, plant and equipment</u>

The group assesses annually whether there are any indication of impairment property, plant and equipment. In instances where there are indications of impairment, the recoverable amounts of property, plant and equipment will be determined based on value-in-use calculations. These calculations require the use of judgement and estimates. The carrying amounts of the group's property, plant and equipment are disclosed in Note 10 to the financial statements.

<u>Allowance for doubtful debts</u>

Allowance for doubtful debts are made in the financial statements based on management's best estimate of the carrying amount of receivables that are doubtful of collection after evaluation of collectibility and aging analysis of accounts. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables. The carrying amounts of trade and other receivables are disclosed in Notes 7 and 8 to the financial statements respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(ii) Key sources of estimation uncertainty (Cont'd)

Impairment of subsidiaries

The recoverable amount of the investment in subsidiaries was determined based on a value-in-use calculation using cash flow projections from financial budgets. Management had used the weighted average cost of capital of 6.57% (2010: 8.54%) per annum for the cash flow projection and forecasted annual revenue growth rate of 0.6% (2010: 9.20%) for 2012, and the growth rate to remain flat thereafter. The carrying amount of investment in subsidiaries is disclosed in Note 11 to the financial statements. Based on management's judgement and estimates, no impairment loss was recognised.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of each reporting period:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Loans and receivables (including cash and bank balances)	53,271	40,160	28,260	12,274
Held-for-trading investments	11	11	-	-
	53,282	40,171	28,260	12,274
Financial liabilities				
Amortised cost	17,094	19,325	787	623

(b) Financial risk management policies and objectives

(i) Credit risk management

The group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position.

At the end of the reporting period, there is no significant concentration of credit risk except for the trade balances due from five (2010: five) major customers amounting to $4,857,000 (2010: $2,682,000) representing 32.3% (2010: 27.4%) of total trade receivables.

Cash and fixed deposits are placed with reputable financial institutions.

Further details on credit risk of trade and other receivables are disclosed in Note 7 and 8 to the financial statements respectively.

(ii) Interest rate risk management

The group's exposure to changes in interest rates relates primarily to interest-bearing bank loans as disclosed in Note 13 to the financial statements.

Management do not expect the impact of reasonable fluctuation in interest rates to have a significant impact on the group. Accordingly, interest rate sensitivity analysis has not been presented.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (Cont'd)

(iii) Foreign exchange risk management

The group's transactions are largely denominated in Singapore dollars. Foreign currency sensitivity analysis has not been performed as management do not expect any reasonable changes to foreign currency rates to have a significant impact on the results of the group.

(iv) Liquidity risk management

The group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the group's operations and mitigate the effects of fluctuations in cash flows. Funding is obtained from loan from a related party, term loans and finance leases.

Liquidity and interest risk analyses for non-derivative financial liabilities

The following table details the group's contracted maturities for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both interest and principal cash flows.

	Contractual cash flows (including interest payments)					
	Weighted average effective interest rate %	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**After 5 years $'000**	**Adjustment $'000**	**Total $'000**
Group						
2011						
Non-interest bearing	-	10,577	-	-	-	10,577
Variable interest rate instruments	3.77	1,709	2,089	537	(243)	4,092
Fixed interest rate instruments	2.18	892	1,711	3	(181)	2,425
		13,178	3,800	540	(424)	17,094
2010						
Non-interest bearing	-	8,176	-	-	-	8,176
Variable interest rate instruments	2.63	3,783	5,535	850	(468)	9,700
Fixed interest rate instruments	2.58	828	716	41	(136)	1,449
		12,787	6,251	891	(604)	19,325

The financial liabilities of the company are interest-free and repayable on demand or within one year.

The group's and company's non-derivative financial assets of $53,282,000 and $28,260,000 (2010: $40,171,000 and $12,274,000) respectively are due on demand or within one year and interest-free, except for fixed deposits as disclosed in Note 6.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (Cont'd)

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Fair values of financial assets traded on active liquid markets are determined with reference to quoted market prices.

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial instruments measured at fair value

	Group			
	Total $'000	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Financial assets				
Group				
2011				
Fair value through profit or loss (FVTPL):				
Held-for-trading investments	11	11	-	-
2010				
Fair value through profit or loss (FVTPL):				
Held-for-trading investments	11	11	-	-

(c) Capital risk management policies and objectives

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consisted of debts (which included bank borrowings, loan from a related party and finance leases as disclosed in Notes 13, 14 and 16 respectively), cash and cash equivalents and equity attributable to equity holders of the company, comprising issued share capital and accumulated profits.

The finance leases are not subject to any debt covenants except for bank borrowings which the group has complied with.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Capital risk management policies and objectives (Cont'd)

As a part of the review of capital structure, management considers the cost of capital and the risks associated with each source of financing. The management of capital structure includes making decisions relating to payment of dividends and the redemption of existing loans and the group's overall strategy has remained unchanged from 2010.

