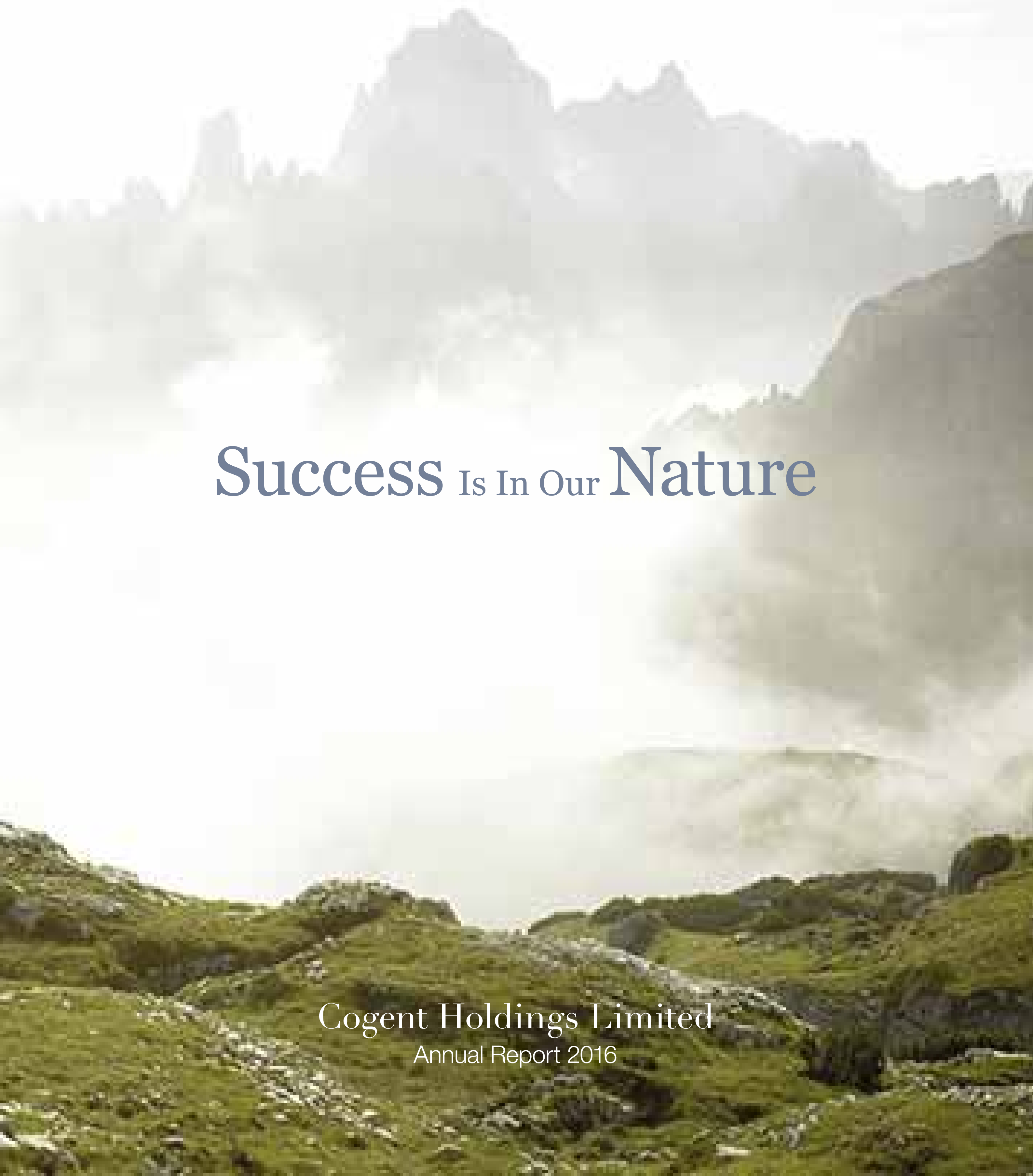
COGENT
HOLDINGS LIMITED



Success Is In Our Nature

Cogent Holdings Limited
Annual Report 2016

Contents


Jody Macdonald Rajan II, Ltd Edition of 150 | Studio Stamp | JMC06

Financial Highlights

FY16 NET CASH FROM OPERATING ACTIVITIES
S$44.8 MILLION

FY16 OPERATING PROFIT MARGIN[1]
30.2%

FY16 NET PROFIT MARGIN
23.5%

3-YEAR CAGR EBITDA (FROM FY14 TO FY16)
17.2%

3-YEAR CAGR PROFIT BEFORE TAX (FROM FY14 TO FY16)
15.5%

3-YEAR CAGR NET PROFIT (FROM FY14 TO FY16)
14.1%

FY16 RETURN ON ASSET
11.4%

Financial Highlights

REVENUE
FY16: S$136.7 mil
FY15: S$129.2 mil
5.8%

OPERATING PROFIT[1]
FY16: S$41.3 mil
FY15: S$33.1 mil
24.7%

PROFIT BEFORE TAX
FY16: S$38.2 mil
FY15: S$30.6 mil
25.0%

EBITDA
FY16: S$50.0 mil
FY15: S$42.2 mil
18.5%

NET PROFIT
FY16: S$32.1 mil
FY15: S$25.5 mil
26.0%

EARNINGS PER SHARE
FY16: 6.70 cents
FY15: 5.32 cents
25.9%

RETURN ON EQUITY
27.9%

PRICE EARNINGS RATIO[2]
8.7

CURRENT RATIO
1.3

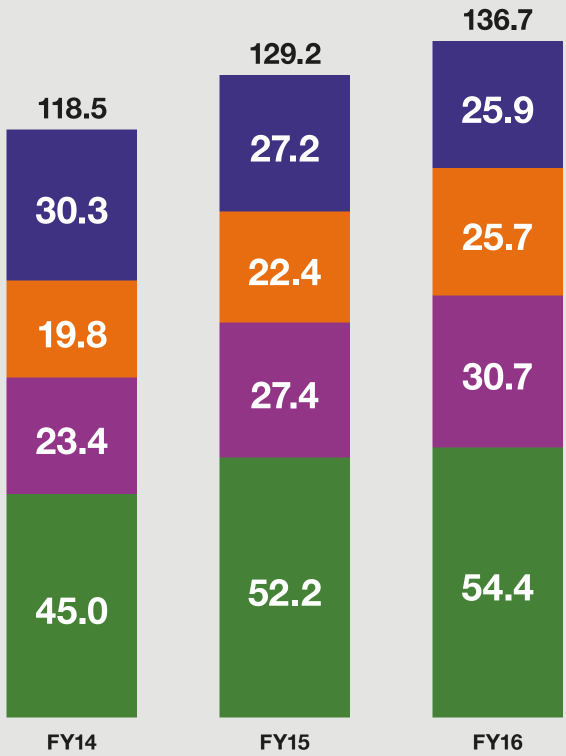
FY refers to 12-month periods ended 31 December of the relevant year

[1] Operating profit equals to earnings before interest and tax less gain from disposal of property, plant and equipment

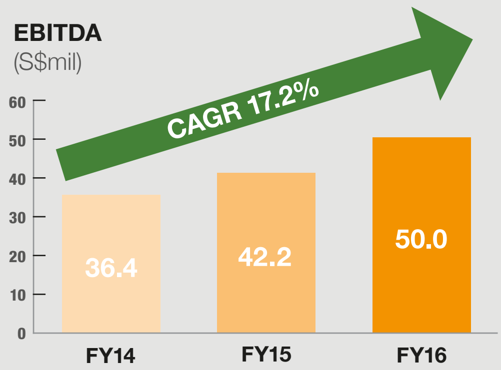
[2] Derived based on Company's last transacted share price of 58.0 Singapore cents as at 30 December 2016

Financial Highlights

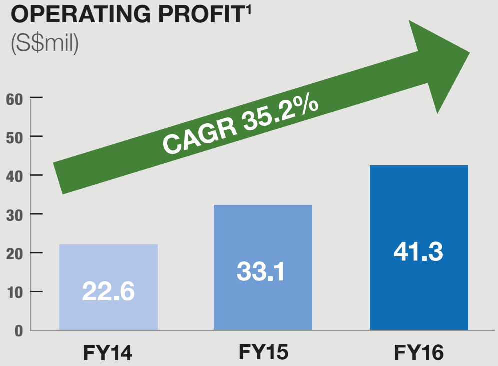
3-YEAR FINANCIAL SUMMARY
(FROM FY14 TO FY16)



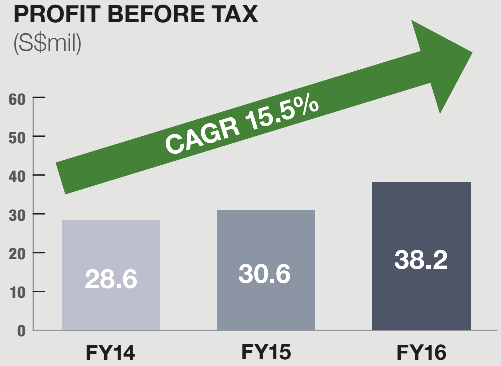
EBITDA
(S$mil)



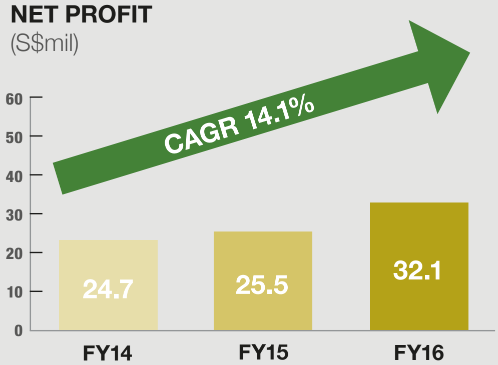
OPERATING PROFIT[1]
(S$mil)



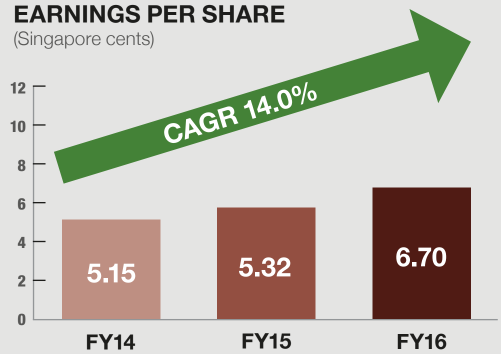
PROFIT BEFORE TAX
(S$mil)



NET PROFIT
(S$mil)

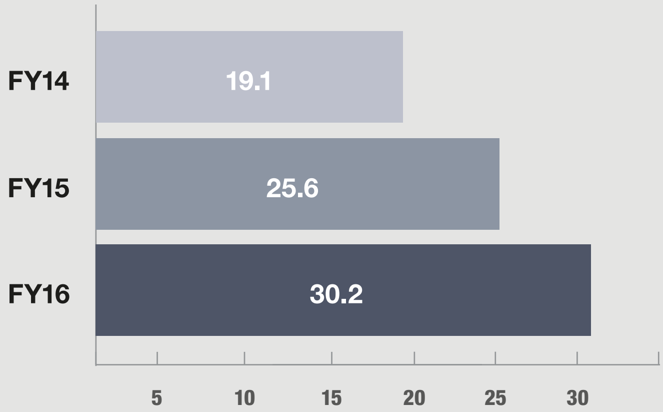


EARNINGS PER SHARE
(Singapore cents)

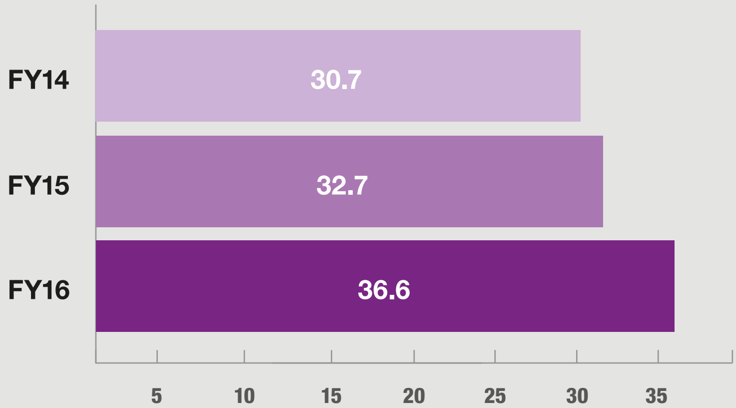


Financial Highlights

OPERATING PROFIT MARGIN[1] (%)



EBITDA MARGIN (%)

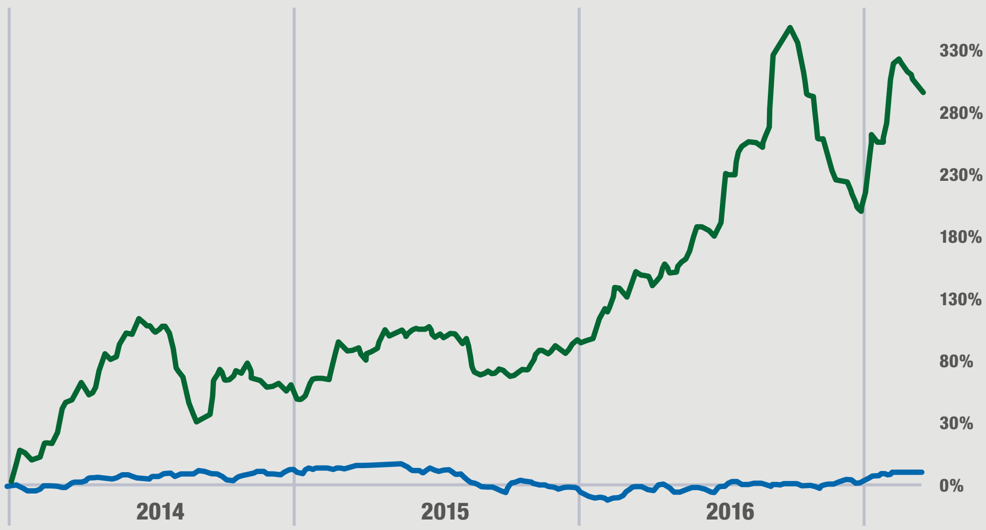


TOTAL SHAREHOLDER RETURN

(From Jan 2014 to Mar 2017)

COGENT HOLDINGS LIMITED: 295%

STRAITS TIMES INDEX: 12%



Source: Bloomberg

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Great Innovation for Big Solutions

Looking back on 2016

Grand opening of Cogent 1.Logistics Hub

Cogent 1.Logistics Hub boasts the world's first integrated logistics hub, with a state-of-the-art rooftop container depot overlooking the Jurong industrial landscape. The hub's opening on 22 February 2016 marks a significant milestone for the Group as it consolidates its full suite of logistics operations under one roof.

Expansion of warehouse & container business in Malaysia

Following the commencement of its warehouse and container depot operations in Phase 1 of the Port Klang Project in Malaysia, Cogent embarked on its Phase 2 in April 2016, expanding the warehouse business with an additional 270,000 square feet of build-up area. The warehouse has commenced operations in March 2017.

Extension of Master Tenancy at The Grandstand

Singapore Land Authority (SLA) has agreed to grant an extension of the Master Tenancy with effect from 1 March 2018 to 31 December 2020. The offer letter for the extension of the Master Tenancy will be issued nearer to the expiry of the current Master Tenancy. The 1 million square feet property prides itself on its extensive choices that cater to all age groups, and has one of the largest second-hand car marts in Singapore spanning 450,000 square feet with over 150 showrooms.

Jurong Island Chemical Logistics Facility

Cogent has accepted Jurong Town Corporation's (JTC) letter of offer in September 2016 to develop the Jurong Island Chemical Logistics Facility on a plot of 6-hectare land. The facility shall be constructed over 2 phases: Phase 1 and Phase 2 with build-up areas of 87,500 square metres and 62,500 square metres respectively. This multi-purpose logistics hub is designed to support the manufacturing operations on Jurong Island.

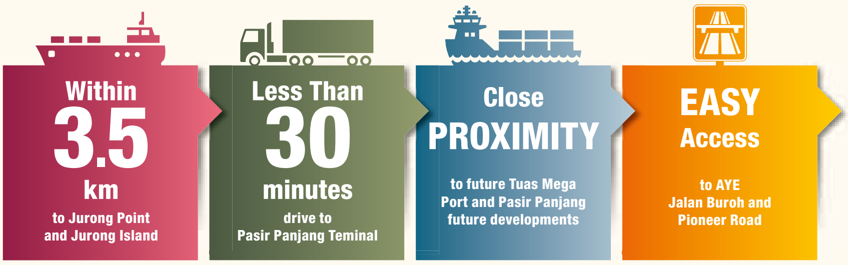
Group Corporate Profile

Clear Growth Strategy

The success of Cogent 1.Logistics Hub is testament to Cogent's commitment to constantly re-define industry norms and pioneer new operational practices to support its business growth over the years. Standing at over 110 metres high, this iconic landmark encapsulates an integrated warehouse with a patented sky depot in one building. The architecture of the building is designed with an aim to optimise land productivity in land-scarce Singapore. The hub is capable of supporting a full suite of logistics services encompassing transportation, warehousing and container depot within a single facility. With the introduction of this concept, high volume of deliveries can be made simultaneously within minutes. Hence, this enhances productivity and cost-effectiveness.

