

COGENT HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Registration No. 200710813D)

EXPANSION OF WAREHOUSE AND CONTAINER DEPOT FACILITIES IN MALAYSIA

1. Introduction

The Board of Directors (“**Board**”) of Cogent Holdings Limited (the “**Company**”) together with its subsidiaries (collectively known as the “**Group**”) wishes to announce that following the completion of the Phase 1 construction of the warehouse and container depot facilities in the Port Klang Free Zone (the “**Facilities**”), its indirect wholly-owned subsidiary SH Cogent Logistics Sdn. Bhd. (“**SH Cogent Malaysia**”) had on 14 April 2016 awarded the contract for the construction of Phase 2 of the Facilities (“**Letter of Award**”).

2. The Facilities at the Port Klang Free Zone

As stated in the Company’s Annual Report 2015, Phase 1 of the construction of the Facilities on a plot of approximately 537,000 square feet land was completed on 29 December 2015. Operations at the Facilities commenced in January 2016, with the warehouse section fully utilized. The Phase 1 Facilities comprises approximately 56,000 square feet of warehousing space (including warehouse office) and approximately 422,000 square feet of container depot.

Phase 2 will involve the construction of a warehouse on an adjacent plot of approximately 419,000 square feet land. Currently, the said construction is slated for completion in April 2017 and the new warehouse facility will have a build-up area of not less than 270,000 square feet.

The Phase 2 construction was awarded to Shui Xing Ventures Sdn Bhd (“**SX Ventures**”) via a tender process. The said contractor is unrelated to and independent of the Directors and Controlling Shareholders of the Company.

The Phase 2 warehouse will achieve 100% occupancy on completion as SH Cogent Malaysia has secured a tenant on a three-year term lease.

Rationale for Proposed Expansion

Following the successful launch of the aforesaid Phase 1 of this project, the Board believes that the proposed Phase 2 development would enable the Group to establish a stronger foothold in the promising warehousing market of the Port Klang Free Zone.

3. Construction Costs of the Facilities

The total construction costs (including the prepayment for the land lease rights) for Phase 1 was approximately S\$5.9 million, whilst the contract sum for Phase 2 approximately S\$8.9 million.

The costs of construction will be funded by bank loans and internal cash resources.

4. Financial Effects

4.1 The aggregate construction costs of both Phases of the Facilities amount to approximately S\$14.8 million, representing approximately 6.3% of the Company's market capitalization of S\$234.1 million (based on 478,500,000 shares in issue and the weighted average price of S\$0.4892 per share of the Company transacted on the Mainboard on 13 April 2016, being the full market day immediately prior to the date of the Letter of Award).

4.2 Assuming that both Phases of the Facilities were completed on 31 December 2015,

(i) the effect of the Facilities on the net tangible asset per share of the Company for FY2015 would be as follows (based on MYR/SGD exchange rate of 3.046 as at 31 December 2015):

Before Construction: S\$103,576,000

After Construction: S\$103,576,000

(ii) As stated in this announcement above, operations at the Facilities only commenced in January 2016 after completion of Phase 1 construction in December 2015. As such, as at the date of this announcement, the net profits attributable to the operations at the Facilities and the impact of such operations on earnings per share of the Company cannot be meaningfully determined.

(iii) the effect of the Facilities on the gearing ratio of the Group for FY2015 would be as follows (assuming (a) aggregate debt of not more than S\$121,446,000 (b) no change in

the value of the Group's equity and (c) MYR/SGD exchange rate of 3.046 as at 31 December 2015):

Before Construction: 1.14

After Construction: 1.17

5. Directors and Controlling Shareholder' Interests in the Proposed Transactions

None of the directors or Controlling Shareholders (as defined in the Listing Manual) or their respective Associates (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the subject matter of this announcement, save for their respective shareholdings in the Company.

6. Responsibility Statement for Directors

The directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the subject matter of this announcement, and the directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

On behalf of the Board

Tan Min Cheow, Benson
Executive Director and Deputy CEO

15 April 2016