5 RELATED PARTY AND OTHER TRANSACTIONS

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, except as disclosed in the other notes to the financial statements, the group entities entered into the following significant transactions with related parties:

(a) Entities with common directors

	2011 $'000	2010 $'000
Warehousing and related services income	55	76
Transportation service income	77	-
Sale of property, plant and equipment	20	166
Warehousing and related services expense	(2)	(1,330)
Purchase of property, plant and equipment [1]	(2,179)	(3,561)
Repair and maintenance	(10)	-
Interest expense	(6)	(19)

(1) Included in the purchase of property, plant and equipment for the year ended December 31, 2011 was $1,967,000 arising from the acquisition of a property at 15A Jurong Port Road. Such acquisition was made pursuant to a conditional sales and purchase agreement entered in 2009 with a related party for acquisition of the said property together with the properties at 11 Jalan Terusan, including motor vehicles and warehouse equipment, at an aggregate consideration of $5,500,000. The acquisition of the properties at 11 Jalan Terusan, including motor vehicles and warehouse equipment, were completed during the year ended December 31, 2010 for $3,533,000.

(b) Joint venture

	2011 $'000	2010 $'000
Transportation services income	246	104
Warehousing and related services income	680	304

(c) Compensation of directors and key management personnel

The remuneration of directors and other members of key management are as follows:

	2011 $'000	2010 $'000
Short-term benefits	1,967	1,740
Post-employment benefits	72	71
	2,039	1,811

5 RELATED PARTY AND OTHER TRANSACTIONS (CONT'D)

The amounts outstanding from related parties are unsecured and will be settled in cash. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Services rendered to related parties were made at the Group's usual list prices. Purchases were made at market price.

6 CASH AND BANK BALANCES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Fixed deposits	3,493	3,472	-	-
Cash at bank	31,940	24,666	24,390	11,858
Cash on hand	139	222	-	-
	35,572	28,360	24,390	11,858
Less: Pledged deposits	(3,493)	(3,472)	-	-
	32,079	24,888	24,390	11,858

As at December 31, 2011, the fixed deposits bore an average effective interest of 0.60%(2010: 0.58%) per annum with tenure of approximately one month to one year (2010: one month to one year).

7 TRADE RECEIVABLES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Outside parties	15,111	9,886	-	-
Allowance for doubtful receivables	(501)	(292)	-	-
	14,610	9,594	-	-
Subsidiaries (Note 11)	-	-	2,548	416
Related parties (Note 5)	65	32	-	-
Amount due from joint venture (Note 12)	378	148	-	-
	15,053	9,774	2,548	416

The average credit period of the group is 30 days (2010: 30 days).

Trade receivables are provided for based on estimated irrecoverable amounts from the rendering of services, determined by reference to past default experience.

Before accepting any new customer, the group will assess the potential customer's credit quality and define credit limits by customer. Limits attributed to customers are reviewed periodically.

Included in the group's trade receivable balance are debtors with a carrying amount of $8,917,000 (2010: $5,417,000) which are past due at the end of the reporting period for which the group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable.

7 TRADE RECEIVABLES (CONT'D)

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The table below is an analysis of trade receivables as at the end of the reporting period:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Not past due and not impaired	6,136	4,357	264	416
Past due but not impaired				
Less than 3 months	7,301	4,483	711	-
More than 3 months	1,616	934	1,573	-
	8,917	5,417	2,284	-
Trade receivables not impaired	15,053	9,774	2,548	416
Impaired receivables				
– collectively assessed [(i)]	501	292	-	-
Less: Allowance for doubtful receivables	(501)	(292)	-	-
	-	-	-	-
Total trade receivables, net	15,053	9,774	2,548	416

(i) These amounts are stated before any deduction for impairment losses.

The movements in the allowance for doubtful receivables are as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Balance at beginning of year	292	714	-	-
Amount written off during the year	(126)	(599)	-	-
Allowance recognised in profit or loss	335	177	-	-
Balance at end of year	501	292	-	-

8 OTHER RECEIVABLES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Outside parties	663	321	-	-
Subsidiaries	-	-	1,253	-
Receivable from disposal of property	902	902	-	-
Staff loans	3	6	-	-
Deposits	1,078	797	69	–
Prepayments	1,839	565	7	8
	4,485	2,591	1,329	8

8 OTHER RECEIVABLES (CONT'D)

The other receivables due from outside parties are less than one year, has no fixed repayment periods and management is of the view that these receivables are not impaired and are recoverable.

The staff loans are unsecured and interest-free.

9 HELD-FOR-TRADING INVESTMENTS

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Quoted equity investments, at fair value	11	11	-	-

The fair values of the quoted equity investments are based on closing quoted market prices on the last market day of the year.