With the success of its innovative business concept, Cogent has been awarded with a long-term land lease to operate a similar multi-purpose logistics hub that is designed to support the manufacturing operations on Jurong Island. The addition of this facility in Singapore's prime petrochemical hub will give Cogent a strategic advantage to outperform its competitors.

Cogent believes that its pioneering spirit will place the Group in good stead moving forward despite the uncertainties surrounding the global economic landscape. Cogent will continue to evolve with the market to meet the ever-changing needs of customers while upholding its stature by ensuring consistency in quality and reliability. Being customer-centric, Cogent, as an one-stop logistics solutions provider, always seek ways to improve its customers' experience.



COGENT
1. LOGISTICS HUB

Group Corporate Profile

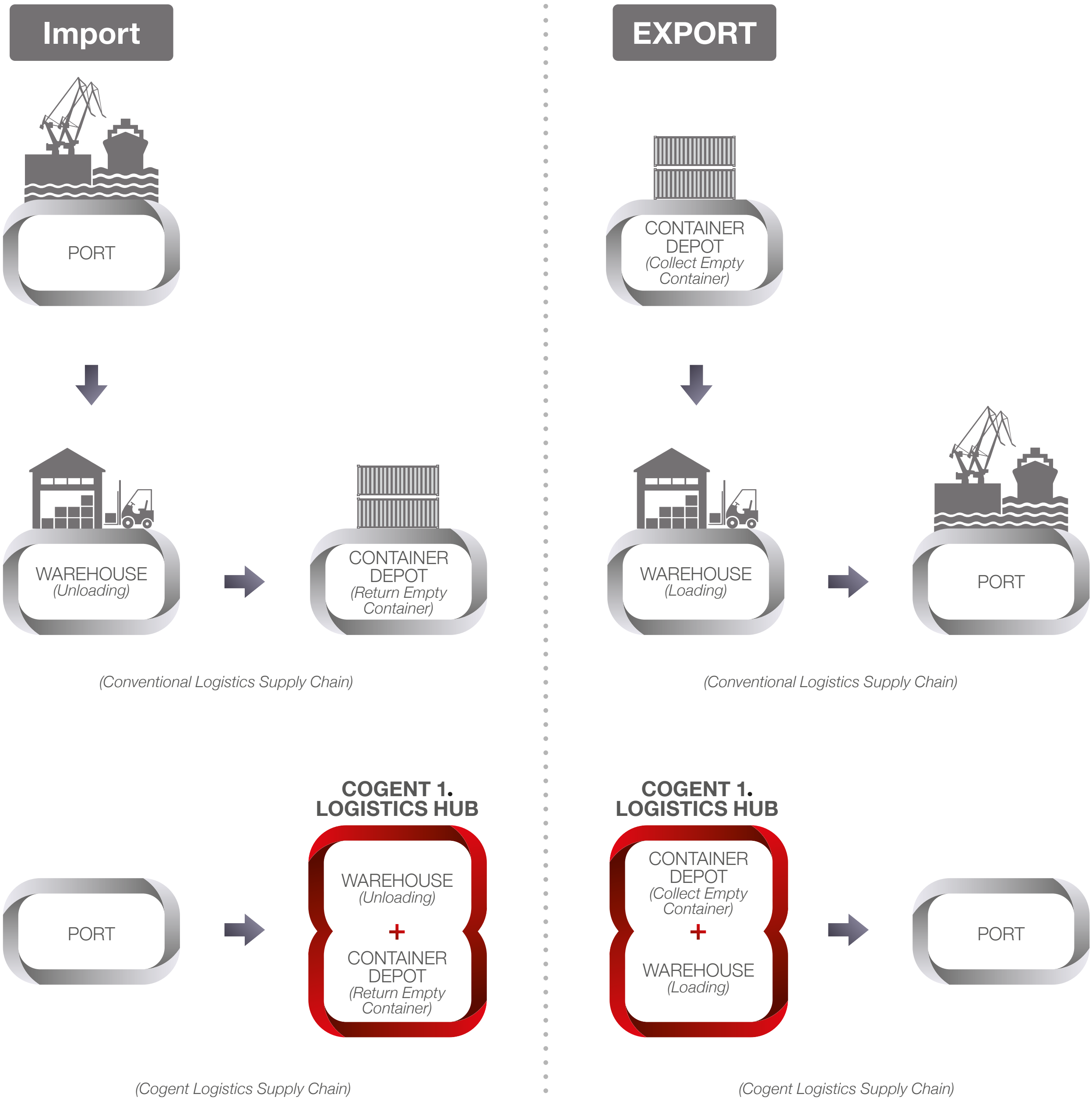
Cogent Holdings Limited and its subsidiaries started as a family business providing point-to-point cargo transportation with a small fleet of trucks in the 1960s. Today, it has grown into one of Singapore's leading logistics management service providers and a highly regarded public-listed company with a broad-based clientele that ranges from local SMEs to multinational companies.

The Group Structure

COGENT HOLDINGS LIMITED

- 100% SH Cogent Logistics Pte Ltd
  - 100% Cogent Land Capital Pte Ltd
  - 100% Cogent Container Depot Pte Ltd
  - 100% Cogent Container Depot (M) Sdn Bhd
  - 100% SH Cogent Logistics Sdn Bhd
- 100% Cogent Jurong Island Pte Ltd
- 100% Cogent Automotive Logistics Pte Ltd
- 100% Cogent Investment Group Pte Ltd

Cogent Logistics Supply Chain



By integrating warehouse and container depot in a single building at Cogent 1.Logistics Hub, the transport cycle and waiting time are shortened for Cogent's customers. This seamless synergy of operations allows Cogent to handle higher volume within the same amount of time, thus bringing greater savings to its customers.

- Innovative, space-saving design that includes a patented sky depot on 5 storeys of ramp-up purpose-built warehouses
- Achieves economies of scale with large single floor plate of approximately 280,000 square feet
- Able to stack up to 15 empty containers high and store up to 16,000 TEUs on a much reduced footprint
- Offers a full suite of logistics services with seamless synergy of operations that includes container repair and maintenance centre
- Strategically located in close proximity to Jurong Island and Singapore's future Tuas Mega Port which is advantageous for efficient deliveries
- Purpose-built warehouses capable of storing NEA-controlled, flammable materials, project cargoes and general cargoes

About Us

Automotive Logistics Management Services

Cogent offers a wide range of comprehensive automotive logistics services, from customs processing and transportation, to storage of motor vehicles within licensed warehouses. Being the leading provider of Automotive Logistics Management Services in Singapore and a well-trusted business partner in the automotive industry, it boasts more than 5 storage facilities across the island with the capacity to store up to 3,000 cars in multiple locations.

Cogent takes its "Zero Damage Policy" with high priority and provides round-the-clock assistance with its 24/7 call centre. To meet high standards, services are provided only with top-grade equipment and materials, led by skilled and experienced crew. Over the years, we have achieved ISO 9001:2008 Quality Management System Certification and developed strong working relationships with various government agencies.

Transport Management Services

In a span of over 40 years, Cogent has progressed from operating a small fleet of trucks, to an impressive transportation business that operates over 100 prime movers and 400 trailers. Cogent's customer base has also grown immensely, serving clients of diverse sectors, including local and international corporations in the steel, construction, marine, and OPEC (Oil, Petroleum, Energy and Chemicals) industries, as well as third party logistics service providers.

Cogent's reliable services are delivered using modern fleet tracking systems backed by a full team of well trained, certified professionals who are capable of handling dangerous goods and managing emergency situations. Cogent commits to uphold service excellence, ensuring efficiency across all operations which comprise transportation of laden and empty containers, dangerous goods, project cargoes, break-bulk cargoes and out-of-gauge cargoes, port clearance, police escort coordination services, freight coordination services and dry hubbing services.

In 2016, Cogent's transport team handled approximately 79,000 TEUs of containers and made close to 5,000 trips. The massive covered warehouse and open yard space are designed for efficient storage of heavy and break-bulk cargoes. With well-equipped facilities, Cogent possesses the capability to handle a wide range of projects, as well as heavy lifting services. Cogent's customer-focused and systematic approach, coupled with a relentless thirst for improvements, will ensure the continuing legacy of service excellence.

Warehousing and Property Management Services

Cogent manages and operates approximately 3.8 million square feet of warehousing and commercial property spaces. It operates with a strategy to optimise logistics flow, maximise storage capacities and reduce vehicle turnaround time. Practising high standards of safety, Cogent only assigns qualified and trained personnel to handle all chemical cargoes, including ambient, raw materials, finished goods, NEA and SCDF licensed products and general cargoes. Concurrently, Cogent ensures that operations always comply strictly with the shipping regulations of the NEA, SCDF and Materials Safety Data Sheet (MSDS) reporting.

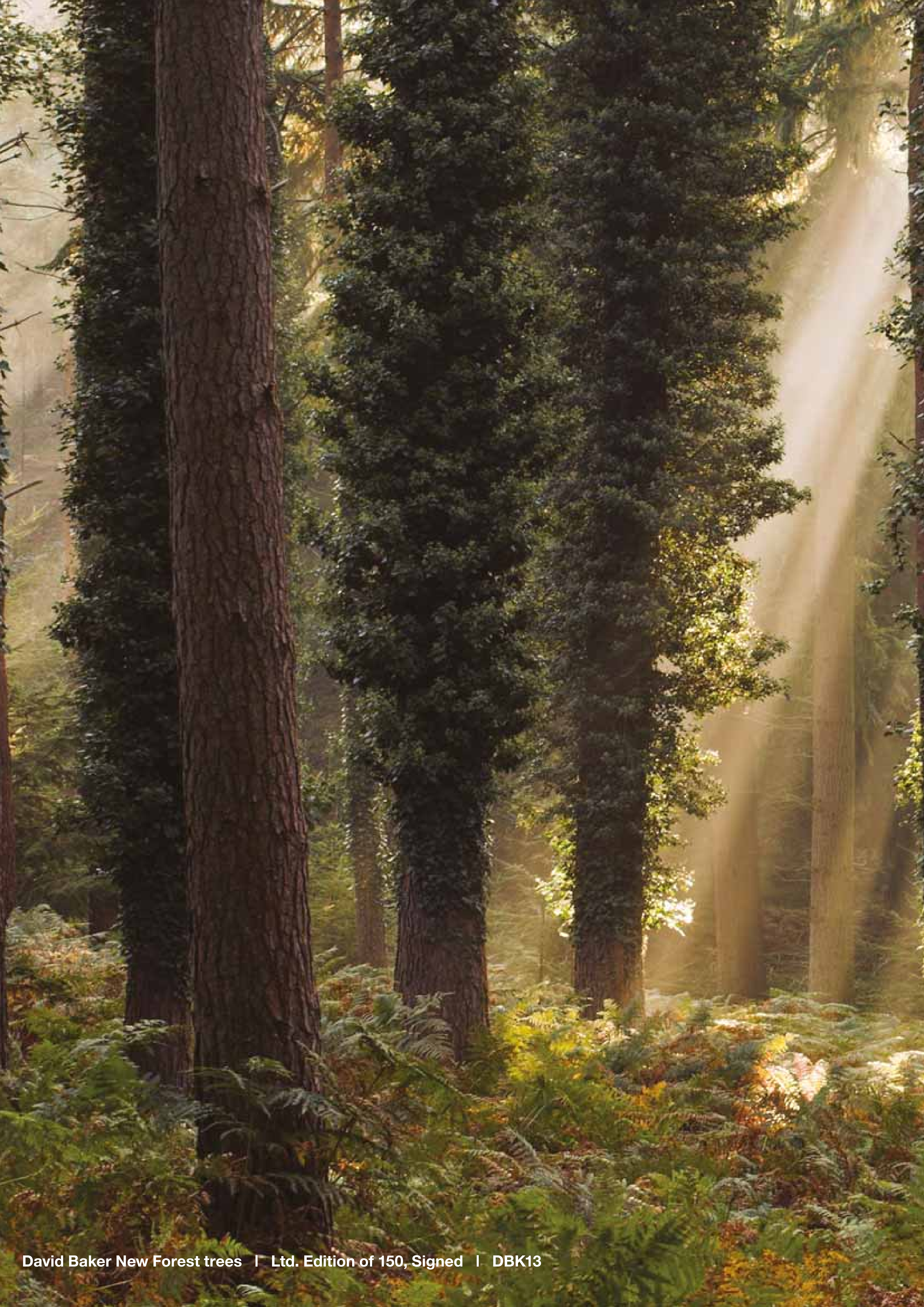
In 2012, Cogent took over and redeveloped a 1 million square foot state property, transforming the former Turf City into one of the largest shopping and lifestyle hub in Singapore, The Grandstand. It readily provides its visitors with an eclectic mix of retail, dining, leisure and enrichment offerings. With the establishment of The Grandstand comes the introduction of Singapore's first farmer's market, and one of Singapore's largest car marts which covers a space of 450,000 square feet, with over 150 car showrooms, 3,800 cars and 580 models.

Container Depot Management Services

Cogent operates one of the largest local private container depots in Singapore. Taking into account the recently awarded land plots in Jurong Island and Tuas South, Cogent will have a combined container storage capacity of approximately 30,000 TEUs in Singapore.

Cogent reinvented depot management with the construction of its sky depot in Cogent 1.Logistics Hub, pushing its logistics service limits to greater heights. Cogent's sky depot layout provides both optimum efficiency for clearance and easy retrieval, ensuring fast turnarounds for hauliers. Ensuring a safe working environment has always been Cogent's priority, as demonstrated by the implementation of cranes and hoists instead of reach stackers to eliminate the risk of containers toppling.

Going the extra mile for its customers, Cogent also offers value-added services provided by a dedicated fleet of trucks to transport empty containers; the adoption of Electronic Data Interchange (EDI) interfacing for efficient information flow; and a team of qualified surveyors and technicians on the ground to handle equipment and container repair works. At the same time, Cogent's cleaning, maintenance and repair works are subjected to rigorous internal quality and integrity checks which are in line with customers' requirements.



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"The Group's patented Cogent 1.Logistics Hub was valued at S$480 million..."

Tan Yeow Khoon
Tan Yeow Khoon
Executive Chairman

Benson Tan
Tan Min Cheow, Benson
Executive Director & CEO

Joint Message from Chairman & CEO

Dear Shareholders,

FY2016 has been another record year for Cogent. The Group has successfully overcome the challenges surrounding the global economic and geo-political landscape to achieve a 26% jump in net profit attributable to shareholders to S$32.1 million, on the back of S$136.7 million in Group revenue.

For the year in review, the Group's basic earnings per ordinary share surged 26% to 6.70 Singapore cents while net asset value per ordinary share improved by 22% to 26.41 Singapore cents.

This was due to the robust performance of our Container Depot business, driven by the surge in demand for container storage and repair in Singapore and Malaysia; the continued increase in vehicle storage and transportation propelling our Automotive Logistics business in Singapore; and the strong performance by our Cogent 1.Logistics Hub and our facility at Port Klang which boosted our Warehousing and Property Management Services business.

The Group's patented Cogent 1.Logistics Hub was valued at S$480 million based on an independent valuation conducted in September 2016.

Business Outlook and Growth Prospects

We have made good progress on our Jurong Island Chemical Logistics Facility project on Jurong Island. On 13 October 2016, we officially took over the 3.5-hectare plot of land within Jurong Island that is to become the premise of our future Jurong Island Chemical Logistics Facility ("JICLF"). The JICLF will cater to the strong and growing demand for one-stop logistics services within Jurong Island by the numerous global petrochemical manufacturers located there. Looking ahead, we will be expanding our logistics capabilities in Singapore, setting our focus on Jurong Island as our next area of growth.

