



COGENT HOLDINGS LIMITED AND ITS SUBSIDIARIES

**INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER AND NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2017**

<u>Contents</u>	<u>Page</u>
Consolidated statement of profit or loss and other comprehensive income	1
Statements of financial position (Group and Company)	2
Consolidated statement of cash flows	3
Statements of changes in equity (Group and Company)	4
Selected notes to the interim financial statements	5
Segment information	8
Other information	10
Independent Auditor's review report	13
Independent Financial Adviser's letter	15

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		3 months ended		Change	9 months ended		Change
		30.09.17 \$'000	30.09.16 \$'000	%	30.09.17 \$'000	30.09.16 \$'000	%
Revenue		35,291	34,063	4%	105,325	100,679	5%
Other operating income	2	366	376	-3%	2,501	1,967	27%
Operating expenses							
- Employee benefits expense		(7,048)	(7,204)	-2%	(21,223)	(21,002)	1%
- Depreciation		(3,218)	(2,420)	33%	(8,401)	(7,159)	17%
- Rental on leased premises		(5,910)	(6,207)	-5%	(17,554)	(18,923)	-7%
- Amortisation of deferred income arising from sale and leaseback		-	250	n/m	-	750	n/m
- Amortisation of prepaid land lease rights		(7)	(7)	0%	(20)	(21)	-5%
- Contract services		(3,402)	(2,971)	15%	(10,975)	(8,224)	33%
- Fuel and utilities		(1,857)	(1,666)	11%	(5,536)	(4,884)	13%
- Storage and handling charges		(953)	(874)	9%	(2,437)	(2,346)	4%
- Repair and maintenance		(1,224)	(1,042)	17%	(3,426)	(2,975)	15%
- Hire of vehicle and equipment		(201)	(161)	25%	(788)	(495)	59%
- Others		(1,919)	(1,976)	-3%	(5,975)	(6,429)	-7%
		(25,739)	(24,278)	6%	(76,335)	(71,708)	6%
Finance costs		9,918	10,161	-2%	31,491	30,938	2%
Profit before tax		(789)	(775)	2%	(2,206)	(2,474)	-11%
Income tax expense	3	9,129	9,386	-3%	29,285	28,464	3%
		(1,767)	(1,553)	14%	(5,536)	(4,967)	11%
Profit for the period, net of tax		7,362	7,833	-6%	23,749	23,497	1%
Other comprehensive income/(loss):							
Items that may be reclassified subsequently to profit or loss							
Exchange difference on translation of subsidiaries, representing other comprehensive income/(loss) for the period, net of tax		25	(203)	n/m	(24)	(63)	-62%
Total comprehensive income for the period		7,387	7,630	-3%	23,725	23,434	1%
Profit attributable to:							
Owners of the Company		7,365	7,833	-6%	23,752	23,497	1%
Non-controlling interests		(3)	-	n/m	(3)	-	n/m
		7,362	7,833	-6%	23,749	23,497	1%
Total comprehensive income attributable to:							
Owners of the Company		7,390	7,630	-3%	23,728	23,434	1%
Non-controlling interests		(3)	-	n/m	(3)	-	n/m
		7,387	7,630	-3%	23,725	23,434	1%

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

	Group			Group		
	3 months ended		Change	9 months ended		Change
	30.09.17 \$'000	30.09.16 \$'000	%	30.09.17 \$'000	30.09.16 \$'000	%
Gain from disposal of property, plant and equipment	118	75	57%	216	150	44%
Government grant	26	101	-74%	419	894	-53%
Interest income	77	50	54%	213	166	28%
Write back of/(Allowance for) doubtful trade receivables	7	29	-76%	(1)	(51)	-98%
Interest expense	(789)	(775)	2%	(2,206)	(2,474)	-11%
Loss from foreign exchange	(18)	(30)	-40%	(68)	(27)	152%
Adjustment for (under)/over provision of tax in respect of prior years	(5)	45	n/m	(11)	45	n/m

n/m: not meaningful

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Statements of financial position