10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building $'000	Office and warehouse equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Leasehold improvements $'000	Construction in-progress $'000	Total $'000
Group							
Cost:							
At January 1, 2010	13,084	3,659	246	23,250	761	-	41,000
Additions	3,238	185	9	2,175	340	592	6,539
Disposals	(611)	(149)	-	(2,179)	(21)	-	(2,960)
At December 31, 2010	15,711	3,695	255	23,246	1,080	592	44,579
Additions	2,019	393	10	2,513	358	811	6,104
Disposals	-	-	-	(1,086)	-	-	(1,086)
At December 31, 2011	17,730	4,088	265	24,673	1,438	1,403	49,597
Accumulated depreciation:							
At January 1, 2010	3,589	2,228	95	12,136	218	-	18,266
Depreciation for the year	1,039	548	49	2,899	204	-	4,739
Disposals	(460)	(145)	-	(1,508)	(10)	-	(2,123)
At December 31, 2010	4,168	2,631	144	13,527	412	-	20,882
Depreciation for the year	1,702	497	46	2,688	267	-	5,200
Disposals	-	-	-	(843)	-	-	(843)
At December 31, 2011	5,870	3,128	190	15,372	679	-	25,239
Carrying amount:							
At December 31, 2011	11,860	960	75	9,301	759	1,403	24,358
At December 31, 2010	11,543	1,064	111	9,719	668	592	23,697

As at December 31, 2011, property, plant and equipment (excluding motor vehicles) of the group with carrying amount of $3,809,000 (2010: $4,056,000) are pledged as security for bank facilities disclosed in Note 13 to the financial statements. As at December 31, 2011, motor vehicles with carrying amount of $2,195,000 (2010: $2,531,000) are under finance lease arrangements disclosed in Note 16 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

(CONT'D)

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment $'000
Company	
Cost:	
At 1 January 2010	-
Additions	2
At 31 December 2010	2
Additions	11
At 31 December 2011	13
Accumulated depreciation:	
At 1 January 2010	-
Depreciation for the year	-
At 31 December 2010	-
Depreciation for the year	2
At 31 December 2011	2
Carrying amount:	
At 31 December 2011	11
At 31 December 2010	2

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2011 $'000	2010 $'000
Unquoted equity shares, at cost	18,284	18,284

Details of the company's subsidiaries at December 31, 2011 are as follows:

Name of subsidiaries	Country of incorporation and operations	Proportion of ownership interest and voting power held 2011 %	2010 %	Principal activity
SH Cogent Logistics Pte Ltd	Singapore	100	100	Provision of warehousing and container depot management services and transportation of containers and cargoes
Soon Hock Transportation Pte. Ltd.	Singapore	100	100	Provision of warehousing services
Cogent Investment Group Pte. Ltd.	Singapore	100	100	Investment holding
Cogent Automotive Logistics Pte. Ltd.	Singapore	100	100	Processing, transportation and storage of motor vehicles

All the above subsidiaries are audited by Deloitte & Touche LLP, Singapore.

11 INVESTMENT IN SUBSIDIARIES (CONT'D)

The following subsidiary is held by SH Cogent Logistics Pte Ltd:

Name of subsidiaries	Country of incorporation and operations	Proportion of ownership interest and voting power held 2011	2010	Principal activity
		%	%	
Cogent Land Capital Pte. Ltd.[(1)]	Singapore	100	-	Provision for automotive logistics services and sublet of lettable area

(1) Incorporated on November 11, 2011 and its operations for the year are not significant to the group.

12 INVESTMENT IN JOINT VENTURES

	Group 2011 $'000	2010 $'000
Unquoted equity shares, at cost	884	100
Share of post-acquisition loss	(398)	(76)
Net	486	24

On June 1, 2011, a subsidiary entered into a joint venture agreement with Joint Win Container Logistics Ltd to jointly set up a container depot logistics operation under JW Cogent Logistics Sdn. Bhd. ("JW Cogent"), a company incorporated in Malaysia on May 20, 2011. The subsidiary acquired 50% equity interest in JW Cogent through subscription of 1,420,000 new ordinary shares at RM1 per share, totaling RM1,420,000, with equivalent voting power. The cost of investment at the acquisition date is equivalent to $583,737.

On August 16, 2010, a subsidiary entered into a joint venture agreement with Joint Win Container Logistics Ltd to jointly set up a container depot logistics operation under JWC Logistics Pte. Ltd., a company incorporated in Singapore. The subsidiary acquired 50% equity interest in JWC Logistics Pte Ltd through subscription of 100,000 new ordinary shares at $1 per share, totaling $100,000, with equivalent voting power. During the year ended December 31, 2011, the subsidiary subscribed to additional 200,000 new ordinary shares of JWC Logistics Pte. Ltd. at $1 per share, totaling to $200,000.