On 26 January 2017, we signed a license agreement with JTC corporation for the use of a 2.5-hectare plot of land on Jurong Island to construct Jurong Island's one and only full-fledged container depot ("JICD"). The Board believes that the JICD will facilitate the initiative by the Group to grow its container depot capabilities and customer base for its JICLF. The JICD will be the Group's newest addition to our established network of container depot operations in Singapore, adding onto a recently awarded 5.9-hectare container depot at Tuas South and our patented Sky Depot at the Cogent 1.Logistics Hub, both of which are expected to be fully operational by the 2nd quarter of 2017. Once all our container depots are fully operational, we will have a combined container storage capacity of approximately 30,000 twenty-foot equivalent units in Singapore. Moving forward, we will be ramping up the throughput of containers at all our container depot.

In the medium to long term, we will continue to work on innovative ideas to position Cogent as one of the most advanced logistics company in the region in both infrastructure and technology, where cutting-edge technology will feature prominently in all aspects of our operations, thereby enabling Cogent to deliver a consistently high level of performance and service quality.

Appreciation

Cogent is in for exciting yet challenging times. We are in a strong position because of our strategic growth plans, sound business fundamentals and the hard work our Team Cogent has put in, but we will continue to strive even harder moving forward.

As the Group has yet to finalise its capital expenditure for the Jurong Island Chemical Logistics Facility project on Jurong Island, the Board has decided to be prudent and not to recommend dividend for FY2016. We are ever so grateful to our shareholders for your support and understanding and will strive to repay your support in Cogent in future.

Finally, we would like to take this opportunity to thank all of our directors, management and staff for their hard work and dedication to the Group. We wish all of our stakeholders a fruitful year ahead.

Tan Yeow Khoon

Tan Yeow Khoon
Executive Chairman

Benson Tan

Tan Min Cheow, Benson
Executive Director & CEO

Board Of Directors

Board Of Directors

TAN YEOW KHOON | Executive Chairman

Mr Tan Yeow Khoon is our Executive Chairman 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 1969 and took over the family business in the 1970s as CEO until 31st December 2014. Mr Tan Yeow Khoon has been instrumental in the growth of the Group, which now includes Automotive Logistics Management Services, Container Depot Management Services, Warehousing and Property Management Services. Mr Tan Yeow Khoon is the inventor of our patented Cogent 1.Logistics Hub, integrating a rooftop container depot on top of a 1.6 million square feet of warehouse space.

As the Executive Chairman of our Group, Mr Tan Yeow Khoon oversees all major strategic, business and financial decisions of our Group. Mr Tan Yeow Khoon is the controlling shareholder of the Group.

Mr Tan Yeow Khoon is the brother of Mr Edwin Tan Yeow Lam, our Managing Director. Mr Tan Yeow Khoon is the father of Mr Tan Min Cheow, Benson, our Executive Director and CEO of the Company.

TAN MIN CHEOW, BENSON | Executive Director & CEO

In 2015, Mr Tan Min Cheow, Benson, was appointed as the CEO of the Group. Mr Benson Tan joined the Group in 2004 after completing his studies. He is responsible for setting the group strategic directions and overseeing the group businesses. Mr Benson Tan has been instrumental in obtaining various key contracts and long-term partnerships for the provision of logistics services with major players in the industries.

In 2011, Mr Benson Tan diversified the Group business and started Cogent Land Capital Pte. Ltd. ("CLC"), a property management arm of the Group and served as its CEO. CLC has taken over the management of a one million square feet state-property at 200 Turf Club Road. Under his leadership, the property has been successfully rebranded into a popular family and lifestyle destination known as "The Grandstand". The Grandstand houses a wide variety of dining and services outlets, kids' activities clusters and pre-owned car showrooms.

Mr Benson Tan is the son of Mr Tan Yeow Khoon, our Executive Chairman and controlling shareholder, and the nephew of our Managing Director and substantial shareholder, Mr Edwin Tan Yeow Lam.

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.

Mr Edwin Tan is the brother of Mr Tan Yeow Khoon, Executive Chairman and controlling shareholder of the Company. He is also the uncle of Mr Tan Min Cheow, Benson, the Executive Director and CEO of the Company.

Board Of Directors

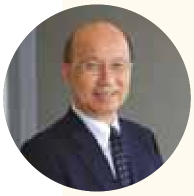
CHAN SOO SEN | Lead Independent Director

Mr Chan Soo Sen is our Lead Independent Director. He also holds directorships in three other listed companies in Singapore, namely Best World International Limited, Midas Holdings Limited and BreadTalk Group Limited.

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 served as Member of Parliament for Joo Chiat Constituency from 2001 to 2011. 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.

Mr Chan does not have any relationships including immediate family relationships with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance 2012.

CHUA CHEOW KHOON, MICHAEL | Independent Director



Mr Chua Cheow Khoon, Michael, is our Independent Director.

He is an Executive Director of BMD Consulting Pte Ltd, a management consultancy practice in Singapore. He is also an Independent Non-Executive Chairman of JB Foods Limited, a company listed on the Mainboard of SGX-ST. Previously, he was a Lead Independent Director of Cedar Strategic Holdings Ltd, and Non-Executive Director of National Car Rentals Pte Ltd. He was also formerly the Chief Investment Officer of Sapphire Corporation Limited. He has more than 30 years of experience in accounting, corporate finance, general management and management consultancy and has held senior positions in multinational companies including the Singapore Technologies group of companies and the Sembcorp group of companies. Mr Michael Chua holds a degree in accountancy from the Mitchell College of Advanced Education and is a Fellow of CPA Australia.

Mr Michael Chua does not have any relationships including immediate family relationships with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance 2012.

TEO LIP HUA, BENEDICT | Independent Director

Mr Teo Lip Hua, Benedict, is our Independent Director.

He has more than 25 years of experience in the legal industry and has been named in Chambers Global and Chambers Asia-Pacific over several years as a recommended corporate lawyer in capital markets. He specialises in corporate finance, capital market, mergers and acquisitions, general corporate matters and China related matters. Having spent his entire legal career in the "Big Four" law firms and corporate boutique law firms, he is currently a Director at Legal Options LLC. 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 and a Teaching Fellow at the Singapore Institute of Legal Education.

Mr Benedict Teo does not have any relationships including immediate family relationships with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance 2012.

Senior Management Team

ALVIN TAN KOK SIAN | Director of Business Development

Mr Alvin Tan Kok Sian has more than 20 years of experience in the logistics services industry. He joined SH Cogent Logistics Pte Ltd ("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 Alvin Tan is a director of the Container Depot Association (Singapore).

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

LOY SUAN CHOO | Chief Financial Officer

Mr Loy Suan Choo oversees and manages the Group's finance function including accounting, group financial reporting, taxation, compliance, treasury, investment appraisal and internal controls.

Mr Loy joined the Group in July 2009. He has at least 20 years of experience in accounting, finance and audit. He graduated from Nanyang Technological University with a Bachelor of Accountancy in 1996, and is a member of the Institute of Singapore Chartered Accountants.

JERMAINE LOW | General Manager, HR / Admin

Ms Jermaine Low is responsible for the full spectrum of human resources management and administrative functions in the Group. She oversees all matters related to human resources, insurance and claims.

Ms Low has been both a local and regional HR practitioner for the last 27 years.

Next Generation of Leaders

Cogent is a place to groom future leaders. It actively participates in on-campus recruitment to discover driven and ambitious individuals who are competent to join the Group. These eager learners should acquire enthusiasm to gain new skills and have great team spirit as they adapt to the culture of the Group.

Through nurture, Cogent motivates its employees and helps them reach their fullest potential. All employees receive development and performance coaching to build personal and professional capabilities in order to strengthen their competencies through on-the-job training. Helping its own team mature is what sets us apart from the rest.

Cogent invests greatly in not only leadership and work skills development but also development on a personal level, training in preparation for the next batch of key management personnel. As new hires, employees will embark on a holistic programme filled with prospects for personal growth, a comprehensive learning roadmap and opportunities to interact with Cogent senior management. This includes the opportunity to engage in open communication with senior management to bring about closer bonds and break down communication barriers, allowing open discussions and to share ideas freely. Through regular interactions with senior management, the growth of all employees is monitored while giving them a platform to display any form of innovation that would be beneficial for the Group.

To build a cohesive team, employees also participate in the annual team-building retreat that fosters teamwork and camaraderie among colleagues through a variety of team bonding activities. While getting their well-deserved getaway, it also serves as a conducive environment to brainstorm ideas to advance the Group. During this retreat, every individual will showcase their innovation, sharing their views and perspectives on various matters.

Cogent Cares

Cogent CEO Mr Benson Tan receiving the Platinum Award from Mr Warren Fernandez of Singapore Press Holdings at ChildAid 2016, for donating S$168,888.88 to The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund.

Cogent CEO Mr Benson Tan receiving a token of appreciation from Mr Frederick Low, Executive Director of Children's Aid Society.

As a responsible corporate citizen, Cogent believes in contributing to the society. In 2016, it has been sharing its successes through multiple donations to various communities amounting to over S$200,000. On top of donations, Cogent actively offers hands-on contribution through volunteering.

Since 2013, Cogent Land Capital Pte Ltd launched the We All Love Kids Project (WALK) where it offers care and attention to residents from Children's Aid Society (Melrose Home). Volunteers would spend one Saturday every month to nurture this group of underprivileged residents from Melrose Home. Along with other community engagements, the total accumulated hours of volunteering sums up to approximately 600 hours in a year.

Cogent aims to expose the residents to a wide range of enriching activities across Singapore including those organised at The Grandstand. These initiatives aim to groom its employees into compassionate and caring individuals who give back to society. Cogent lives by the principle of bringing out the goodness within individuals through sharing and caring.

Bonding session between Lion Befrienders Senior Citizens and Cogent staff.

Yoga session during monthly WALK Project at The Grandstand.

Joy at Work

Cogent is a company with a soul, going beyond just focusing on the bottom-line. It promotes active lifestyle with talks on weight management and mental health activities. To practise what it preaches, Cogent employees get to enjoy perks and engage in wellness activities like free exercise classes where fitness enthusiasts work out in the gym under the guidance of a private gym instructor.

Cogent goes the extra mile to ensure its employees' well-being, constantly providing and fine-tuning thoughtful staff facilities such as nursing room and staff lounges. When work beats them down, there are recreational facilities in the workplace such as karaoke rooms, pool table and a foosball table for employees to unwind and re-energize themselves, ensuring work-life balance.

Cogent Group and Lumas Gallery Collaboration

Lumas Gallery

In over 40 galleries around the world, LUMAS offers museum-quality art editions. More than 2,000 works by 230 established artists and many promising newcomers deliver a comprehensive look into the contemporary art and design scenes. The works are available as hand-signed originals in limited editions of 75-150.

Lumas Singapore

During a vacation in Europe, Mr. Benson Tan chanced upon LUMAS Gallery in Frankfurt, Germany and felt inspired by the curated artworks. It mirrors the core values & principles of Cogent – high quality, reliability & excellent products & services.

Impressed with the museum-quality artworks, Mr. Tan selected about 40 pieces of LUMAS artworks for the Cogent office. Without a doubt, these beautiful artworks enhances the artistic elements in Cogent's spaces & masterfully showcase an office space that supports productivity also improves employee health & wellness.

Incorporating beautiful and stylish LUMAS artworks into the workplace strategically creates a working environment that reflects Cogent's brand and everything you stand for as a business.

Artists

Erik Chmil
Erik Chmil (born 1968) is always on the search for the meaningful detail, whether in urban architecture or the cantilevered landscape of the mountains. As a distanced observer with a penchant for helping himself to graphic formal language, he opens still views of nature and culture's changing relationships. "Who are you to dare come up here among us," the bright mountains in the background seem to admonish. And thus teach us humility amidst such mighty, indeed romantic scenery.

Gerhard Mantz
Mantz's interpretations of landscape subjects do not necessarily aim to represent a geographical locale but rather to conjure a metaphor for a psychological state. The lush scenes are sculpted to evoke feelings and moods; the viewer enters the visual environment with immediate emotional responses. At first glance the images appear realistic, in some cases even photographic, with inviting naturalistic details that lure and seduce. But, upon closer inspection, the seemingly realistic details shift to reveal a strange virtual realm more closely associated with an interior "reality" than with the exterior world.

Jody Macdonald
Emotive images from the Andaman Islands, a fascinating yet almost forgotten archipelago in the Indian Ocean. Photographer Jody MacDonald travelled to the tropical island of Havelock in order to find Rajan, an Asian elephant. This pachyderm came to the artist's attention through a documentary and is the very last ocean swimming elephant. MacDonald accompanied the magnificent creature for a number of days, capturing their time together in the powerful series of images: "The last of his kind".

The works are touching, not only because of their instant visual appeal, but also because of the unique story behind them. Elephants have been used for a range of tasks on the Indian islands, including the transportation of lumber. In order to bring logs to boats waiting offshore, the elephants learned how to swim. When logging was prohibited on the islands in 2002, these elephants were left to pursue their lives in the wild. Rajan, however, continues to enjoy his (now voluntary) trips into the water. Inspired by his story, MacDonald presents Rajan as a gentle giant in the midst of a tropical rainforest, one that feels like the Garden of Eden. The works appear almost transcendental, with Rajan strolling through the luscious, green rainforest or swimming in turquoise water. MacDonald captures the individual scenes with artistic finesse, giving the viewer a sense of how similar we really are to this awesome animal.

David Baker
In his series of works, "Ridge Trees", David Baker depicts many different sides of nature, which he accomplishes through photographing Southampton's New Forest National Park from just three angles. With a real feel for nature's unaltered beauty, Baker arranges the forest into a magical interplay between morning fog and the light of the rising sun.

Over the course of many weeks, the artist captured the enchanted landscape of his home town. He was particularly fascinated by the mystical mood of the dawn: his narrative for the series. Every image from the series takes on an individual character through its colouring. Whether in the cool, monochromatic-blue tint of "Forest Light" or the seemingly black and white "March Trees", Baker's use of light evokes the impression of being staged, the forest landscapes nearly seem like film sets. While the last warm rays of the autumn sun make the National Park almost seem like a symbol of new life, winter's snow, ice, and hoarfrost transform the forest into a breathtaking backdrop. Baker depicts the New Forest full of many-sided beauty. With his focus on the interaction between light, colour, and the landscape, the image selection, composition and lighting give the works irresistible appeal.

Please visit LUMAS Gallery at

Paragon Shopping Centre, #04–47, 290 Orchrd Rd, 238859
phone: **+65 6834 9536** | website: **sg.lumas.com**
facebook: **Lumas Singapore** | instagram: **@lumas_singapore**
BERLIN | DUBAI | LONDON / NEW YORK | SEOUL | **SINGAPORE**

LUMAS

Operating & Financial Review

RESULTS OF GROUP OPERATIONS

	FY2016 $'000	FY2015 $'000	Change
Revenue			
- Transportation management services	26,630	28,181	-6%
- Container depot management services	26,011	22,617	15%
- Automotive logistics management services	30,710	27,470	12%
- Warehousing and property management services	59,469	54,736	9%
- Inter-segment eliminations	(6,148)	(3,771)	63%
	136,672	**129,233**	**6%**
Other operating income	2,301	2,020	14%
Operating expenses			
- Employee benefits expense	(28,170)	(26,537)	6%
- Depreciation	(9,573)	(9,470)	1%
- Rental on leased premises	(24,889)	(28,065)	-11%
- Amortisation of deferred income arising from sale and leaseback	1,000	1,000	0%
- Amortisation of prepaid land lease rights	(28)	-	n/m
- Contract services	(12,158)	(10,257)	19%
- Fuel and utilities	(6,644)	(7,248)	-8%
- Storage and handling charges	(3,927)	(3,536)	11%
- Repair and maintenance	(4,211)	(3,909)	8%
- Hire of vehicle and equipment	(685)	(1,129)	-39%
- Others	(8,283)	(8,386)	-1%
	(97,568)	(97,537)	0%
	41,405	**33,716**	**23%**
Finance costs	(3,168)	(3,118)	2%
Profit before tax	**38,237**	**30,598**	**25%**
Income tax expense	(6,162)	(5,132)	20%
Profit for the year, net of tax	**32,075**	**25,466**	**26%**

n/m: not meaningful

Profit for the year

For FY2016, the Group reported full-year net profit attributable to shareholders of $32.1 million, representing an increase of $6.6 million, or 26%, over that recorded for FY2015. The Group's strong performance was underpinned by healthy topline growth coupled with effective management of business overheads.