		Group		Company	
	Note	30.09.17	31.12.16	30.09.17	31.12.16
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances		55,214	57,736	5,748	8,476
Trade receivables		17,008	17,822	11,192	10,449
Other receivables		3,976	3,445	759	522
Inventories		36	-	-	-
Total current assets		76,234	79,003	17,699	19,447
Non-current assets					
Property, plant and equipment	4	222,156	212,565	594	649
Investment in subsidiaries		-	-	35,034	35,084
Other investment		128	109	-	-
Trade receivables		396	46	-	-
Other receivables		2,309	2,512	8	2
Total non-current assets		224,989	215,232	35,636	35,735
Total assets		301,223	294,235	53,335	55,182
LIABILITIES AND EQUITY					
Current liabilities					
Current portion of bank loans	5	12,784	14,401	-	-
Current portion of finance leases		2,769	1,658	-	-
Trade payables		7,509	6,883	603	157
Other payables		26,282	30,838	4,581	6,611
Provision for reinstatement costs		753	1,312	-	-
Income tax payable		5,155	6,197	40	8
Total current liabilities		55,252	61,289	5,224	6,776
Non-current liabilities					
Bank loans	5	97,810	101,149	-	-
Finance leases		8,593	2,474	-	-
Other payables		765	599	-	-
Provision for reinstatement costs		1,391	789	-	-
Deferred tax liabilities		2,070	1,586	-	-
Total non-current liabilities		110,629	106,597	-	-
Capital and reserves					
Share capital	6	45,092	45,092	45,092	45,092
Capital reserve		506	506	506	506
Merger deficit		(16,033)	(16,033)	-	-
Foreign currency translation reserve		(798)	(774)	-	-
Accumulated profits		106,333	97,558	2,513	2,808
		135,100	126,349	48,111	48,406
Non-controlling interests		242	-	-	-
Total equity		135,342	126,349	48,111	48,406
Total liabilities and equity		301,223	294,235	53,335	55,182

Aggregate amount of the Group's borrowings and debt securities:

	30.09.17		31.12.16	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	15,553	-	16,059	-
Amount repayable after one year	106,403	-	103,623	-

Details of any collateral:

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 the Property;
- An assignment of the rights, interests and benefits arising under the insurance policies relating to the construction of the Property;
- A charge over the lease of land (including buildings);
- Fixed charge over fixed deposits of a subsidiary;
- An assignment of rental proceeds from properties of a subsidiary; and
- Corporate guarantee.

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Consolidated statement of cash flows

	Group		Group	
	3 months ended		9 months ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before tax	9,129	9,386	29,285	28,464
Adjustments for:				
Depreciation	3,218	2,420	8,401	7,159
Interest expense	789	775	2,206	2,474
Interest income	(77)	(50)	(213)	(166)
(Write back of)/Allowance for doubtful trade receivables	(7)	(29)	1	51
Deferred income recognised	-	(250)	-	(750)
Amortisation of prepaid land lease rights	7	7	20	21
Gain from disposal of property, plant and equipment	(118)	(75)	(216)	(150)
Fair value gain on held-for-trading investments	-	(5)	-	(8)
Operating cash flows before movements in working capital	12,941	12,179	39,484	37,095
Inventories	(36)	-	(36)	-
Trade receivables	(715)	1,915	463	2,693
Other receivables	427	1,154	(328)	505
Trade payables	(212)	(931)	626	(738)
Other payables	1,597	2,786	(2,813)	(2,241)
Cash generated from operations	14,002	17,103	37,396	37,314
Income tax paid	(2,981)	(2,499)	(6,094)	(4,893)
Net cash from operating activities	11,021	14,604	31,302	32,421
Investing activities				
Interest received	60	40	196	142
Purchase of property, plant and equipment	(3,181)	(4,619)	(9,099)	(8,716)
Proceeds from disposal of property, plant and equipment	411	213	616	279
Acquisition of other investment	-	-	(19)	-
Net cash used in investing activities	(2,710)	(4,366)	(8,306)	(8,295)
Financing activities				
Interest paid	(789)	(775)	(2,206)	(2,470)
Dividends paid	(14,977)	-	(14,977)	(8,996)
Repayment of obligation under finance leases	(852)	(399)	(2,262)	(1,193)
Repayment of bank loans	(3,193)	(2,507)	(8,037)	(7,481)
Pledged deposits	-	-	(1)	-
Proceeds from bank loans	-	1,000	1,766	2,823
Incorporation of non-controlling interests in a subsidiary	245	-	245	-
Net cash used in financing activities	(19,566)	(2,681)	(25,472)	(17,317)
Net (decrease)/increase in cash and cash equivalents	(11,255)	7,557	(2,476)	6,809
Effect of currency translation on cash and cash equivalents	(2)	14	(47)	(14)
Cash and cash equivalents at beginning of period	65,665	43,677	56,931	44,453
Cash and cash equivalents at end of period (Note A)	54,408	51,248	54,408	51,248