Details of joint ventures of the group are as follows:

Name of joint ventures	Country of incorporation and operations	Proportion of ownership interest and voting power held 2011	2010	Principal activity
		%	%	
JWC Logistics Pte. Ltd.	Singapore	50	50	Container depot management service
JW Cogent Logistics Sdn. Bhd.	Malaysia	50	–	Container depot management service

12 INVESTMENT IN JOINT VENTURES (CONT'D)

The unaudited financial information in respect of the group's joint ventures is summarised as follows:

	2011 $'000	2010 $'000
Assets and liabilities		
Current assets	1,582	300
Current liabilities	(620)	(252)
	962	48
Group's share of net assets	486	24
Results		
Income	1,444	568
Expenses	(2,097)	(720)
Net loss for the year	(653)	(152)
Group's share of results [a]	(322)	(76)

(a) As at the end of the reporting period, accumulated loss incurred by JWC Logistics Pte. Ltd. exceeded the cost of investment in joint venture. Accordingly, the group has an unrecorded share of loss of $5,000.

The net tangible assets and profit before tax of the joint ventures represent less than 20% of the group's consolidated net tangible assets and profit before tax as at the end of the reporting period.

13 BANK LOANS

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Bank loans:				
Secured [1]	2,093	5,700	-	-
Unsecured	1,999	-	-	-
	4,092	5,700	-	-
Non-current portion of bank loans	(2,456)	(4,127)	-	-
Current portion of bank loans	1,636	1,573	-	-
The bank loans are repayable as follows:				
Within one year	1,636	1,573	-	-
Later than one year and not later than five years	1,983	3,298	-	-
Later than five years	473	829	-	-
	4,092	5,700	-	-

13 BANK LOAN (CONT'D)

The annual effective interest rates for the bank loans are as follows:

	Group		Company	
	2011	2010	2011	2010
Bank loans	3.77%	4.03%	-	-

Bank loans are repayable in 19 to 78 (2010: 31 to 90) monthly repayments and a final repayment of the balance amount outstanding.

(1) The bank loans are secured by certain property, plant and equipment (Note 10), corporate guarantee and personal guarantees from directors of certain subsidiaries.

The carrying amounts of the group's borrowings approximate their fair values as at the end of the reporting period.

14 LOAN FROM RELATED PARTY

The loan from related party in 2010 was unsecured and bore interest at Singapore interbank offer rate per annum. The loan was fully repaid during the year.

15 DEFERRED INCOME

The deferred income arose from the sale and leaseback of a leasehold property by a subsidiary in 2009. The total gain on disposal of the leasehold amounted to $20,561,000 of which $7,000,000 was recorded as a deferred income to be amortised over the next 7 years. The gain on disposal of $13,561,000 was recorded in profit or loss in 2009 and the deferred income of $7,000,000 approximated the land rental and property tax payable by the subsidiary over the lease period of 7 years in accordance with the leaseback arrangement.

	Group	
	2011 $'000	2010 $'000
Balance at beginning of year	6,000	7,000
Credit to profit or loss	(1,000)	(1,000)
Balance at end of year	5,000	6,000
Less: current portion	(1,000)	(1,000)
Non-current portion	4,000	5,000

16 FINANCE LEASES

	Minimum lease payments				Present value of minimum lease payments			
	Group		Company		Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Amounts payable under finance leases:								
Within one year	892	828	-	-	834	765	-	-
Later than one year and not later than five years	1,711	716	-	-	1,588	649	-	-
Later than five years	3	41	-	-	3	35	-	-
	2,606	1,585	-	-	2,425	1,449	-	-
Less: Future finance charges	(181)	(136)	-	-				
Present value of lease obligations	2,425	1,449	-	-				
Less: Amounts due for settlement within 12 months (shown under current liabilities)					(834)	(765)	-	-
Amount due for settlement after 12 months					1,591	684	-	-

It is the group's policy to lease certain of its plant and equipment under finance leases. The average lease term and the average effective borrowing rate are as follows:

	Average lease term	Average effective borrowing rate per annum
As at December 31, 2011	29 months	2.18%
As at December 31, 2010	46 months	2.58%

Interest rates are fixed at the contracted date, and thus expose the group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The carrying amount of the group's finance lease payables approximate its fair value as at the end of the reporting date.

The group's obligations under finance leases are secured by its property, plant and equipment (Note 10).

17 TRADE PAYABLES

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Outside parties	4,096	3,768	101	64
Related parties (Note 5)	10	43	-	-
	4,106	3,811	101	64

18 OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Outside parties	155	181	-	-
Subsidiary (Note 11)	-	-	58	189
Related party (Note 5)	-	250	-	-
Accruals	2,817	1,541	628	370
Rental deposits	3,499	2,393	-	-
	6,471	4,365	686	559

The company's payables to the subsidiary are unsecured, interest free and repayable on demand.