Revenue

The Group reported revenue of $136.7 million for FY2016, an increase of $7.4 million, or 6%, over $129.2 million recorded in FY2015. The increase in revenue was largely driven by increase in contribution from the warehousing operations at the integrated logistics hub, container depot management services and automotive logistics management services. The largest increase came from the Warehousing and Property Management Services ("WPM") segment which generated revenue of $59.5 million for FY2016, an increase of $4.7 million, or 9% over $54.7 million recorded in FY2015. The improvement was largely led by income from warehousing units of the integrated logistics hub at 1 Buroh Crescent. The Group's Automotive Logistics Management Services ("ALM") segment registered an increase in revenue of $3.2 million, or 12%, from $27.5 million to $30.7 million. In FY2016, ALM benefitted from increased demand for automotive logistics services. As for Container Depot Management Services ("CDM"), revenue for FY2016 increased by $3.4 million, or 15%, from $22.6 million to $26.0 million, largely as a result of increased volume for container repairs and storage in both Singapore and Malaysia. The Transportation Management Services ("TM") segment generated revenue of $26.6 million for FY2016, a decrease of $1.6 million, or 6%, lower than $28.2 million recorded in FY2015. The decrease was mainly due to decrease in the number of trucking jobs performed, notably for the customers in the oil & gas sector.

Other operating income

Other operating income increased by $0.3 million, or 14%, from $2.0 million to $2.3 million. The increase was largely attributable to higher forfeiture of deposit and government grants received in FY2016.

Operating expenses

Total operating expenses was closely similar between FY2016 and FY2015.

Employee benefits expense increased by $1.6 million, or 6%, from $26.5 million to $28.2 million. The increase resulted mainly from the increase in provision for directors' bonus.

Depreciation increased by $0.1 million, or 1%, from $9.5 million to $9.6 million. The increase was mainly due to the depreciation on new assets purchased for the integrated logistics hub.

Rentals on leased premises decreased by $3.2 million, or 11%, from $28.1 million to $24.9 million. The decrease was mainly due to downward revision of rental rates and progressive return of container depot land.

Contract services increased by $1.9 million, or 19% from $10.3 million to $12.2 million. The increase was largely attributable to the increase in container repair & maintenance cost and increased subcontract for container trucking.

Fuel and utilities decreased by $0.6 million, or 8%, from $7.2 million to $6.6 million. The decrease was mainly attributed to the decline in fuel prices and utility rates.

Storage and handling charges increased by $0.4 million, or 11%, from $3.5 million to $3.9 million. The increase was largely attributable to the increase in container handling and storage cost at PSA.

Repair and maintenance increased by $0.3 million, or 8%, from $3.9 million to $4.2 million. The increase was mainly due to increased repair of container stackers and increased repair & maintenance of building.

Hire of vehicle and equipment decreased by $0.4 million, or 39%, from $1.1 million to $0.7 million. The decrease was mainly due to lower requirement for crane hire for the transportation management services.

Other operating expenses cost was closely similar between FY2016 and FY2015.

Finance costs

Finance costs were closely similar between FY2016 and FY2015.

Income tax expense

Income tax expense increased by $1.0 million, or 20%, from $5.1 million to $6.2 million, in line with the year-on-year growth in profit before tax.

Operating & Financial Review

FINANCIAL POSITION

	31/12/2016 $'000	31/12/2015 $'000	Change
Current assets	79,003	66,032	20%
Non-current assets	215,232	203,108	6%
Total assets	**294,235**	**269,140**	**9%**
Current liabilities	61,289	58,015	6%
Non-current liabilities	106,597	107,549	-1%
Total liabilities	**167,886**	**165,564**	**1%**

Current assets increased by $13.0 million, or 20%, from $66.0 million as at 31 December 2015 to $79.0 million as at 31 December 2016. The increase was largely due to an increase of $12.5 million in the cash and bank balances.

Non-current assets increased by $12.1 million, or 6%, from $203.1 million as at 31 December 2015 to $215.2 million as at 31 December 2016. The increase resulted mainly from incremental cost of constructing the crane infrastructure at the integrated logistics hub and the phase 2 warehouse in Malaysia.

Current liabilities increased by $3.3 million, or 6%, from $58.0 million as at 31 December 2015 to $61.3 million as at 31 December 2016. The increase resulted mainly from the drawdown of short term loan of $2.0 million in 4QFY16.

Non-current liabilities decreased by $1.0 million, or 1%, from $107.5 million as at 31 December 2015 to $106.6 million as at 31 December 2016. The decrease was mainly due to the decrease of $1.3 million in bank loans (non-current) as repayments were made.

CASH FLOWS

	FY2016 $'000	FY2015 $'000	Change
Net cash generated from operating activities	44,793	41,403	8%
Net cash used in investing activities	(13,866)	(21,331)	-35%
Net cash used in financing activities	(18,468)	(28,263)	-35%
Net increase (decrease) in cash and cash equivalents	**12,459**	**(8,191)**	**n/m**
Effects of currency translation on cash and cash equivalents	19	(6)	n/m
Cash and cash equivalents at beginning of year	44,453	52,650	-16%
Cash and cash equivalents at end of year	**56,931**	**44,453**	**28%**

During FY2016, the Group's cash and cash equivalents increased by $12.5 million from $44.5 million as at 31 December 2015 to $56.9 million as at 31 December 2016.

Net cash generated from operating activities was $44.8 million in FY2016 as compared with $41.4 million in FY2015. The increase was mainly due to changes in working capital and higher profit before tax achieved in FY2016.

Net cash used in investing activities was $13.9 million in FY2016 as compared with $21.3 million in FY2015. The decrease was mainly due to lower cash payment made for acquisition of property, plant and equipment in FY2016 and proceeds received from insurance performance bond in respect of crane construction.

Net cash used in financing activities was $18.5 million in FY2016 as compared with $28.3 million in FY2015. The decrease was mainly due to higher dividends paid in FY2015 and higher repayment of finance leases in FY2015.

INDEBTEDNESS

	31/12/2016 $'000	31/12/2015 $'000	Change
Amount repayable in one year or less, or on demand	16,059	13,353	20%
Amount repayable after one year	103,623	104,810	-1%

Total bank borrowings are secured by the following:-

- A first mortgage over a property ("Property") of a subsidiary;
- Fixed and floating charge over certain assets of a subsidiary;
- An assignment of the rights, interests and benefits arising under the construction contract and performance bonds relating to the construction of a Property;
- An assignment of the rights, interests and benefits arising under the insurance policies relating to the construction of the Property;
- Charge over the lease of a land (including buildings);
- Fixed charge over fixed deposit of a subsidiary;
- An assignment of rental proceeds from properties of a subsidiary; and
- Corporate guarantee

Corporate Governance Report

The Board 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 within the Company and its subsidiaries (collectively, the "Group").

This report describes the Company's corporate governance framework and practices that were in place throughout the financial year, which are substantially in line with the principles of the Code of Corporate Governance 2012 (the "Code") and the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"). Where there are deviations from the Code, appropriate explanations are provided.

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 the management to achieve this and the management remains accountable to the Board.

The principal duties of the Board include the following:

- set and approve broad policies and strategies of the Group;
- review the management performance;
- review the financial performance of the Group including approval of its quarterly, half yearly and full year financial results announcements, annual audited financial statements, proposals of dividends and the directors' statement thereto;
- review the adequacy and effectiveness of the Group's risk management and internal control systems; and
- approve the 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 Company has also adopted and documented internal guidelines setting forth matters that require the approval of the Board. Matters which are specifically reserved to the Board for approval are as follows:

- financial authorisation and setting of approval limits for operating and capital expenditure;
- major changes to the Group's management and control structure;
- decision on cessation of operation of all or any material part of the Group's business;
- material acquisitions and disposal of assets or investments;
- major funding proposals;
- financial reporting and dividends; and
- any other matters which require the Board or shareholders approval pursuant to the SGX-ST Listing Manual, Companies Act, Cap. 50 or other applicable rules and regulations.

The Board is scheduled to meet at least four times a year and where necessary, hold additional meetings to address significant issues that may arise. The Company's Constitution 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 committee meetings held during financial year ended 31 December 2016 ("FY2016") are set out below:

Type of meetings	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	5	5	1	1
Name of director and attendance				
Tan Yeow Khoon, Executive Chairman and Director	5	N.A	N.A	N.A
Tan Min Cheow, Benson, Executive Director and Chief Executive Officer ("CEO")	5	N.A	N.A	N.A
Tan Yeow Lam, Managing Director	5	N.A	N.A	N.A
Chan Soo Sen, Lead Independent Director	5	5	1	1
Chua Cheow Khoon, Michael, Independent Director	5	5	1	1
Teo Lip Hua, Benedict, Independent Director	4	4	1	1

N.A: Not Applicable

A formal letter is provided to each director upon his appointment, setting out the director's duties and disclosure obligations. The Company also conducts an orientation programme for newly appointed director(s) to familiarise them with the business activities, strategic directions, policies and corporate governance practices of the Group. Directors are provided with updates and briefings from time to time by professional advisers, auditors and management on relevant practices, new laws, rules and regulations, directors' duties and responsibilities, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as directors.

Directors are also informed and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors, and may suggest training topics, the funding of which will be provided by the Company. News releases issued by the SGX-ST which are relevant to the directors are also circulated to the Board for information. For FY2016, the directors were provided with updates on regulatory requirements such as SGX-ST listing manual, sustainability reporting and Companies (Amendment) Act 2014.

Principle 2: Board composition and balance

The Board comprises six directors, three of whom are independent directors as recommended by Guideline 2.2 of the Code in view that the Chairman and the CEO are immediate family members.

The NC reviews the independence of each director annually based on the definitions and guidelines set out in the Code. 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 regarding the directors, including directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments are set out in pages 22, 23, 24, 46 and 47 of this Annual Report.

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 accounting and business management. The diversity of the directors' experience allows for constructive exchange of ideas and views 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.

The Board reviews and constructively challenges the management on its assumptions and proposals; and oversees the development of the Group's strategic proposals. The Board also oversees the performance and effectiveness of the management in achieving set objectives.

Meeting sessions for the independent directors without the presence of management or executive directors are held, where necessary. The independent directors meet at least once annually without the presence of management.

The NC reviews the size and composition of the Board and the board committees annually. The NC considers the present board size and composition appropriate taking into account the business and scale of operations. It is of the view that the Board and board committees comprise directors who have the relevant skills and knowledge, expertise and experiences as a group for discharging the Board's duties. The NC has reviewed the declaration of independence provided by each of the non-executive directors for FY2016 in accordance with the Code's guidelines and determined that Mr Chan Soo Sen, Mr Chua Cheow Khoon, Michael, and Mr Teo Lip Hua, Benedict, be considered independent and noted that half of the Board comprises non-executive independent directors. Mr Tan Yeow Khoon and Mr Tan Yeow Lam have served on the Board of the Company for a period exceeding nine years.

Principle 3: Chairman and Chief Executive Officer

The offices of the Chairman and CEO have been separated. Mr Tan Min Cheow, Benson, was appointed as CEO of the Company to succeed Mr Tan Yeow Khoon on 1 January 2015. Mr Tan Yeow Khoon remains as Executive Chairman of the Company.

There is a clear separation of the roles and responsibilities of the Executive Chairman and the CEO. The CEO is responsible for the overall operation of the Group's businesses. He ensures that the Board is kept updated and informed of the Group's business operations.

The Executive Chairman is responsible for leading the Board and ensuring that the Board is effective on all aspects of its roles. He approves board meeting schedules and agendas for board meetings in consultation with the directors. The Board is advised of the meetings of board committees. He also promotes a culture of openness and debate at the Board, and ensures that the independent directors are able to contribute effectively. In addition, he ensures all directors receive complete, adequate and timely information from time to time.

Although the Executive Chairman and the CEO are immediate family members, 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 NC, RC and AC comprise, and are all chaired by, independent directors. The independent directors hold informal meeting session on a need basis without the presence of management and other directors, and the lead independent director provides feedback to the Chairman as appropriate. In addition, Mr Chan Soo Sen has been appointed as the Lead Independent Director of the Company in order to comply with Guideline 3.3 of the Code, to lead and co-ordinate the activities of the independent directors and where necessary, provide feedback to the Chairman after their meeting. Mr Chan is also available to the shareholders in respect of concerns which contact through the normal channel of the Chairman and the CEO or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

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 NC, as set out in its terms of reference include the following:

(a) review and assess all candidates for directorships before making recommendation to the Board for appointment of directors;
(b) review and recommend to the Board the retirement and re-election of directors in accordance with the Company's Constitution at each Annual General Meeting ("AGM");
(c) review the independence of directors annually;
(d) review the size and composition of the Board annually to ensure that the Board has appropriate balance of independent directors and to ensure an appropriate balance of expertise, skills, attributes and ability among the directors;
(e) evaluate the performance and effectiveness of the Board as a whole;
(f) review board succession plans, in particular, pertaining to Chairman of the Board and CEO; and
(g) review and approve any new employment of related persons and the proposed terms of their employment.

The directors submit themselves for re-nomination and re-election at regular interval. Under the Constitution 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. Each member of the NC will abstain from voting on any resolution (if applicable) in respect of the assessment of his re-nomination as director.

The NC has reviewed and recommended for the re-election of Mr Tan Yeow Lam, Managing Director, and Mr Chua Cheow Khoon, Michael, Independent Director, 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.

The NC recommends all appointments and re-nominations/re-appointments of directors to the Board after taking into account the respective director's contributions in terms of experience, business perspective, management skills, individual expertise and pro-activeness in participation of meetings. This is to ensure that the decisions made by the Board are well considered, balanced and are in the best interests of the Company.

The dates of initial appointment and last re-election of each director are set out as follows:

Name of director	Appointment	Date of initial appointment	Date of last re-election
Tan Yeow Khoon	Executive Chairman and Director	18 June 2007	29 April 2015
Tan Min Cheow, Benson	Executive Director and CEO	1 March 2013	28 April 2016
Tan Yeow Lam	Managing Director	18 June 2007	29 April 2014
Chan Soo Sen	Lead Independent Director	18 December 2009	28 April 2016
Chua Cheow Khoon, Michael	Independent Director	18 December 2009	29 April 2014
Teo Lip Hua, Benedict	Independent Director	18 December 2009	29 April 2015

Based on the attendance of the directors and their contributions at meetings of the Board and board committees and their time commitment to the affairs of the Company, the NC believes that the directors have continued to meet the demands of the Group and are able to discharge their duties adequately. The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the directors would depend on many factors such as whether they were in full time employment and their other responsibilities. If a quantitative number of directorships had been imposed, the NC might have omitted outstanding individuals who despite the demands on their time had the capacity to participate and contribute as new members of the Board. The NC will assess each director based on his abilities, known commitments and responsibilities. There is no alternate director on the Board.

On the process for selection, appointment and re-appointment of directors to the Board, the NC evaluates the balance of skills, knowledge and experience of the Board, and then makes recommendations to the Board for approval. The search for candidates to be appointed as new directors is conducted via contacts and recommendation. For appointment of a new director, the NC will meet with the shortlisted candidate to assess their suitability and availability before making recommendation to the Board for approval.

Principle 5: Board performance

The Board has implemented formal processes which are carried out by the NC to assess the effectiveness of the Board as a whole and its board committees, the contribution by each individual director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board on an annual basis. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as director. The NC is satisfied that the Directors have devoted sufficient time and attention to the Group.

The NC assesses the performance of the Board via a performance evaluation questionnaire on board composition; board information; board process, internal control and risk management; board accountability, performance of the CEO, and standard of conduct of the Board of which will be completed by each director. Based on responses to the questionnaire returned by each director, a consolidated report is prepared and presented to the NC. The NC reviews and discusses the findings and will ascertain key areas for improvement and requisite follow-up actions. The NC will then report its findings to the Board.

In its assessment of the board effectiveness, the NC also 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.

The Board is satisfied that all directors have discharged their duties adequately for FY2016 and expects that the directors will continue to discharge their duties adequately in FY2017.

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. All relevant information including the Group's forecasts, annual budgets and financial statements are circulated to the Board prior to the board meetings for their review.

The Board has separate and independent access to the Group's senior management and the Company Secretary. Requests for information from the Board are 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.

During the year, Ms Lynn Wan Tiew Leng resigned as Company Secretary, and the Board had collectively decided on the appointment of Mr Lee Tiong Hock as the new Company Secretary. The Company Secretary attends all board meetings and ensures that board procedures and applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to approval of the Board.

The Board may also seek and obtain independent professional advice as and when necessary to enable them to make informed decisions in discharging 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 principal duties of the RC, as set out in its terms of reference, include the following:

(a) review and submit its recommendations for endorsement by the Board, a general framework of remuneration for the directors and senior management;
(b) determines the specific remuneration packages and terms of employment for each executive director and key management personnel; and
(c) review the remuneration of senior management and employees related to the directors.

The RC has put in place a framework of remuneration for the directors and senior management. The Company adopts a remuneration policy for employees which comprises of a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and the individual. Each member of the RC 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 the remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and local practices.