Note A

Cash and cash equivalents consist of the following:

	Group		Group	
	30.09.17	30.09.16	30.09.17	30.09.16
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	55,214	52,050	55,214	52,050
Less: Pledged deposits	(806)	(802)	(806)	(802)
Cash and cash equivalents	54,408	51,248	54,408	51,248

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Statements of changes in equity

For the 3 months ended 30 September

	Share capital	Merger deficit	Capital reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3QFY16 - Group								
At 1 July 2016	45,092	(16,033)	506	(328)	81,147	110,384	-	110,384
Profit for the period	-	-	-	-	7,833	7,833	-	7,833
Other comprehensive loss for the period	-	-	-	(203)	-	(203)	-	(203)
At 30 September 2016	45,092	(16,033)	506	(531)	88,980	118,014	-	118,014

3QFY17 - Group

At 1 July 2017	45,092	(16,033)	506	(823)	113,945	142,687	-	142,687
Profit/(loss) for the period	-	-	-	-	7,365	7,365	(3)	7,362
Other comprehensive income for the period	-	-	-	25	-	25	-	25
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(14,977)	(14,977)	-	(14,977)
Non-controlling interests arising from incorporation of a subsidiary	-	-	-	-	-	-	245	245
At 30 September 2017	45,092	(16,033)	506	(798)	106,333	135,100	242	135,342

3QFY16 - Company

	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 July 2016	45,092	506	3,021	48,619
Loss for the period, representing total comprehensive loss for the period	-	-	(59)	(59)
At 30 September 2016	45,092	506	2,962	48,560

3QFY17 - Company

At 1 July 2017	45,092	506	17,627	63,225
Loss for the period, representing total comprehensive loss for the period	-	-	(137)	(137)
Dividends, representing total transactions with owners, recognised directly in equity	-	-	(14,977)	(14,977)
At 30 September 2017	45,092	506	2,513	48,111

For the 9 months ended 30 September

	Share capital	Merger deficit	Capital reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9MFY16 - Group								
At 1 January 2016	45,092	(16,033)	506	(468)	74,479	103,576	-	103,576
Profit for the period	-	-	-	-	23,497	23,497	-	23,497
Other comprehensive loss for the period	-	-	-	(63)	-	(63)	-	(63)
Dividends, representing total transactions with owners, recognised directly in equity	-	-	-	-	(8,996)	(8,996)	-	(8,996)
At 30 September 2016	45,092	(16,033)	506	(531)	88,980	118,014	-	118,014

9MFY17 - Group

At 1 January 2017	45,092	(16,033)	506	(774)	97,558	126,349	-	126,349
Profit/(loss) for the period	-	-	-	-	23,752	23,752	(3)	23,749
Other comprehensive loss for the period	-	-	-	(24)	-	(24)	-	(24)
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(14,977)	(14,977)	-	(14,977)
Non-controlling interests arising from incorporation of a subsidiary	-	-	-	-	-	-	245	245
At 30 September 2017	45,092	(16,033)	506	(798)	106,333	135,100	242	135,342

9MFY16 - Company

	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 January 2016	45,092	506	12,470	58,068
Loss for the period, representing total comprehensive loss for the period	-	-	(512)	(512)
Dividends, representing total transactions with owners, recognised directly in equity	-	-	(8,996)	(8,996)
At 30 September 2016	45,092	506	2,962	48,560

9MFY17 - Company

At 1 January 2017	45,092	506	2,808	48,406
Profit for the period, representing total comprehensive income for the period	-	-	14,682	14,682
Dividends, representing total transactions with owners, recognised directly in equity	-	-	(14,977)	(14,977)
At 30 September 2017	45,092	506	2,513	48,111

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Selected notes to the interim financial statements

1 Basis of preparation

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) 34, *Interim Financial Reporting*. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as the most recent audited financial statements as at 31 December 2016. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 1 January 2017 did not have a significant impact on the financial statements of the Group and the Company.