19 DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Tax losses	Total
	$'000	$'000	$'000
Group			
At January 1, 2010	986	(153)	833
(Credit) Charge to profit or loss (Note 24)	(124)	71	(53)
At December 31, 2010	862	(82)	780
Credit to profit or loss (Note 24)	(75)	(11)	(86)
At December 31, 2011	787	(93)	694

Subject to the agreement by tax authority, at the end of the reporting period, the Group has unutilised tax losses of $545,000 (2010: $484,000) available for offset against future profits. Accordingly, a deferred tax asset has been recognised in respect of such losses.

20 SHARE CAPITAL

Fully paid ordinary shares, which have no par value, carry a right to dividends.

Group

	Number of ordinary shares		Share capital	
	2011 '000	2010 '000	2011 $'000	2010 $'000
Issued and paid up:				
At beginning of year [(a)]	319,000	500	27,871	500
Adjustment arising from restructuring exercise	-	(500)	-	(500)
Sub-division of shares [(b)]	-	273,000	-	18,284
Issuance of shares [(c)]	159,500	46,000	17,545	10,120
New shares issuance expenses	-	-	(324)	(533)
At end of year	478,500	319,000	45,092	27,871

Company

	Number of ordinary shares		Share capital	
	2011 '000	2010 '000	2011 $'000	2010 $'000
Issued and paid up:				
At beginning of year [(a)]	319,000	-	27,871	-
Adjustment arising from restructuring exercise	-	-	-	-
Sub-division of shares [(b)]	-	273,000	-	18,284
Issuance of shares [(c)]	159,500	46,000	17,545	10,120
New shares issuance expenses	-	-	(324)	(533)
At end of year	478,500	319,000	45,092	27,871

(a) As at January 1, 2010, the number of ordinary shares of the group represents the combined shares of the subsidiaries and the company, and the share capital of the company represents 2 ordinary shares.

(b) Pursuant to the restructuring of the company, completed on January 19, 2010, the share capital of the company was enlarged to 273,000,000 shares.

(c) On November 17, 2011, a rights issue of 159,500,000 new ordinary shares were listed on the Singapore Exchange Securities Trading Limited.

On February 25, 2010, 46,000,000 new ordinary shares were listed on the Singapore Exchange Securities Trading Limited.

21 REVENUE

	Group 2011 $'000	Group 2010 $'000
Transportation management services	24,694	19,425
Warehousing and container depot management services	32,372	27,598
Automotive logistics management services	8,076	7,413
	65,142	54,436

22 OTHER OPERATING INCOME

	Group 2011 $'000	Group 2010 $'000
Interest income from bank deposits	57	47
Interest income from non-related companies	-	61
Gain on disposal of property, plant and equipment	351	256
Gain on disposal of leasehold property held-for-sale	-	4,741
Gain on disposal of held-for-trading investment	-	14
Fair value gain on held-for-trading investments	-	3
Insurance claims	7	24
Government grants	5	113
Others	54	123
	474	5,382

23 FINANCE COSTS

	Group 2011 $'000	Group 2010 $'000
Interest expense:		
Third parties	264	453
Related party (Note 5)	6	19
	270	472

24 INCOME TAX EXPENSE

	Group 2011 $'000	Group 2010 $'000
Current tax	861	733
(Over) Underprovision in prior years	(299)	26
Deferred tax (Note 19)	(86)	(53)
	476	706

Income tax is calculated at 17% (2010: 17%) of the estimated assessable profit for the year.

24 INCOME TAX EXPENSE (CONT'D)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group 2011 $'000	Group 2010 $'000
Profit before tax	3,728	5,169
Tax at domestic income tax rate	634	879
Tax effect of non-allowable (non-taxable) items	323	(128)
Tax concession (Productivity and Innovation Credit)	(130)	(19)
Exempt income	(52)	(52)
(Over) Underprovision in prior years	(299)	26
Total income tax expense	476	706

25 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group 2011 $'000	Group 2010 $'000
Directors' remuneration	953	777
Retirement benefit scheme contributions included in employee benefits expense	1,042	898
Bad debts written off – trade	-	6
Net foreign exchange (gain) loss	(2)	28
Fair value gain on held-for-trading investments	-	(3)
Audit fees paid to auditors of the company	25	25
Audit fees paid to auditors of the subsidiaries	78	78
Non-audit fees paid to auditors of the company	15	20

26 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the company is based on the following data:

Earnings

	Group 2011 $'000	Group 2010 $'000
Earnings for the purposes of calculation of basic and diluted earnings per share (profit for the year attributable to equity holders of the company)	3,252	4,463

26 EARNINGS PER SHARE (CONT'D)

Number of shares

	Group 2011 $'000	Group 2010 $'000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	346,912,500	328,114,286*

* Restated after factoring for the rights shares issued during the financial year ended December 31, 2011 (see Note 20) to reflect the proportionate change in the number of ordinary shares outstanding as if the bonus element in the rights issue to existing shareholders had occurred at the beginning of the earliest reported period being the financial year ended December 31, 2010. The bonus element is the difference between the issue price of $0.11 and the fair market value at the date of rights issue.