The Company had, during FY2014, engaged an independent remuneration consultant, Hay Group to assist the RC in reviewing and determining the remuneration packages for the Executive Chairman, the Managing Director, and the Executive Director and CEO of the Company. There is no relationship between the Company and Hay Group which would affect Hay Group's independence and objectivity.

Following the abovementioned review, the Company has entered into separate service agreements with its existing executive directors, namely Mr Tan Yeow Khoon, Executive Chairman; Mr Tan Yeow Lam, Managing Director; and Mr Tan Min Cheow, Benson, Executive Director and CEO. The service agreements are for an initial period of three years commencing from 1 January 2015, and shall be automatically renewed annually on the same terms and conditions upon expiry thereof.

The RC reviews the terms of compensation and employment for the executive directors and key management personnel at the time of their respective employment or renewal (where applicable) including considering the Company's obligations in the event of termination of services to ensure such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Independent directors do not have service agreements and they receive directors' fees. The directors' fees are appropriate to the level of contribution, taking into account factors such as effort and time spent 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.

Currently, the Company has put in place the following share option scheme and performance share plan:

(i) Cogent Holdings Employee Share Option Scheme; and
(ii) Cogent Holdings Performance Share Plan.

The abovementioned share option scheme and performance share plan shall be administered by the Administration Committee comprising members of the RC and the NC.

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

Principle 9: Disclosure of remuneration

Information on the remuneration of directors of the Company for FY2016 is as follows:

FY2016 Remuneration band & name of directors	Salary %	Bonus %	Fees %	Other benefits %	Total %
S$2,500,000 to S$2,750,000					
Tan Min Cheow, Benson	15	81	-	4	100
Tan Yeow Khoon	13	82	-	5	100
S$1,250,000 to S$1,500,000					
Tan Yeow Lam	18	76	-	6	100
Below S$250,000					
Chua Cheow Khoon, Michael	-	-	100	-	100
Chan Soo Sen	-	-	100	-	100
Teo Lip Hua, Benedict	-	-	100	-	100

Taking note of the competitive pressures in the industry and the talent market, the Board has, on review, decided to disclose the remuneration of the directors, three of whom are also key management personnel, in bands with a breakdown of the components in percentage.

Information on the remuneration of key management personnel of the Company for FY2016 is as follows:

FY2016 Remuneration band & name of key executives	Salary %	Bonus %	Fees %	Other benefits %	Total %
S$250,000 to below S$500,000					
Alvin Tan Kok Sian	55	27	-	18	100
Loy Suan Choo	65	22	-	13	100
Below S$250,000					
Jermaine Low	66	17	-	17	100
Yap Chee Sing[1]	86	-	-	14	100

[1] Resigned as General Manager, Chairman's Office on 10 December 2016

Apart from the Executive Chairman, Managing Director and the Executive Director and CEO, the Group has only 3 other key management personnel as at 31 December 2016. Key information on the key management personnel is set out on page 25 of this Annual Report.

The Board does not believe it is in the interest of the Company to disclose the aggregate remuneration of the top three key management personnel (who is not a director or CEO of the Company) for FY2016 having regard to the highly competitive human resource environment. The Board believes that such confidential and sensitive information could be exploited by competitors given the increasingly competitive talent market today.

The remuneration of the executive directors and key management personnel comprises a basic salary component and a variable component. The variable component comprises annual bonus computed based on the performance of the Group as a whole which is linked to financial targets set and other aspects of performance which include new markets and new products development, as well as individual performance.

For FY2016, there were no termination, retirement and post-employment benefits granted to directors, the CEO and key management personnel other than the payment in lieu of notice in the event of termination in their respective employment contracts.

Save as disclosed above and in the "Board of Directors", there are no employees within the Group who are immediate family members of a director or the CEO whose remuneration exceeds S$50,000 during the financial year.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

The Board also reviews the legal and regulatory compliance reports from the management to ensure compliance with the relevant legislative and regulatory requirements. To enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects, the management provides the Board with management accounts and such explanation and information on a quarterly basis and as the Board may require from time to time. Such reports enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Principle 11: Risk management and internal controls

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instills the right risk-focused culture throughout the Group for effective risk governance.

The Board has approved a Group Risk Management Framework for the identification of key risks within the business which is aligned with the ISO 31000:2009 Risk Management framework.

The AC assists the Board in its oversight of risk management.

Management's responsibilities in risk management

Management is responsible for designing, implementing and monitoring the risk management and internal control systems in accordance with the policies on risk management and internal controls.

The management reports to the AC on the Group's risk profile, the status of risk mitigation action plans and updates on the following areas:

- assessment of the Group's key risks by major business units and risk categories;
- identification of specific risk owners who are responsible for the risks identified;
- description of the processes and systems in place to identify and assess risks to the Group;
- status and changes in plan undertaken to manage key risks; and
- description of the risk monitoring and escalation processes in place.

Review of the Group's risk management and internal control systems

On a quarterly basis, the management updates the AC on changes to the risk profiles, if any. On an annual basis, it presents a detailed report to the AC and the Board on the Group's risk profile, the risk mitigation action plans and the results of various assurance activities carried out on the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such assurance activities include control self-assessments performed by the management, internal audits, external audits and external certifications conducted by various external professional service firms.

The Board has obtained a written confirmation from the CEO and Chief Financial Officer:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
(b) the Group's risk management and internal control systems are adequate and effective.

Board opinion on the adequacy of internal controls addressing financial, operational, compliance and information technology risks

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, external certification centers and reviews performed by management, various board committees and the Board, the Board (with concurrence of the AC) is of the opinion that the Group's risk management system and internal control system including financial, operational, compliance and information technology controls, were adequate and effective as at 31 December 2016.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Principle 12: Audit committee

The AC comprises the following three independent directors who have relevant accounting and related financial management expertise and experience to discharge its AC functions:

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

The AC meets periodically and performs the following main duties, as set out in its terms of reference:

(a) review with the internal and external auditors on 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 quarterly, half yearly and annual financial statements and results announcements before submission to the Board for approval, with emphasis on the significant financial reporting issues and judgments, 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 adequacy and effectiveness of the risk management and internal controls, including financial, operational, compliance and information technology controls and ensure co-ordination among the internal auditors, 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 the adequacy and effectiveness of internal audit function and approves the appointment and removal of internal auditors;
(e) consider the appointment or re-appointment of the external auditors, and matters relating to resignation or dismissal of the external auditors;
(f) review and approve transactions falling within the scope of Chapter 9 of the Listing Manual; and
(g) 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 AC is scheduled to meet at least four times a year and holds additional meetings, when necessary. Apart from the duties listed above, the AC 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 AC shall abstain from reviewing any particular transaction or voting on such resolution in respect of which he is or may be interested in. The AC meets with the internal and external auditors at least once annually without the presence of management.

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 and co-operation by all senior management officers and has full discretion to invite any director and/or key management personnel to attend its meetings.

The AC has put in place procedures to provide employees of the Group as well as any person who has dealings with the Group ("Target Persons") 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 report by Target Persons and appropriate follow up action. A whistle blowing policy has been adopted by the Company to provide a trusted avenue for Target Persons to report possible improprieties within the Group and to provide reassurance that they will be protected from retaliatory actions for whistle blowing in good faith. Details of the policy have been communicated to all employees of the Group and are made available on the Company's website for relevant parties who may raise concerns, if any, to the AC. To-date, there were no complaints within the scope of the whistle blowing policy received by the AC.

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. Details of the aggregate amount of fees paid to the external auditor for FY2016 and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 95.

The Company and its subsidiaries are audited by Deloitte & Touche LLP except for subsidiaries in Malaysia and one dormant subsidiary in Singapore which are not significant to the group. In this regard, the Company is in compliance with Rule 712 and 715 of the Listing Rules of the SGX-ST in relation to the appointment of auditors.

During the financial year, the AC reviewed the quarterly, half yearly and annual results announcements and the annual financial statements; the internal and external audit plans and results of the audits; risk management and internal control systems; interested person transactions; non-audit services provided by the external auditors and their independence; and the report on the administration of the Whistle Blowing Programme of the Group. The internal and external auditors provide regular updates and briefings to the AC on changes or amendments to accounting standards to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

None of the members nor the Chairman of the AC are former partners or directors of the Group's auditing firm.

Principle 13: Internal audit

The AC approves the hiring, removal, evaluation and compensation of the professional service firm to which the internal audit function was outsourced. The internal auditors ("IA") have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The Company outsources its internal audit function to Yang Lee & Associates. The IA reports directly to the AC and internal control weaknesses identified during the internal audit reviews and the recommended corrective actions are reported to the AC periodically.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that management provides the necessary co-operation to enable the IA to perform its function.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC annually reviews the adequacy and effectiveness of the internal audit function to ensure that the internal audits are performed effectively. The AC is satisfied that the IA is staffed by qualified and experienced personnel.

The IA completed one review during FY2016 in accordance with the internal control testing plan approved by the Board under the Group Risk Management Framework. The findings and recommendations of the IA, management's responses, and management's implementation of the recommendations have been reviewed and approved by the AC.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder rights
Principle 15: Communication with shareholders
Principle 16: Conduct of shareholder meetings

The Company's corporate governance practices promote fair and equitable treatment to all of its shareholders. 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 the SGXNet, advertisement of notice of general meetings and at general meetings of the Company. Shareholders were also informed of the rules, including voting procedures that govern general meetings of shareholders.

The Company strongly encourages and supports shareholders' participation at general meetings. At general meetings of the Company, shareholders will be given opportunity to express their views, concerns and ask questions regarding the Company and the Group.

The Company's general meetings are the forum for dialogue with shareholders and allow the Board and management to address shareholders' views and concerns. All directors, in particular the 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 address questions raised at general meetings of the Company.

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meetings.

To facilitate participation by the shareholders, the Company's Constitution allows a shareholder to appoint not more than two proxies to attend and vote at general meetings. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services. However, as the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Resolutions are, as far as possible, structured separately and may be voted on independently. All voting is by poll and conducted in the presence of independent scrutineers for greater transparency and efficiency in the voting process. The results of the poll voting, showing the number of votes cast for and against each resolution and the respective percentages, are announced through SGXNet after the annual general meeting. As the number of shareholders who attend the general meetings are not large, it is not cost effective to have voting by electronic polling.

The Company Secretary prepares minutes of general meetings and these minutes are available to shareholders upon their request.

The Company does not have a formal investor relations policy. Pertinent information is regularly conveyed to the shareholders through SGXNet and the Company's website at http://cogentholdingsltd.com/. The Company has outsourced its investor relations function to Tishrei Communications Private Limited to assist the Company in gathering views or inputs from shareholders. Shareholders of the Company can also submit their feedback and raise any question to the Company's email address as provided in the Company's website.

There is no formal dividend policy adopted by the Company as it was not practical for the Company to implement one due to the capital commitment of the Group as a whole. The Company pays dividends out of profits available for distribution and where there is sufficient cash available to fund the payment of any proposed dividend.

INTERESTED PERSON 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 $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	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
Income from rental of premises and utility recovery		
– SH Design & Build Pte Ltd	4	N.A.
– Phoenix Wines Pte Ltd	63	N.A.
– Soon Hock Investment Group Pte Ltd	226	N.A.

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 (not being contracts entered into in the ordinary course of business) involving the interests of the CEO, each director or controlling shareholders, 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.

DEALINGS IN SECURITIES

The Company has adopted an internal code to provide guidance with regard to the dealings in the Company's securities by its directors and officers in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST.

The Company's 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. The Company and its directors and officers of the Group are also prohibited from dealing in the Company's securities during the period commencing one month before the release of the Company's full-year results and two weeks before the release of the Company's quarterly results.

Directors and employees 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 employees are expected not to deal in the Company's securities for short-term considerations.

Further information on board of directors

Mr Tan Yeow Khoon	Mr Tan Min Cheow, Benson	Mr Tan Yeow Lam
Current directorships / Principal commitments – Asia Pacific Wine Hub Pte Ltd – SH Design & Build Pte Ltd ("SHDB") – Soon Hock Hazmat Pte Ltd – Soon Hock Group Pte Ltd – Soon Hock Investment Group Pte Ltd – Soon Hock Group Engineering Pte Ltd – Soon Hock Tuas Development Pte Ltd – Soon Hock Property Development Pte Ltd – Soon Hock Holding Pte Ltd – Soon Hock Realty Pte Ltd – SH Building & Supply Pte Ltd – SH Technologies Pte Ltd	Current directorships / Principal commitments – Soon Hock Investment Group Pte Ltd	Current directorships / Principal commitments – Soon Hock Hazmat Pte Ltd – Soon Hock Group Engineering Pte Ltd – E. Grow Techpark Pte Ltd
Directorships over the past 3 years (1/1/14 to 31/12/16) – Nil	Directorships over the past 3 years (1/1/14 to 31/12/16) – Nil	Directorships over the past 3 years (1/1/14 to 31/12/16) – Nil

Further information on board of directors

Mr Chan Soo Sen	Mr Chua Cheow Khoon, Michael	Mr Teo Lip Hua, Benedict
Board committee(s) served on: – Nominating Committee (Chairman) – Audit Committee – Remuneration Committee	Board committee(s) served on: – Audit Committee (Chairman) – Nominating Committee – Remuneration Committee	Board committee(s) served on: – Remuneration Committee (Chairman) – Audit Committee – Nominating Committee
Current directorships / Principal commitments – Midas Holdings Limited – BreadTalk Group Limited – Best World International Limited – Nanyang Zhong Hua Investment Management Pte Ltd – Longus Institute For Development And Strategy Limited – Kidney Dialysis Foundation Limited – Friedrich Frobel Holding Pte Ltd – SCP Consultants Private Limited – CN-NL Waste Solution – Longdao Institute of Development & Strategy – Thye Hua Kwan Moral Charities	Current directorships / Principal commitments – JB Foods Limited – BMD Consulting Pte Ltd	Current directorships / Principal commitments – Legal Options LLC
Directorships over the past 3 years (1/1/14 to 31/12/16) – Heartfelt Care Pte Ltd	Directorships over the past 3 years (1/1/14 to 31/12/16) – Cedar Strategic Holdings Ltd (formerly known as China Titanium Ltd) – Treasure Lodge Limited	Directorships over the past 3 years (1/1/14 to 31/12/16) – Drew & Napier LLC

Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended December 31, 2016.

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 54 to 102 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at December 31, 2016, and the financial performance, 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.

1 Directors

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

Tan Yeow Khoon
Tan Min Cheow, Benson
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			Shareholdings in which directors are deemed to have an interest		
Names of directors and company in which interests are held	At beginning of year	At end of year	At January 21, 2017	At beginning of year	At end of year	At January 21, 2017
The company (Ordinary shares)						
Tan Yeow Khoon	325,756,775	325,756,775	325,756,775	10,463,000	10,463,000	10,463,000
Tan Min Cheow, Benson	2,283,000	2,283,000	2,283,000	-	-	-
Tan Yeow Lam	65,000,000	65,000,000	65,000,000	-	-	-

By virtue of Section 7 of the Singapore Companies Act, Mr Tan Yeow Khoon is deemed to have an interest in all the related corporations of the company.

4 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.

5 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 has met at least four times a year and holds additional meetings when necessary. It has performed the functions specified in Section 201B of Singapore Companies Audit Committee, the SGX Listing Manual and the Code of Corporate Governance, including the following:

(a) reviewed with the internal and external auditors on 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) reviewed the quarterly, half-yearly and annual financial statements and results announcements before submission to the Board for approval, with emphasis on the significant financial reporting issues and judgments, 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) reviewed the adequacy and effectiveness of the risk management and internal controls, including financial, operational, compliance and information technology controls and ensured co-ordination among the internal auditors, 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) reviewed the adequacy and effectiveness of internal audit function and approves the appointment and removal of internal auditor;

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

(f) reviewed and approved transactions falling within the scope of Chapter 9 of the Listing Manual; and

(g) undertook 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 has full access to all senior management personnel and has full discretion to invite any director and/or key management personnel to attend its meetings. It has also been given the resources required for it to discharge its function properly.

The Audit Committee is satisfied with the independence and objectivity of the external auditors, and has recommended to the directors that Deloitte & Touche LLP be nominated for re-appointment as external auditors of the company at the forthcoming annual general meeting of the company.

Further details regarding the Audit Committee are disclosed in the corporate governance report.

6 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

April 3, 2017

Independent Auditor's Report To The Members Of Cogent Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Cogent Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at December 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 102.