2 Other operating income

	Group		Group	
	3 months ended		9 months ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	\$'000	\$'000	\$'000	\$'000
Interest income	77	50	213	166
Gain on disposal of property, plant and equipment	118	75	216	150
Gain from deposit forfeiture	54	33	981	155
Government grants	26	101	419	894
Patent licence fee income	-	-	300	-
Insurance claims	1	35	11	38
Administrative income	51	48	211	439
Others	39	34	150	125
	<u>366</u>	<u>376</u>	<u>2,501</u>	<u>1,967</u>

3 Income tax expense

	Group		Group	
	3 months ended		9 months ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	\$'000	\$'000	\$'000	\$'000
Income tax:				
Current period	1,443	1,506	5,055	4,734
Overprovision in prior years	-	(45)	(4)	(45)
	<u>1,443</u>	<u>1,461</u>	<u>5,051</u>	<u>4,689</u>
Deferred tax:				
Current period	319	92	470	278
Underprovision in prior years	5	-	15	-
	<u>324</u>	<u>92</u>	<u>485</u>	<u>278</u>
	<u>1,767</u>	<u>1,553</u>	<u>5,536</u>	<u>4,967</u>

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

4 Property, plant and equipment

<u>Group</u>	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 1 January 2016	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 31 December 2016	147,474	10,161	1,847	31,005	19,842	51,876	262,205
Additions	12	3,130	51	6,386	1,258	7,583	18,420
Exchange differences	50	(7)	-	-	-	(77)	(34)
Disposals	-	(65)	(4)	(3,213)	(20)	-	(3,302)
Transfer	38,978	12,827	-	-	2,394	(54,199)	-
At 30 September 2017	186,514	26,046	1,894	34,178	23,474	5,183	277,289
Accumulated depreciation:							
At 1 January 2016	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 31 December 2016	16,301	3,937	512	18,306	10,584	-	49,640
Depreciation for the period	2,374	901	149	2,266	2,711	-	8,401
Exchange differences	1	(7)	-	-	-	-	(6)
Disposals	-	(47)	(3)	(2,852)	-	-	(2,902)
At 30 September 2017	18,676	4,784	658	17,720	13,295	-	55,133
Carrying amount:							
At 30 September 2017	167,838	21,262	1,236	16,458	10,179	5,183	222,156
At 31 December 2016	131,173	6,224	1,335	12,699	9,258	51,876	212,565

<u>Company</u>	Equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost:			
At 1 January 2016	17	520	537
Additions	96	141	237
At 31 December 2016 and 30 September 2017	113	661	774
Accumulated depreciation:			
At 1 January 2016	14	51	65
Depreciation for the year	17	43	60
At 31 December 2016	31	94	125
Depreciation for the period	14	41	55
At 30 September 2017	45	135	180
Carrying amount:			
At 30 September 2017	68	526	594
At 31 December 2016	82	567	649

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

5 Bank loans

	Group		Company	
	30.09.17	31.12.16	30.09.17	31.12.16
	\$'000	\$'000	\$'000	\$'000
Secured - at amortised cost				
Bank loans	110,594	115,550	-	-
Non-current portion of bank loans	(97,810)	(101,149)	-	-
Current portion of bank loans	12,784	14,401	-	-
The bank loans are repayable as follows:				
Within one year	12,784	14,401	-	-
Later than one year and not later than five years	37,784	34,870	-	-
Later than five years	60,026	66,279	-	-
	110,594	115,550	-	-

6 Share capital

	Group and Company		Share capital	
	Number of ordinary shares		30.09.17	31.12.16
	30.09.17	31.12.16	\$'000	\$'000
	'000	'000		
Issued and paid up:				
At the beginning and end of period	478,500	478,500	45,092	45,092

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

7 Dividends

On 15 September 2017, the company paid an interim one-tier tax exempt dividend of 3.13 cents per ordinary share totalling \$14,977,000 in respect of the financial year ending 31 December 2017 to the shareholders of the company.

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

8 Subsequent events

- (a) On 3 November 2017, COSCO SHIPPING International (Singapore) Co., Ltd. (the "Offeror") announced its intention to make a voluntary conditional cash offer (the "Offer") for all the issued ordinary shares (the "Shares") in the capital of the company, including all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror.

Pursuant to the Offer, certain shareholders of the company holding in aggregate approximately 84.33% of the Shares have irrevocably undertaken to tender in their Shares in acceptance of the Offer, which will result in a substantial change of the company's shareholders.