27 DIVIDENDS

During the year ended December 31, 2011, the company declared and paid a final one-tier tax exempt dividend of $0.0028 per ordinary share totalling $893,200 in respect of the year ended December 31, 2010 to the shareholders of the company.

No dividend was declared by the company for the year ended December 31, 2011.

During the year ended December 31, 2010, the company declared and paid the first and second interim one-tier tax exempt dividends of $0.0139 per ordinary share totalling $8,868,200 in respect of the year ended December 31, 2010 to the shareholders of the company.

28 SEGMENT INFORMATION

Services from which reportable segments derive their revenue

For the purpose of the resource allocation and assessment of segment performance, the group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the operating segments of the group under FRS 108.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics and are similar in respect of nature of services and processes and/or their reported revenue.

The group's reportable operating segments under FRS 108 are as follows:

Segment	Principal activities
(a) Transportation management services	Provision for dry hubbing logistics solutions and transportation services locally for laden and empty containers and other cargoes.
(b) Warehousing and container depot management services	Rental of warehouses and provision of warehousing services including packing, drumming and other related ancilliary storage services. Provision of storage of unladen shipping containers and maintenance and repair works on the containers.
(c) Automotive logistics management services	Processing, transportation, storage and motor vehicles and port and customers clearance, vehicular transportation, warehousing and delivery of such motor vehicles, export processing zone operations such as deregistration and export of used vehicles.

28 SEGMENT INFORMATION (CONT'D)

Corporate and others relate to the provision of group level corporate service and investment in entities that do not constitute an operating segment. Accordingly, corporate and others are presented as a reconciliation to the segment information presented.

Segment revenue represents revenue generated from external and internal customers. Segment profits represent the profit earned by each segment after allocating central administrative costs and finance costs.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision makers monitor the tangible and financial assets attributable to each segment. All assets are allocated to reportable segments. Assets, if any, used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments. Segment liabilities represent operating liabilities attributable to each reportable segment. Loans and bank borrowings, and tax liabilities are not allocated.

These are measures reported to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

Information regarding the group's reportable segments is presented in the tables below.

Segment revenue and profit or loss

	Transportation management services $'000	Warehousing and container depot management services $'000	Automotive logistics management services $'000	Corporate and others $'000	Inter-segment eliminations $'000	Total $'000
2011						
Revenue						
External revenue	24,694	32,372	8,076	-	-	65,142
Inter-segment revenue	833	2,306	47	2,699	(5,885)	-
	25,527	34,678	8,123	2,699	(5,885)	65,142
Results						
Segment profit (loss)	1,692	3,209	2,413	(2,994)	-	4,320
Finance costs						(270)
Share of result of joint ventures						(322)
Profit before tax						3,728
Income tax expense						(476)
Profit for the year						3,252
2010						
Revenue						
External revenue	19,425	27,598	7,413	-	-	54,436
Inter-segment revenue	895	2,080	56	1,279	(4,310)	-
	20,320	29,678	7,469	1,279	(4,310)	54,436
Results						
Segment profit (loss)	984	4,788	2,062	(2,117)	-	5,717
Finance costs						(472)
Share of result of joint venture						(76)
Profit before tax						5,169
Income tax expense						(706)
Profit for the year						4,463

28 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information

	Transportation management services $'000	Warehousing and container depot management services $'000	Automotive logistics management services $'000	Corporate and others $'000	Total $'000
2011					
Assets					
Segment assets	19,157	29,996	5,114	25,248	79,515
Investment in joint ventures					486
Total assets					80,001
Liabilities					
Segment liabilities	3,299	9,577	1,236	1,465	15,577
Loans and borrowings					6,517
Income tax payable					1,203
Deferred tax liabilities					694
Total liabilities					23,991
2010					
Assets					
Segment assets	15,267	31,438	6,019	11,745	64,469
Investment in joint venture					24
Total assets					64,493
Liabilities					
Segment liabilities	2,746	10,003	1,165	262	14,176
Loans and borrowings					11,149
Income tax payable					1,958
Deferred tax liabilities					780
Total liabilities					28,063

Other segment information

	Transportation management services $'000	Warehousing and container depot management services $'000	Automotive logistics management services $'000	Total $'000
2011				
Capital expenditure	2,539	3,534	31	6,104
Depreciation	1,614	3,371	215	5,200
2010				
Capital expenditure	1,269	5,225	45	6,539
Depreciation	1,805	2,723	211	4,739

28 SEGMENT INFORMATION (CONT'D)

Geographical segment information

Except for a joint venture operating in Malaysia, the group's operations are carried out solely in Singapore. Accordingly, no geographical segment information is presented.