In our opinion, the accompanying 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 Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at December 31, 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of the changes in equity of the company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of *Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
<u>Construction of modern container depot in Singapore and the warehouse and depot in Malaysia</u> *(Further disclosures are made in Note 3 and Note 10 to the financial statements)* The group continues to invest in significant capital projects including its construction of modern container depot in Singapore and the warehouse and depot in Malaysia. The significant level of capital expenditure requires consideration of the nature of costs incurred to ensure that the capitalisation of property, plant and equipment meets the specific recognition criteria of FRS 16 – *Property, plant and equipment* specifically in relation to assets constructed by the group and estimated useful life of these property, plant and equipment.	Our audit work included testing of the design and implementation of key controls around the capitalisation process, assessing the nature of property, plant and equipment capitalised by the group and verifying the amounts capitalised and evaluating whether assets capitalised meet the recognition criteria set out in FRS 16. Our work also considered (i) whether capitalisation of construction costs should cease when the asset is in such condition operationally ready in the manner as intended by the group; and (ii) the assessment of its useful life.

Independent Auditor's Report To The Members Of Cogent Holdings Limited

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' statement, financial highlights, great innovation for big solutions, group corporate profile, Cogent logistics supply chain, about us, joint message from Chairman and CEO, board of directors, senior management team, next generation of leaders, Cogent cares, joy at work, Cogent group and Lumas gallery collaboration, operating and financial review, corporate governance report and statistics of shareholding, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit 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 group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements (cont'd)

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Seah Gek Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

April 3, 2017

Statements Of Financial Position

December 31, 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
ASSETS					
Current assets					
Cash and bank balances	6	57,736	45,255	8,476	2,900
Trade receivables	7	17,822	17,135	10,449	11,789
Other receivables	8	3,445	3,618	522	11,934
Held-for-trading investments	9	-	24	-	-
Total current assets		79,003	66,032	19,447	26,623
Non-current assets					
Trade receivables	7	46	323	-	-
Other receivables	8	2,512	3,294	2	-
Property, plant and equipment	10	212,565	199,455	649	472
Investment in subsidiaries	11	-	-	35,084	36,084
Other investment		109	36	-	-
Total non-current assets		215,232	203,108	35,735	36,556
Total assets		294,235	269,140	55,182	63,179
LIABILITIES AND EQUITY					
Current liabilities					
Current portion of bank loans	12	14,401	11,886	-	-
Current portion of deferred income	13	-	1,000	-	-
Current portion of finance leases	14	1,658	1,467	-	-
Trade payables	15	6,883	6,242	157	166
Other payables	16	30,838	30,878	6,611	4,934
Provision for reinstatement costs	17	1,312	1,380	-	-
Income tax payable		6,197	5,162	8	11
Total current liabilities		61,289	58,015	6,776	5,111
Non-current liabilities					
Bank loans	12	101,149	102,407	-	-
Finance leases	14	2,474	2,403	-	-
Other payables	16	599	221	-	-
Provision for reinstatement costs	17	789	1,180	-	-
Deferred tax liabilities	18	1,586	1,338	-	-
Total non-current liabilities		106,597	107,549	-	-

See accompanying notes to financial statements.

Statements Of Financial Position

December 31, 2016

	Note	Group		Company	
		2016	2015	2016	2015
		$'000	$'000	$'000	$'000
Capital and reserves					
Share capital	19	45,092	45,092	45,092	45,092
Capital reserve		506	506	506	506
Merger deficit		(16,033)	(16,033)	-	-
Foreign currency translation reserve		(774)	(468)	-	-
Accumulated profits		97,558	74,479	2,808	12,470
Total equity		126,349	103,576	48,406	58,068
Total liabilities and equity		294,235	269,140	55,182	63,179

See accompanying notes to financial statements.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

Year ended December 31, 2016

	Note	2016 $'000	2015 $'000
Revenue	20	136,672	129,233
Other operating income	21	2,301	2,020
Operating expenses			
- Employee benefits expense		(28,170)	(26,537)
- Depreciation	10	(9,573)	(9,470)
- Rental on leased premises		(24,889)	(28,065)
- Amortisation of deferred income arising from sale and leaseback	13	1,000	1,000
- Amortisation of prepaid land lease rights		(28)	-
- Contract services		(12,158)	(10,257)
- Fuel and utilities		(6,644)	(7,248)
- Storage and handling charges		(3,927)	(3,536)
- Repair and maintenance		(4,211)	(3,909)
- Hire of vehicle and equipment		(685)	(1,129)
- Others		(8,283)	(8,386)
		41,405	33,716
Finance costs	22	(3,168)	(3,118)
Profit before tax		38,237	30,598
Income tax expense	23	(6,162)	(5,132)
Profit for the year, net of tax	24	32,075	25,466
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of subsidiaries, representing other comprehensive loss for the year, net of tax		(306)	(463)
Total comprehensive income for the year attributable to the owners of the company		31,769	25,003
Earnings per share			
Basic and diluted (cents)	25	6.70	5.32

See accompanying notes to financial statements.

Statements Of Changes In Equity

Year ended December 31, 2016

Group

	Note	Share capital $'000	Merger deficit $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total $'000
At January 1, 2015		45,092	(16,033)	506	(5)	67,005	96,565
Profit for the year		-	-	-	-	25,466	25,466
Other comprehensive loss for the year		-	-	-	(463)	-	(463)
Dividends, representing total transactions with owners, recognised directly in equity	26	-	-	-	-	(17,992)	(17,992)
At December 31, 2015		45,092	(16,033)	506	(468)	74,479	103,576
Profit for the year		-	-	-	-	32,075	32,075
Other comprehensive loss for the year		-	-	-	(306)	-	(306)
Dividends, representing total transactions with owners, recognised directly in equity	26	-	-	-	-	(8,996)	(8,996)
At December 31, 2016		45,092	(16,033)	506	(774)	97,558	126,349

Company

	Note	Share capital $'000	Capital reserve $'000	Accumulated profits $'000	Total $'000
At January 1, 2015		45,092	506	19,617	65,215
Profit for the year, representing total comprehensive income for the year		-	-	10,845	10,845
Dividends, representing total transactions with owners, recognised directly in equity	26	-	-	(17,992)	(17,992)
At December 31, 2015		45,092	506	12,470	58,068
Loss for the year, representing total comprehensive loss for the year		-	-	(666)	(666)
Dividends, representing total transactions with owners, recognised directly in equity	26	-	-	(8,996)	(8,996)
At December 31, 2016		45,092	506	2,808	48,406

See accompanying notes to financial statements.

Consolidated Statement Of Cash Flows

Year ended December 31, 2016

	2016 $'000	2015 $'000
Operating Activities		
Profit before tax	38,237	30,598
Adjustments for:		
Depreciation	9,573	9,470
Interest expense	3,168	3,118
Interest income	(222)	(225)
Dividend income from held-for-trading investments	-	(3)
Allowance for (Write back of) doubtful trade receivables, net	81	(2)
Deferred income recognised	(1,000)	(1,022)
Amortisation of prepaid land lease rights	28	-
Gain on disposal of property, plant and equipment	(136)	(628)
Fair value (gain) loss on held-for-trading investment	(8)	1
Operating cash flows before movements in working capital	49,721	41,307
Trade receivables	(491)	(647)
Other receivables	899	(250)
Trade payables	641	(822)
Other payables	(1,098)	5,280
Cash generated from operations	49,672	44,868
Income tax paid	(4,879)	(3,465)
Net cash from operating activities	44,793	41,403
Investing Activities		
Interest received	223	210
Dividend received from held-for-trading investments	-	2
Purchase of property, plant and equipment (Note A)	(15,752)	(20,919)
Prepayment for land lease rights (Note 8)	-	(1,787)
Proceeds from performance bond in respect of crane construction (Note 10)	1,294	-
Proceeds from disposal of property, plant and equipment	410	1,163
Proceeds from disposal of held-for-trading investments	32	-
Acquisition of other investment	(73)	-
Net cash used in investing activities	(13,866)	(21,331)

See accompanying notes to financial statements.

Consolidated Statement Of Cash Flows

Year ended December 31, 2016

	2016 $'000	2015 $'000
Financing Activities		
Interest paid	(3,168)	(3,171)
Dividends paid	(8,996)	(17,992)
Repayment of obligations under finance leases	(1,638)	(3,214)
Repayment of bank loans	(9,486)	(7,876)
Proceeds from bank loans	4,823	4,000
Pledged deposits	(3)	(10)
Net cash used in financing activities	(18,468)	(28,263)
Net increase (decrease) in cash and cash equivalents	12,459	(8,191)
Effect of currency translation on cash and cash equivalents	19	(6)
Cash and cash equivalents at beginning of year	44,453	52,650
Cash and cash equivalents at end of year (Note 6)	56,931	44,453

Note A

During the year ended December 31, 2016, the group made an additional provision of $9,000 (2015 : $1,510,000) for reinstatement costs, and acquired property, plant and equipment at an aggregate cost of $24,632,000 (2015 : $24,708,000) of which $2,251,000 (2015 : $Nil) were acquired using proceeds from a term loan and $1,298,000 (2015 : $1,633,000) were acquired under finance leases.

In 2016, cash payment of $15,752,000 includes $1,539,000 pertaining to payment for the purchase of property, plant and equipment in 2015, but excludes $6,870,000 pertaining to the unpaid purchase in 2016. In 2015, cash payment of $20,919,000 excluded $2,156,000 pertaining to the unpaid purchase in 2015.

See accompanying notes to financial statements.

Notes To Financial Statements

December 31, 2016

1 General

The company (Registration No. 200710813D) is incorporated in Singapore with its registered office and principal place of business at Cogent 1.Logistics Hub, 1 Buroh Crescent, #6M-01, Singapore 627545. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are those of investment holding and provision of management services to its subsidiaries.

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

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, 2016 were authorised for issue by the Board of Directors of the company on April 3, 2017.

2 Summary of significant accounting policies

BASIS OF ACCOUNTING – The financial statements have been 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 Financial Reporting Standards ("FRS") in Singapore.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases* and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2016, the group and the company adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS 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 new/revised FRS and amendments improvements to FRSs that are relevant to the group and the company were issued but not effective:

- FRS 109 *Financial Instruments*
  (Applies to annual periods beginning on or after January 1, 2018, with early application permitted)
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*
  (Applies to annual periods beginning on or after January 1, 2018, with early application permitted)
- FRS 116 *Leases*
  (Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted)
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*
  (Applies to annual periods beginning on or after January 1, 2017, with early application permitted)

Consequential amendments were also made to various standards as a result of these new/revised standards.

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 of the company in the period of their adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities and (ii) impairment requirements for financial assets.

Key Requirements Of FRS 109:

- Financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management anticipates that the initial application of the new FRS 109 may not result in any material changes to the accounting policies relating to the impairment provision of financial assets. Additional disclosures may be made with respect to trade and other receivables, including any significant judgment and estimation made. Management has commenced an assessment of the possible impact of implementing FRS 109. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

FRS 115 *Revenue From Contracts With Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 may not result in material changes to the accounting policies relating to revenue recognition and no additional disclosures required in respect of revenue recognition.

The group recognises revenue from rendering of management services which includes transportation management services, warehousing and property management services, container depot management services and automotive logistics management services. Management has preliminarily assessed that there are no bundling of services in the contracts and revenue is only recognised as and when services are rendered. It is currently impracticable to disclose any further information on the known or reasonably estimate impact of the group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipates that the initial application of the new FRS 116 will result in changes to the accounting policies relating to operating leases, where the group is a lessee. A leased asset will be recognised on statement of financial position, representing the group's right to use the leased asset over the lease term and, recognise a corresponding liability to make lease payments. Additional disclosures may be made with respect of the group's exposure to asset risk and credit risk, where the group is the lessor. Management has commenced an assessment of the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 116.

IFRS Convergence In 2018

Singapore-incorporated companies listed on the Singapore Exchange (SGX) will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after January 1, 2018. The group will be adopting the new framework for the first time for financial year ending December 31, 2018, with retrospective application to the comparative financial year ending December 31, 2017 and the opening statement of financial position as at January 1, 2017 (date of transition).

Based on a preliminary assessment of the potential impact arising from IFRS 1 First-time adoption of IFRS, management does not expect any changes to the group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised IFRSs.

Management expects the potential impact arising from new/revised IFRSs will be consistent with those described above for the corresponding new/revised FRSs.

Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1. The preliminary assessment above may be subject to change arising from the detailed analysis.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- Potential voting rights held by the company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

Changes in the group's ownership interests in existing subsidiaries

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries 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 subsidiaries. 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, a gain or loss is recognised in profit or loss and 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. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). 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, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests 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 either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date.

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".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

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
- On initial recognition, it is part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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 asset and is included in "other operating income" line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 4.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, bank balances and cash) 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 effect of discounting is 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 assets, 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 of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 trade and other receivables where the carrying amount is reduced through the use of an allowance account. When trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised costs, 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 risks and rewards of ownership and continues to control the transferred asset, the group 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, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see below).

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 added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

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 statement 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 INVESTMENT - These comprise investment 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, supply or administrative purposes, or for purposes not 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.

The group have adopted the component approach to depreciation whereby the amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components. Each significant component is depreciated based on its estimated useful life.

Construction-in-progress is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and building	-	59 years or over the remaining period of lease, whichever is lower
Equipment	-	5 to 20 years
Furniture and fittings	-	5 to 10 years
Motor vehicles	-	5 or 10 years
Leasehold improvements	-	5 to 57 years or over the period of lease, whichever is lower

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 disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

LAND LEASE RIGHTS – Prepaid land lease rights is accounted for as land lease rights and amortised on a straight line basis over the lease term of 59 years.

IMPAIRMENT OF TANGIBLE ASSETS - At end of each reporting period, the group reviews the carrying amounts of its tangible 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 for which the estimates of future cash flows have not been adjusted.

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.

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.

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 DEFICIT - Merger deficit 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 by the company as consideration for the acquisition on common control during the initial public offering.

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.

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. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Management Service Income

Revenue from rendering of management services includes transportation management services, warehousing and property management services, container depot management services and automotive logistics management services. Such revenue is recognised as and when services are rendered to the customers. Rental income is included in the management service income and is recognised from the operating leases as described above.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective 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 when employees have rendered the services entitling them to the contributions. 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.

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 profit or loss and other 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. 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 on taxable temporary differences arising on investment in subsidiaries except where the group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - 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 consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. 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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such instruments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

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 a known amount of cash and are subject to an insignificant risk of changes in value.

3 Critical accounting judgments 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 judgments, 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 judgments in applying the entity's accounting policies

Apart from those involving estimates discussed below, the management has not made any critical judgment 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 of 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 judgment and estimates. The carrying amounts of the group's property, plant and equipment are disclosed in Note 10 to the financial statements.

Allowance for doubtful receivables

Allowance for doubtful receivables is 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 collectability and aging analysis of accounts. A considerable amount of judgment 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.

4 Financial instruments, financial risks and capital management

(a) Categories of financial instruments

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

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial assets				
Loans and receivables (including cash and bank balances)	78,512	66,412	19,383	26,578
Held-for-trading investments	-	24	-	-
	78,512	66,436	19,383	26,578
Financial liabilities				
Liabilities at amortised cost	158,002	155,504	6,768	5,100

(b) Financial risk management policies and objectives

The risks associated with the group's financial assets and liabilities are set out below. Management manages and monitors these exposures to ensure appropriate risk management measures are implemented on a timely and effective manner. There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk.

(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 (2015 : five) major customers amounting to $6,865,000 (2015 : $5,274,000) representing 38% (2015 : 30%) 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 Notes 7 and 8 to the financial statements respectively.

The maximum amount that the group could be forced to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counterparty to the guarantee is disclosed in Note 29. Based on expectations at the end of the reporting period, the group considers that it is more likely than not that no amount will be payable under the arrangement.

(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 12 to the financial statements.

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing bank loans at the end of the reporting period and the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the group's profit for the year ended December 31, 2016 would decrease/increase by $578,000 (2015 : decrease/increase by $571,000). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

(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 does 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 thegroup's operations and mitigate the effects of fluctuations in cash flows. Funding is obtained via 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. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

Group	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
2016						
Non-interest bearing	-	37,721	56	543	-	38,320
Variable interest rate instruments	2.66	16,949	42,537	72,313	(16,249)	115,550
Fixed interest rate instruments	1.37	1,756	2,653	-	(277)	4,132
		56,426	45,246	72,856	(16,526)	158,002
2015						
Non-interest bearing	-	37,120	32	189	-	37,341
Variable interest rate instruments	2.54	15,141	41,907	80,270	(23,025)	114,293
Fixed interest rate instruments	1.66	1,550	2,541	-	(221)	3,870
		53,811	44,480	80,459	(23,246)	155,504

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

The non-derivative financial assets of the group and company are interest free except for fixed deposits as disclosed in Note 6. These are due on demand or within one year, except for non-current portion of financial assets included in trade receivables and other receivables as disclosed in Notes 7 and 8 respectively.

The company has provided financial guarantees to financial institutions in respect of financing facilities extended to its subsidiaries (Note 29). The maximum amount that the group could be forced to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counterparty to the guarantee is disclosed in Note 29.

The earliest period that the guarantee could be called is within 1 year (2015 : 1 year) from the end of the reporting period. Management has assessed that the fair value of the financial guarantees provided by the company is not material to the financial statement of the company and therefore is not recognised.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, current trade and other receivables and current 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.

(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 and finance leases as disclosed in Notes 12 and 14 respectively) and equity attributable to equity holders of the company, comprising issued share capital, reserves and accumulated profits.

As a part of review of the 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 the previous financial year.

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 / Entities in which directors have interests / Directors

	2016 $'000	2015 $'000
Warehousing and related services income	294	208
Transportation and service income	38	151
Container depot service income	186	-
Sale of property, plant and equipment	-	138
Other income	90	10
Software service fee	(135)	-
Construction of integrated logistics hub	-	(8,636)
Renovation services	(32)	(110)
Repair and maintenance expense	(41)	(42)
Purchase of property, plant and equipment	-	(40)

(b) Compensation of directors and key management personnel

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

	2016 $'000	2015 $'000
Short-term benefits	7,602	6,232
Post-employment benefits	93	86
	7,695	6,318

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

6 Cash and bank balances

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Fixed deposits	6,021	13,544	-	-
Cash at banks	51,658	31,647	8,475	2,899
Cash on hand	57	64	1	1
Cash and bank balances	57,736	45,255	8,476	2,900
Less: Pledged deposits (Note 12)	(805)	(802)	-	-
Cash and cash equivalents	56,931	44,453	8,476	2,900

As at December 31, 2016, the fixed deposits bear an average effective interest rate of 1.07% (2015 : 1.09%) per annum with tenure of approximately one month to one year (2015 : one month to one year). The fixed deposits can be readily converted into cash.

7 Trade receivables

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Outside parties	17,907	17,471	-	-
Allowance for doubtful receivables	(104)	(64)	-	-
	17,803	17,407	-	-
Subsidiaries (Note 11)	-	-	10,427	11,789
Related parties (Note 5)	65	51	22	-
	17,868	17,458	10,449	11,789
Current	17,822	17,135	10,449	11,789
Non-current	46	323	-	-
	17,868	17,458	10,449	11,789

The average credit period of the group is 30 days (2015 : 30 days). No interest is charged on outstanding balances. The non-current trade receivables have not been discounted to present value as management is of the opinion that the effect would be insignificant.

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 and company's trade receivables balances are debtors with a carrying amount of $8,855,000 and $8,861,000 (2015: $9,955,000 and $11,223,000) which are past due at the end of the reporting period for which the group and the company have 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. The group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the group and the company consider 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 receivables.

There is no change in the credit quality of the group's and company's trade receivables which are not past due and not impaired and the amounts are considered recoverable.

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

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not past due and not impaired	9,013	7,503	1,588	566
Past due but not impaired				
Within 3 months	7,023	7,760	2,451	2,425
More than 3 months	1,832	2,195	6,410	8,798
Trade receivables not impaired	17,868	17,458	10,449	11,789
Impaired receivables				
– collectively assessed [(i)]	104	64	-	-
Less: Allowance for doubtful receivables	(104)	(64)	-	-
	-	-	-	-
Total trade receivables, net	17,868	17,458	10,449	11,789

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

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

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Balance at beginning of year	64	71	-	-
Amount written off during the year	(41)	(4)	-	-
Amount written back during the year	(49)	(2)	-	-
Allowance recognised in profit or loss	130	-	-	-
Exchange differences	-	(1)	-	-
Balance at end of year	104	64	-	-

8 Other receivables

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Outside parties [1]	1,401	2,007	-	-
Subsidiaries (Note 11) [2]	-	-	458	11,862
Retention sum receivable from disposal of property	477	477	-	-
Staff loans [3]	7	6	-	-
Deposits	1,023	1,209	-	27
Prepayment [4]	3,049	3,213	66	45
	5,957	6,912	524	11,934
Current	3,445	3,618	522	11,934
Non-current [5]	2,512	3,294	2	-
	5,957	6,912	524	11,934

[1] The other receivables due from outside parties are repayable on demand and management is of the view that these receivables are not impaired and are recoverable.

[2] The company's receivables from the subsidiaries are unsecured, interest free and repayable on demand.

[3] The staff loans are unsecured and interest-free.

[4] Prepaid land lease rights in relation to the land lease with Port Klang Free Zone Sdn. Bhd. in Malaysia of $1,529,000 (2015 : $1,787,000) has been included as prepayment.

[5] The non-current other receivables have not been discounted to present value as management is of the opinion that the effect would be insignificant.

9 Held-for-trading investments

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Quoted equity investments at fair value	-	24	-	-

The fair values of the quoted equity investments are based on closing quoted market prices on the last market day of the year (Level 1).

For the financial year ended December 31, 2016, the group disposed 30,000 ordinary shares for cash consideration of approximately $32,000 at offer price of $1.08 per share.

10 Property, plant and equipment

Group	Leasehold land and building $'000	Equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Leasehold improvements $'000	Construction in-progress $'000	Total $'000
Cost:							
At January 1, 2015	129,514	5,257	469	29,637	13,783	45,185	223,845
Additions	-	752	376	5,341	2,295	17,507	26,271
Exchange differences	-	-	(3)	(42)	(20)	(331)	(396)
Disposals	-	(48)	-	(4,397)	(12)	(4,340)	(8,797)
Transfer	13,169	777	-	-	142	(14,088)	-
At December 31, 2015	142,683	6,738	842	30,539	16,188	43,933	240,923
Additions	60	934	522	1,859	922	20,344	24,641
Exchange differences	(85)	-	-	(8)	(8)	(293)	(394)
Disposals	-	(84)	(21)	(1,385)	(181)	-	(1,671)
Proceeds from performance bond in respect of crane construction	-	-	-	-	-	(1,294)	(1,294)
Transfer	4,816	2,573	504	-	2,921	(10,814)	-
At December 31, 2016	147,474	10,161	1,847	31,005	19,842	51,876	262,205

	Leasehold land and building $'000	Equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Leasehold improvements $'000	Construction in-progress $'000	Total $'000
Accumulated depreciation:							
At January 1, 2015	10,231	2,528	309	17,614	5,287	-	35,969
Depreciation for the year	3,336	594	52	2,813	2,675	-	9,470
Exchange differences	-	-	(2)	(27)	(20)	-	(49)
Disposals	-	(33)	-	(3,877)	(12)	-	(3,922)
At December 31, 2015	13,567	3,089	359	16,523	7,930	-	41,468
Depreciation for the year	2,737	906	160	2,935	2,835	-	9,573
Exchange differences	(3)	-	-	(1)	-	-	(4)
Disposals	-	(58)	(7)	(1,151)	(181)	-	(1,397)
At December 31, 2016	16,301	3,937	512	18,306	10,584	-	49,640
Carrying amount:							
At December 31, 2016	131,173	6,224	1,335	12,699	9,258	51,876	212,565
At December 31, 2015	129,116	3,649	483	14,016	8,258	43,933	199,455

During the financial year ended December 31, 2015, borrowing costs of $53,000 (Note 22) which were entirely related to a finance lease arrangement were capitalised into construction-in-progress.

During the financial year ended December 31, 2015, certain property, plant and equipment with carrying amount of $4,340,000 were returned to a vendor and the finance lease arrangement in respect of the returned assets was discharged accordingly.

During the financial year ended December 31, 2016, proceeds amounting to $1,294,000 was received from the performance bonds issued by an insurance company on behalf of the crane specialist in connection with the breach of contract.

Property, plant and equipment of the group with carrying amount of $176,559,000 (2015: $166,311,000) are pledged as security for bank facilities disclosed in Note 12 to the financial statements. Property, plant and equipment with carrying amount of $7,881,000 (2015: $6,621,000) are under finance lease arrangements disclosed in Note 14 to the financial statements.

Company	Equipment $'000	Motor vehicles $'000	Total $'000
Cost:			
At January 1, 2015	14	695	709
Additions	3	-	3
Disposals	-	(175)	(175)
At December 31, 2015	17	520	537
Additions	96	141	237
At December 31, 2016	113	661	774
Accumulated depreciation:			
At January 1, 2015	10	-	10
Depreciation for the year	4	53	57
Disposals	-	(2)	(2)
At December 31, 2015	14	51	65
Depreciation for the year	17	43	60
At December 31, 2016	31	94	125
Carrying amount:			
At December 31, 2016	82	567	649
At December 31, 2015	3	469	472

11 Investment in subsidiaries

	Company 2016 $'000	Company 2015 $'000
Unquoted equity shares, at cost	35,084	36,084

Notes To Financial Statements

December 31, 2016

Details of the company's subsidiaries at the end of the reporting periods were as follows:

Name of subsidiaries	Country of incorporation and operations	Proportion of ownership interest and voting power held		Principal activity
		2016	2015	
		%	%	
SH Cogent Logistics Pte Ltd	Singapore	100	100	Provision of warehousing management services, container depot management services and transportation of containers and cargoes
Cogent Jurong Island Pte. Ltd.	Singapore	100	100	Provision of warehousing services
Cogent Investment Group Pte. Ltd.	Singapore	100	100	Provision of warehousing services
Cogent Automotive Logistics Pte. Ltd.	Singapore	100	100	Export processing, transportation and storage of motor vehicles
Cogent Container Solutions Pte. Ltd.*	Singapore	100	100	Trading, leasing and customisation of containers

The following subsidiaries are held by SH Cogent Logistics Pte Ltd:

Name of subsidiaries	Country of incorporation and operations	Proportion of ownership interest and voting power held 2016	2015	Principal activity
		%	%	
Cogent Land Capital Pte. Ltd.	Singapore	100	100	Provision of automotive logistics management services, warehousing and property management services
Cogent Container Depot Pte. Ltd.	Singapore	100	100	Provision of container depot management services
Cogent Container Depot (M) Sdn. Bhd.	Malaysia	100	100	Provision of container depot management services
SH Cogent Logistics Sdn. Bhd.	Malaysia	100	100	Provision of container depot management services and warehousing management services

* On January 15, 2016, the company passed a special resolution to place dormant subsidiary, Cogent Container Solutions Pte. Ltd. in liquidation. The liquidation does not have any material impact on the net tangible assets or earnings per share of the group and company for the financial year ended December 31, 2016.

All of the above subsidiaries are audited by Deloitte & Touche LLP, Singapore except for subsidiaries in Malaysia and the dormant subsidiary in Singapore which are not significant to the group.

12 Bank loans

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Secured - at amortised cost				
Bank loans	115,550	114,293	-	-
Non-current portion of bank loans	(101,149)	(102,407)	-	-
Current portion of bank loans	14,401	11,886	-	-
The bank loans are repayable as follows:				
Within one year	14,401	11,886	-	-
Later than one year and not later than five years	34,870	31,589	-	-
Later than five years	66,279	70,818	-	-
	115,550	114,293	-	-

The group has the following bank loans:

a) Term loans of $107,879,000 (2015: $110,293,000). The loans are repayable in 154 to 155 (2015: 166 to 167) monthly repayments and a final repayment of the balance amount outstanding. The effective interest rate for the term loans are 2.68% (2015: 2.54%) per annum. The loans are secured by a first mortgage over a property ("Property") of a subsidiary; fixed and floating charge over certain assets of a subsidiary; an assignment of the rights, interests and benefits arising under the construction contract and performance bonds relating to the construction of a Property; and assignment of the rights, interests and benefits arising under the insurance policies relating to the construction of the Property; and financial guarantee from the company.

b) Term loan of $2,171,000 (2015 : $Nil). The loan is repayable in 53 (2015 : Nil) monthly repayments and a final repayment of the balance amount outstanding. The effective interest rate for the term loan is 4.85% (2015 : Nil%) per annum. The loans are secured by a charge over the lease of the land (including buildings); fixed charge over fixed deposits of a subsidiary; an assignment of rental proceeds from properties of a subsidiary; and financial guarantee from the company.

c) A revolving short term loan of $2,500,000 (2015 : $3,500,000). The short term loan is repayable in January 2017. The effective interest rate for the loan is 2.44% (2015 : 2.40%) per annum. The loan is secured by financial guarantee from the company.

d) A revolving short term loan of $Nil (2015 : $500,000). The effective interest rate for the loan is 2.12% per annum. The loan is secured by financial guarantee from the company and a fixed charge over fixed deposits of a subsidiary. The loan has been fully repaid during the financial year.

e) A revolving short term loan of $1,000,000 (2015 : $Nil). The short term loan is repayable in January 2017. The effective interest rate for the loan is 2.05% (2015 : Nil%) per annum. The loan is secured by financial guarantee from the company.

f) A revolving short term loan of $2,000,000 (2015 : $Nil). The short term loan is repayable in January 2017. The effective interest rate for the loan is 1.99% (2015 : Nil%) per annum. The loan is secured by financial guarantee from the company.

13 Deferred income

	Arising from sale and leaseback $'000	Others $'000	Total $'000
Group			
At January 1, 2015	2,000	22	2,022
Credit to profit or loss	(1,000)	(22)	(1,022)
At December 31, 2015	1,000	-	1,000
Credit to profit or loss	(1,000)	-	(1,000)
At December 31, 2016	-	-	-
2015			
Current portion	1,000	-	1,000

The deferred income arose mainly from the sale and leaseback of a leasehold property held 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. This has been fully amortised as at the end of financial year.

14 Finance leases

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Amounts payable under finance leases:				
Within one year	1,756	1,550	1,658	1,467
Later than one year and not later than five years	2,653	2,541	2,474	2,403
	4,409	4,091	4,132	3,870
Less: Future finance charges	(277)	(221)		
Present value of lease obligations	4,132	3,870		
Less: Amounts due for settlement within 12 months (shown under current liabilities)			(1,658)	(1,467)
Amount due for settlement after 12 months			2,474	2,403

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, 2016	51 months	1.37%
As at December 31, 2015	48 months	1.66%

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 arrangement has been entered into for contingent rental payments.

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

15 Trade payables

The group's and company's payables pertain to outside parties and are interest-free. The average credit period on services received is 30 days (2015 : 30 days).

16 Other payables

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Outside parties	4,913	4,255	48	54
Subsidiaries (Note 11)	-	-	24	1
Related parties (Note 5)	227	4,560	1	-
Accruals	13,597	9,519	6,538	4,879
Rental deposits	12,700	12,765	-	-
	31,437	31,099	6,611	4,934
Current	30,838	30,878	6,611	4,934
Non-current	599	221	-	-
	31,437	31,099	6,611	4,934

The amounts due to related parties pertain mainly to costs incurred for the construction of the integrated logistics hub (Note 5).

The non-current other payables have not been discounted to present value as management is of the opinion that the effect would be insignificant.

17 Provision for reinstatement costs

	Group	
	2016	2015
	$'000	$'000
Balance at beginning of year	2,560	1,050
Provision	9	1,510
Utilisation	(468)	-
Balance at end of year	2,101	2,560
Current	1,312	1,380
Non-current	789	1,180
	2,101	2,560

The provision for reinstatement costs is an estimation of costs to reinstate the group's leased premises to their original state upon expiry of the lease.

18 Deferred tax liabilities

	Accelerated tax depreciation $'000
Group	
At January 1, 2015	862
Charge to profit or loss (Note 23)	476
At December 31, 2015	1,338
Charge to profit or loss (Note 23)	248
At December 31, 2016	1,586

19 Share capital

	Group and Company			
	Number of ordinary shares		Share capital	
	2016 '000	2015 '000	2016 $'000	2015 $'000
Issued and paid up:				
At beginning and end of year	478,500	478,500	45,092	45,092

Fully paid ordinary shares, which have no par value, carry a right to dividends as and when declared by the company.