29 OPERATING LEASE ARRANGEMENTS

The group as lessee

	2011 $'000	2010 $'000
Minimum lease payments under operating leases recognised as an expense in the year	17,288	15,874

At the end of the reporting period, the commitments in respect of operating leases for rental of land and warehouse premises with a term of not less than one year were as follows:

	2011 $'000	2010 $'000
Future minimum lease payable:	15,226	15,212
Within one year	41,357	36,810
Later than one year and not later than five years	33,446	10,165
Later than five years	90,029	62,187

Operating lease payments represent rentals payable by the group for certain of its land and warehouse premises. Leases are negotiated for an average term of seven years, except for leases with JTC Corporation which are negotiated for a period up to 30 years. Rentals are fixed for an average of two years.

The group as lessor

	2011 $'000	2010 $'000
Minimum lease payment under operating leases recognised as an income in the year	18,083	15,618

The group rents out its warehouse premises for storage to generate warehouse rental income.

At the end of the reporting period, the group has contracted with tenants for the following future minimum lease payments:

	2011 $'000	2010 $'000
Within one year	11,647	13,495
Later than one year and not later than five years	7,493	7,140
	19,140	20,635

Operating lease income represents rental receivable from the group's warehouse premises. Leases are committed for an average term of 2.4 years and rental income is fixed for an average of 2.4 years.

30 COMMITMENTS

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Bankers' guarantees (secured)	6,901	6,197	621	5,413

Bankers' guarantees issued by the group are secured by corporate guarantees and pledged deposits.

As at December 31, 2011, the company has provided corporate guarantees to banks in respect of the banking facilities granted to a subsidiary amounting to $121,150,000 (2010: $15,164,000), of which $3,898,000 (2010: $5,413,000) was utilised at the end of the reporting period. The management is of the view that the fair values of the corporate guarantees provided by the company are not significant.

31 SUBSEQUENT EVENTS

(a) On January 19, 2012, one of the company's subsidiary, Cogent Land Capital Pte. Ltd. ("CLC"), applied for a court injunction against the former master lease holder and the management company of Turf City (collectively known as the "Defendents") to restrain them from

(i) removing any partitions, renovations and other forms of improvements that have been made to the premises;

(ii) requiring or demanding the current sub-tenants to remove any partitioning, renovations, alterations and other improvements that have been made to the premises;

(iii) evicting any current sub-tenant who intend to continue with the tenancy;

(iv) impeding access by current sub-tenants to the use of the premises including utilities.

To fortify this undertaking, CLC paid $500,000 to Attorney-General as fund to satisfy any damage that may be suffered by the Defendant as a result of the injunction, in particular the granting of access to utilities.

As at the date of this report, the inquiry into the damages for the injunction which is to be determined by the trial has not occurred. As such, the court has not concluded the quantum required to be paid out of the fortification sum and the amount that should be returned to CLC.

(b) On March 1, 2012, CLC entered into a tenancy agreement with Singapore Land Authority to lease a plot of land located at Former Bukit Timah Turf Club Site at a monthly rent of $1,065,678. The tenancy term is of three years from the date of agreement with an option for CLC to renew for a further term of three years.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2012

GENERAL INFORMATION ON SHARE CAPITAL

Number of shares	:	478,500,000
Class of shares	:	Ordinary
Voting right	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 999	1	0.09	40	0.00
1,000 – 10,000	417	36.77	2,041,655	0.43
10,001 – 1,000,000	697	61.46	57,657,530	12.05
1,000,001 and above	19	1.68	418,800,775	87.52
TOTAL	**1,134**	**100.00**	**478,500,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as per Register of Substantial Shareholders as at 15 March 2012.

	Direct Interest	%	Deemed Interest	%
Tan Yeow Khoon	316,975,775	66.24	-	-
Tan Yeow Lam	65,000,000	13.58	-	-

TWENTY LARGEST SHAREHOLDERS AS AT 15 March 2012

No.	Name of Shareholders	No. of Shares	% of Shares
1	TAN YEOW KHOON	316,975,775	66.24
2	TAN YEOW LAM	65,000,000	13.58
3	KHUA KIAN KEONG	6,044,000	1.26
4	LOH KHAI HONG	5,437,000	1.14
5	SAMUEL NG CHEE YONG (SAMUEL WU ZHIYONG)	2,595,000	0.54
6	KEK BENG	2,403,000	0.50
7	CHEN LI-JIUN	2,300,000	0.48
8	TAN MIN CHEOW BENSON	2,050,000	0.43
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,911,000	0.40
10	VIBRANT CAPITAL PTE LTD	1,745,000	0.36
11	KOH KEE BOON	1,650,000	0.34
12	MAYBANK KIM ENG SECURITIES PTE LTD	1,633,000	0.34
13	UOB KAY HIAN PTE LTD	1,510,000	0.32
14	HUSSAIN BIN M ISMAIL	1,500,000	0.31
15	KOH WEE MENG	1,500,000	0.31
16	LIM & TAN SECURITIES PTE LTD	1,210,000	0.25
17	TAN AH CHEW	1,140,000	0.24
18	DBS NOMINEES PTE LTD	1,122,000	0.23
19	TAY JIN CHUAN	1,075,000	0.22
20	CIMB SECURITIES (SINGAPORE) PTE LTD	975,000	0.20
	TOTAL	**419,775,775**	**87.69**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 15 March 2012, approximately 19.69% of the Company's shares were held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of its listed securities are at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Cogent Holdings Limited ("the Company") will be held at Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Friday, 27 April 2012 at 2.00 pm for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2011 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 94 of the Articles of Association of the Company:

   Mr Chua Cheow Khoon, Michael ***(See Explanatory Note (i))*** **(Resolution 2)**
   Mr Teo Lip Hua, Benedict ***(See Explanatory Note (ii))*** **(Resolution 3)**

3. To approve the payment of Directors' fees of S$116,000 for the year ending 31 December 2012, to be paid half-yearly in arrears. (2011: S$96,000) **(Resolution 4)**

4. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

5. **Authority to issue shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) ("SGX-ST") for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) any new Shares arising from the conversion or exercise of any convertible securities;

(b) any new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Note (iii))*** **(Resolution 6)**

6. **Authority to grant awards and to issue Shares under the Cogent Holdings Performance Share Plan**

That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the Cogent Holdings Performance Share Plan ("the Plan"), and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of awards granted under the Plan, provided always that the aggregate number of Shares to be issued and/or transferred pursuant to the Plan, when added to the number of new Shares issued and issuable and/or transferred and transferable in respect of (a) all awards granted under the Plan, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Note (iv))*** **(Resolution 7)**

7. **Authority to issue Shares under the Cogent Holdings Employee Share Option Scheme**

   That the Directors of the Company be authorised and empowered to offer and grant options in accordance with the rules of the Cogent Holdings Employee Share Option Scheme ("the Scheme") and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of new Shares to be issued pursuant to the Scheme, when added to the number of new Shares issued and issuable in respect of (a) all options granted under the Scheme, and (b) all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Note (v))*** **(Resolution 8)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

By Order of the Board

Lim Ka Bee
Secretary
Singapore,

12 April 2012

Explanatory Notes:

(i) Mr Chua Cheow Khoon, Michael will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, member of the Nominating Committee, member of the Remuneration Committee and will be considered independent.

(ii) Mr Teo Lip Hua Benedict will, upon re-election as a Director of the Company, remain as member of the Audit Committee, member of the Nominating Committee, Chairman of the Remuneration Committee and will be considered independent.

(iii) The Ordinary Resolution 6 in item 5 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

   For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(iv) The Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue and/or transfer Shares pursuant to the Plan provided that the aggregate number of Shares to be issued and/or transferred pursuant to the Plan, when added to the number of new Shares issued and issuable and/or transferred and transferable in respect of (a) all awards granted under the Plan, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasure shares) in the capital of the Company from time to time.

(v) The Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares pursuant to the exercise of options granted or to be granted under the Scheme provided that the aggregate number of Shares to be issued pursuant to the Scheme, when added to the number of new Shares issued and issuable in respect of (a) all options granted under the Scheme, and (b) all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force , shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

1. A member of the Company ("Member") entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the registered office of the Company at 7 Penjuru Close #05-00 Singapore 608779 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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PROXY FORM

(Please see notes overleaf before completing this Form)

COGENT HOLDINGS LIMITED

(Company Registration No. 200710813D)
(Incorporated in the Republic of Singapore)

IMPORTANT: FOR CPF INVESTORS ONLY

1. For investors who have used their CPF monies to buy Cogent Holdings Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, ____

of ____

being a member/members of Cogent Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Friday, 27 April 2012 at 2.00 pm and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Ordinary Resolutions	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2011		
2	Re-election of Mr Chua Cheow Khoon, Michael as a Director		
3	Re-election of Mr Teo Lip Hua, Benedict as a Director		
4	Approval of Directors' fees		
5	Re-appointment of Deloitte & Touche LLP as Auditors		
6	Authority to issue new shares		
7	Authority to issue shares pursuant to the Cogent Holdings Performance Share Plan		
8	Authority to issue shares pursuant to the Cogent Holdings Employee Share Option Scheme		

Dated this ____________________ day of ____________________ 2012.

Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	
Total	

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

* *Delete where inapplicable*

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 7 Penjuru Close #05-00 Singapore 608779 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

COGENT

COGENT HOLDINGS LIMITED

Reg No.: 200710813D

7 Penjuru Close #05-00 Singapore 608779
Tel: 6266 6161 Fax: 6501 5856

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