20 Revenue

	Group	
	2016 $'000	2015 $'000
Transportation management services	25,905	27,192
Container depot management services	25,648	22,404
Automotive logistics management services	30,707	27,461
Warehousing and property management services	54,412	52,176
	136,672	129,233

21 Other operating income

	Group	
	2016	2015
	$'000	$'000
Interest income	222	225
Gain on disposal of property, plant and equipment	136	628
Dividend income from held-for-trading investments	-	3
Insurance claims	124	66
Government grants	980	743
Net foreign exchange gain	28	37
Administrative income	642	293
Others	169	25
	2,301	2,020

22 Finance costs

	Group	
	2016	2015
	$'000	$'000
Interest expense to third parties	3,168	3,171
Less: Amounts included in the cost of qualifying assets (Note 10)	-	(53)
	3,168	3,118

23 Income tax expense

	Group	
	2016	2015
	$'000	$'000
Income tax:		
Current year	5,974	4,781
Overprovision in prior years	(60)	(125)
	5,914	4,656
Defreered tax (Note 18):		
Current year	552	476
Overprovision in prior year	(304)	-
	248	476
	6,162	5,132

Income tax is calculated at 17% (2015 : 17%) of the estimated assessable income for the year.

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

	2016 $'000	2015 $'000
Profit before tax	38,237	30,598
Tax at domestic income tax rate	6,500	5,202
Tax effect of non-allowable items	740	1,081
Tax effect of unused tax losses not recognised as deferred tax assets	133	-
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(29)	-
Tax effect of utilisation of unused tax losses not recognised in prior year as deferred tax assets	-	(154)
Tax concession	(573)	(587)
Tax rebate	(105)	(117)
Exempt income	(140)	(168)
Over-provision in prior years	(364)	(125)
Total income tax expense	6,162	5,132

Subject to the agreement by the tax authorities, at the end of the reporting period, the group has unutilised tax losses of $627,000 (2015 : $Nil) available for offset against future profits. No deferred tax has been recognised in respect of the unutilised losses due to the unpredictability of future profit streams.

24 Profit for the year

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

	Group	
	2016 $'000	2015 $'000
Directors' remuneration	6,493	5,063
Directors' fees		
- of the company	196	190
- of the subsidiaries	6	6
Defined contribution plans included in employee benefits expense	1,887	1,815
Net foreign exchange gain	(28)	(37)
Fair value (gain) loss on held-for-trading investments	(8)	1
Audit fees:		
- paid to auditor of the company	159	152
- paid to other auditors	5	5
Total audit fees	164	157
Non-audit fees paid to auditor of the company	28	28
Aggregate amount of fees paid to auditors	192	185

25 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:

Earnings

	Group	
	2016 $'000	2015 $'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)	32,075	25,466

Number of shares

	Group	
	2016 '000	2015 '000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	478,500	478,500

There are no diluted shares in 2016 and 2015.

26 Dividends

On May 24, 2016, the company paid a first and final one-tier tax exempt dividend of 1.88 cents per ordinary share totaling $8,996,000 in respect of the financial year ended December 31, 2015 to the shareholders of the company.

On May 25, 2015, the company paid a final one-tier tax exempt dividend of 2.58 cents per ordinary share and a special one-tier tax exempt dividend of 1.18 cents per ordinary share, totalling $17,992,000 in respect of the financial year ended December 31, 2014 to the shareholders of the company.

27 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 accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2.

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

Segment	**Principal activities**
(a) Transportation management services	Transportation services locally for laden and empty containers and other cargoes, as well as provision of dry hubbing logistics solutions and project cargo services.
(b) Container depot management services	Provision of integrated container depot services comprising storage, handling, washing and repair of empty containers.

Segment	Principal activities
(c) Automotive logistics management services	Export processing, transportation and storage of motor vehicles.
(d) Warehousing and property management services	Rental of warehouses, provision of warehousing services including packing, drumming, other ancillary services, and provision of property management services.

Corporate expenses and unallocated assets relate to the provision of group level corporate service and investment in entities that do not constitute an operating segment. Accordingly, corporate expenses and unallocated assets are presented separately in the segment information presented.

Segment revenue represents revenue generated from both external and internal customers. Segment profits represent the profit earned by each segment. Finance costs and income tax are not allocated.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and financial assets attributable to each segment. 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.

Notes To Financial Statements

December 31, 2016

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

Segment revenue and profit or loss

By operating segments	Transportation management services $'000	Container depot management services $'000	Automotive logistics management services $'000	Warehousing and property management services $'000	Inter-segment eliminations $'000	Total $'000
2016						
Revenue						
External revenue	25,905	25,648	30,707	54,412	-	136,672
Inter-segment revenue	725	363	3	5,057	(6,148)	-
Total revenue	26,630	26,011	30,710	59,469	(6,148)	136,672
Segment profit	1,978	5,079	12,535	22,016	-	41,608
Finance costs						(3,168)
Corporate expenses						(203)
Profit before tax						38,237
Income tax expense						(6,162)
Profit for the year, net of tax						32,075

By operating segments	Transportation management services $'000	Container depot management services $'000	Automotive logistics management services $'000	Warehousing and property management services $'000	Inter-segment eliminations $'000	Total $'000
2015						
Revenue						
External revenue	27,192	22,404	27,461	52,176	-	129,233
Inter-segment revenue	989	213	9	2,560	(3,771)	-
Total revenue	28,181	22,617	27,470	54,736	(3,771)	129,233
Segment profit	2,847	3,174	11,301	17,069	-	34,391
Finance costs						(3,118)
Corporate expenses						(675)
Profit before tax						30,598
Income tax expense						(5,132)
Profit for the year, net of tax						25,466

Segment assets, liabilities and other segment information

By operating segments	Transportation management services $'000	Container depot management services $'000	Automotive logistics management services $'000	Warehousing and property management services $'000	Inter-segment eliminations $'000	Total $'000
2016						
Assets						
Segment assets	20,078	17,315	23,986	222,928	(915)	283,392
Unallocated assets						10,843
Total assets						294,235
Liabilities						
Segment liabilities	2,610	5,476	7,569	18,539	(915)	33,279
Loans and borrowings						119,682
Income tax payable						6,197
Deferred tax liabilities						1,586
Unallocated liabilities						7,142
Total liabilities						167,886

By operating segments	Transportation management services $'000	Container depot management services $'000	Automotive logistics management services $'000	Warehousing and property management services $'000	Inter-segment eliminations $'000	Total $'000
2015						
Assets						
Segment assets	21,625	13,769	21,769	206,819	(698)	263,284
Unallocated asset						5,856
Total assets						269,140
Liabilities						
Segment liabilities	1,999	3,898	7,366	20,772	(698)	33,337
Loans and borrowings						118,163
Income tax payable						5,162
Deferred tax liabilities						1,338
Unallocated liabilities						7,564
Total liabilities						165,564

Other segment information

2016	Transportation management services $'000	Container depot management services $'000	Automotive logistics management services $'000	Warehousing and property management services $'000	Total $'000
Capital expenditure	263	1,188	170	21,920	23,541
Unallocated capital expenditure					1,100
					24,641
Depreciation	2,411	1,240	284	5,328	9,263
Unallocated depreciation					310
					9,573

2015	Transportation management services $'000	Container depot management services $'000	Automotive logistics management services $'000	Warehousing and property management services $'000	Total $'000
Capital expenditure	4,131	2,953	306	18,487	25,877
Unallocated capital expenditure					394
					26,271
Depreciation	2,531	1,840	248	4,542	9,161
Unallocated depreciation					309
					9,470

Geographical segment information

Except for two subsidiaries operating in Malaysia, the group's operations are carried out solely in Singapore. The revenue generated by the two subsidiaries in Malaysia constitutes less than 10% of the group revenue during the year. Accordingly, no geographical segment information is presented.

28 Operating lease arrangements

The group as lessee

	2016 $'000	2015 $'000
Minimum lease payments under operating leases and recognised as an expense in the year	24,889	28,065

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

	2016 $'000	2015 $'000
Future minimum lease payable:		
Within one year	21,401	22,656
Later than one year and not later than five years	17,791	24,446
Later than five years	69,752	53,857
	108,944	100,959

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 2.7 years, except for land leases with JTC Corporation and Port Klang Free Zone Sdn. Bhd. which are negotiated for periods of up to 30 years. Rental expenses are fixed for an average of 1.7 years and are subject to review of rental rates every subsequent 1 to 5 years where applicable.

The group as lessor

	2016 $'000	2015 $'000
Minimum lease payments under operating leases and recognised as an income in the year	63,378	61,019

The group rents out and manages its warehouse premises for storage to generate warehouse rental income and its commercial property to generate property rental income.

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

	2016 $'000	2015 $'000
Within one year	63,031	64,616
Later than one year and not later than five years	24,368	65,877
	87,399	130,493

The rental of certain commercial property units are based on either a fixed rental sum or a fixed rental sum plus a fixed percentage of monthly gross turnovers if the turnover exceeds a certain amount. The lease commitments for such units included above are determined based on the fixed rental.

Leases are committed and fixed for an average term of 2.5 years.

29 Commitments

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Bankers' guarantees (secured)	2,946	1,797	986	1,133
Capital commitments	8,524	8,649	-	-

Bankers' guarantees are secured by financial guarantees and pledged deposits.

As at December 31, 2016, the company has provided financial guarantees to banks in respect of the banking facilities granted to its subsidiaries amounting to $162,861,000 (2015 : $153,358,000), of which $122,180,000 (2015 : $129,259,000) was utilised at the end of the reporting period.

The capital commitments are made up of contracts for construction of the phase 2 warehouse in Malaysia, professional fees in relation to the Jurong Island Chemical Logistics Facility, improvement of leasehold property and purchase of other equipment (2015 : for improvement of leasehold property and purchase of other equipment).

Statistics Of Shareholdings

As at 17 March 2017

GENERAL INFORMATION ON SHARE CAPITAL

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

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Shareholders	%	No. of shares	%
1 - 99	6	0.59	164	0.00
100 - 1,000	76	7.53	62,930	0.01
1,001 - 10,000	426	42.18	2,661,100	0.56
10,001 - 1,000,000	485	48.02	34,321,331	7.17
1,000,001 and above	17	1.68	441,454,475	92.26
TOTAL	1,010	100.00	478,500,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	TAN YEOW KHOON	316,756,775	66.20
2	TAN YEOW LAM	65,000,000	13.58
3	CITIBANK NOMINEES SINGAPORE PTE LTD	13,383,133	2.80
4	NG POH CHOO	7,977,000	1.67
5	RAFFLES NOMINEES (PTE) LIMITED	7,316,867	1.53
6	DBS NOMINEES (PRIVATE) LIMITED	5,823,600	1.22
7	UOB KAY HIAN PRIVATE LIMITED	3,430,200	0.72
8	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,345,400	0.70
9	SEE SEE MENG	3,315,600	0.69
10	GOH HOCK SAN	2,542,700	0.53
11	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,534,600	0.53
12	TAN MIN CHEOW, BENSON (CHEN MINCHAO, BENSON)	2,283,000	0.48
13	ANG KIAN HUI LARRY (WANG JIANHUI)	2,000,000	0.42
14	PAUL JONG MIN HIAN @ PAUL YONG	1,680,000	0.35
15	PHILLIP SECURITIES PTE LTD	1,631,500	0.34
16	KEH KIM CHIOH	1,393,900	0.29
17	ANG CHENG HOO	1,040,200	0.22
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	916,800	0.19
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	913,100	0.19
20	ONG LIAN MIN DAVID	846,400	0.18
TOTAL		444,130,775	92.83

Statistics Of Shareholdings

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as per Register of Substantial Shareholders as at 17 March 2017:

	Direct Interest	%	Deemed Interest	%
Tan Yeow Khoon	325,756,775*	68.08	10,463,000	2.19
Tan Yeow Lam	65,000,000	13.58	-	-

Note: *9,000,000 of the shares under direct interest are held through Citibank Nominees Singapore Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 17 March 2017, approximately 15.54% 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 AGM of Cogent Holdings Limited ("the Company") will be held at 1 Buroh Crescent #6M-01, Cogent 1.Logistics Hub, Singapore 627545 on Thursday, 27 April 2017 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2016 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 Constitution of the Company:

   Mr Tan Yeow Lam (See Explanatory Note (i)) **(Resolution 2)**
   Mr Chua Cheow Khoon, Michael (See Explanatory Note (ii)) **(Resolution 3)**

3. To approve the payment of Directors' fees of S$196,000 for the year ending 31 December 2017, to be paid half-yearly in arrears. (2016: S$196,000)

   (Resolution 4)

4. To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 5)

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

6. **AUTHORITY TO ISSUE SHARES**

   That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "Singapore Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), 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) in the capital of the Company (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 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) new Shares arising from the conversion or exercise of any convertible securities;

(b) 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 Constitution 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note (iii))

(Resolution 6)

7. **AUTHORITY TO GRANT AWARDS AND TO ISSUE SHARES PURSUANT TO 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note (iv))

(Resolution 7)

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note (v))

(Resolution 8)

9. **RENEWAL OF SHARE PURCHASE MANDATE**

That:

(1) pursuant to the Singapore Companies Act, the Directors of the Company be and are hereby authorised to purchase or otherwise acquire the Shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) on-market purchase(s) ("Market Purchase"), transacted on the SGX-ST through the ready market, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(b) off-market purchase(s) ("Off-Market Purchase") effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Singapore Companies Act, and listing rules of the SGX-ST (the "Listing Rules") as may for the time being be applicable (the "Share Purchase Mandate");

(2) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

(a) the conclusion of the next AGM of the Company;

(b) the date by which the next AGM is required by law to be held;

(c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or

(d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting;

(3) in this Ordinary Resolution:

"Maximum Limit" means that number of issued Shares representing not more than 5% of the issued share capital of the Company as at 27 April 2017, being the date of the 2017 AGM, excluding treasury shares and subject to any subsequent capital reduction or share consolidation;

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (hereinafter defined) of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (hereinafter defined) of the Shares,

where:

"Average Closing Price" means the average of the closing market prices of a Share for the five (5) consecutive Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities) on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five (5) Market Days;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(4) the Directors of the Company and each of them be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they or he may deem desirable, necessary or expedient to give effect to matters referred to in items 9(1), 9(2) and 9(3) including, without limitation, to negotiate, execute and authorise the release of, in the name of and on behalf of the Company, all such agreements, deeds, undertakings, forms, circulars, announcements, instruments, notices, communications and other documents and things, and to approve any amendment, alteration or modification to any such document.

(See Explanatory Note (vi))

(Resolution 9)

By Order of the Board

Lee Tiong Hock
Company Secretary
Singapore, 11 April 2017

EXPLANATORY NOTES:

(i) Mr Tan Yeow Lam will, upon re-election as a Director of the Company, continue to serve as Managing Director of the Company. Detailed information on Mr Tan Yeow Lam can be found under sections entitled 'Board of Directors' and 'Corporate Governance Report' in the Company's Annual Report 2016.

(ii) 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. Detailed information on Mr Chua Cheow Khoon, Michael can be found under sections entitled 'Board of Directors' and 'Corporate Governance Report' in the Company's Annual Report 2016.

(iii) The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM 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 7 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next AGM of the Company, or the date by which the next AGM 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 treasury shares) in the capital of the Company from time to time.

(v) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM 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.

(vi) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate. This authority will continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or the date on which such authority is varied or revoked by the Shareholders in a general meeting or the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier.

Notice Of Annual General Meeting

NOTES:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the AGM.

   (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Cogent 1.Logistics Hub, 1 Buroh Crescent #6M-01, Singapore 627545 not less than forty-eight (48) hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

COGENT HOLDINGS LIMITED

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

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. 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.

I/We, ______________________________

of ______________________________

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

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

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of aShareholdings	
		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 1 Buroh Crescent #6M-01, Cogent 1.Logistics Hub, Singapore 627545 on Thursday, 27 April 2017 at 10.00 a.m. 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, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For*	Number of Votes Against*
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2016		
2	Re-election of Mr Tan Yeow Lam as a Director		
3	Re-election of Mr Chua Cheow Khoon, Michael as a Director		
4	Approval of Directors' fees amounting to S$196,000 for the year ending 31 December 2017 to be paid half-yearly in arrears		
5	Re-appointment of Deloitte & Touche LLP as Auditor		
6	Authority to issue new shares		
7	Authority to grant awards and 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		
9	Renewal of Share Purchase Mandate		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ______________ 2017

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

____
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 81SF of the Securities and Futures Act, Chapter 289), 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. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. 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.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Cogent 1.Logistics Hub, 1 Buroh Crescent #6M-01, Singapore 627545 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. 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.

8. 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.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2017.

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 seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Cogent Holdings Limited

Head Office: Cogent 1.Logistics Hub, 1 Buroh Crescent #6M-01, Singapore 627545
Tel: (65) 6727 7778 I Fax: (65) 6727 7777 I Website: www.cogentholdingsltd.com

Erik Chmil Misurina I Ltd. Edition of 100, Signed I ECH30