Arising from the above events, the company has incurred approximately \$5.6 million of associated costs which will be accounted for in the subsequent quarter.

- (b) Cogent Holdings Limited ("Company", together with its subsidiaries, the "Group") had on 22 December 2015 released certain announcements relating to (i) the entry into a settlement agreement between a wholly-owned subsidiary of the Company, SH Cogent Logistics Pte. Ltd. ("SHCL"), and SH Design & Build Pte. Ltd. ("SHDB") in relation to, amongst others, the assignment of SHDB's rights and benefits (but not obligations) under a sub-contract ("Crane Sub-Contract") with a third-party specialist crane contractor ("Crane Specialist") in favour of SHCL and (ii) the commencement of arbitration proceedings by SHCL against the Crane Specialist for breach of contract resulting from the Crane Specialist's failure to satisfactorily complete certain gantry crane system construction works.

Further to claims brought by SHCL against the Crane Specialist in the arbitration proceedings, the Crane Specialist had in October 2017 brought a counter-claim against SHCL for breach of contract and in tort. Following the counter-claim, the Company had sought legal advice and maintains the view that any recourse the Crane Specialist might have in relation to a breach of contract claim would be against SHDB as the relevant contracting party to the Crane Sub-Contract, and not SHCL, and that the Crane Specialist's claim in tort has a low chance of success. Accordingly, the Company has not made any provision in respect of the counter-claim.

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

9 Commitments

	Group		Company	
	30.09.17 \$'000	31.12.16 \$'000	30.09.17 \$'000	31.12.16 \$'000
Bankers' guarantees (secured)	2,712	2,946	985	986
Capital commitments	5,595	8,524	-	-

As at 30 September 2017 and 31 December 2016, bankers' guarantees are secured by financial guarantees and pledged deposits.

As at 30 September 2017, the capital commitments comprised of remaining commitment to contracts for:

- construction of overhead cranes infrastructure;
- professional fees in relation to the Jurong Island Chemical Logistics Facility ("JICLF");
- improvement of the leasehold property; and
- purchase of motor vehicles.

The above capital commitments exclude the construction contract to be awarded in respect of JICLF.

As at 31 December 2016, the capital commitments comprised of remaining commitment to contracts for construction of the phase 2 warehouse in Port Klang Free Zone (Malaysia), professional fees in relation to the JICLF, improvement of the leasehold property and purchase of other equipment.

10 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
9MFY17						
Revenue						
External revenue	18,918	24,565	23,044	38,798	-	105,325
Inter-segment revenue	574	357	16	7,920	(8,867)	-
Total revenue	19,492	24,922	23,060	46,718	(8,867)	105,325
Segment profit	1,950	3,846	8,942	16,477	-	31,215
Finance costs						(2,206)
Corporate income						276
Profit before tax						29,285
Income tax expense						(5,536)
Profit for the period						23,749
9MFY16						
Revenue						
External revenue	18,214	18,463	23,079	40,923	-	100,679
Inter-segment revenue	494	232	1	3,671	(4,398)	-
Total revenue	18,708	18,695	23,080	44,594	(4,398)	100,679
Segment profit	1,523	3,326	9,494	16,433	-	30,776
Finance costs						(2,474)
Corporate income						162
Profit before tax						28,464
Income tax expense						(4,967)
Profit for the period						23,497

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

10 Segment information (continued)

By operating segments	Transportation management services	Container depot management services	Automotive logistics management services	Warehousing and property management services	Inter-segment eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>At 30 September 2017</u>						
Assets						
Segment assets	23,031	17,398	22,413	231,599	(1,258)	293,183
Unallocated assets						8,040
Total assets						301,223
Liabilities						
Segment liabilities	2,279	5,918	7,372	16,351	(1,258)	30,662
Loans and borrowings						121,956
Income tax payable						5,155
Deferred tax liabilities						2,070
Unallocated liabilities						6,038
Total liabilities						165,881
<u>At 31 December 2016</u>						
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
<u>9MFY17</u>						
Capital expenditure	5,015	3,958	257	9,050	-	18,280
Unallocated capital expenditure						140
						18,420
Depreciation	1,686	863	163	5,464	-	8,176
Unallocated depreciation						225
						8,401
<u>9MFY16</u>						
Capital expenditure	104	817	157	8,769	-	9,847
Unallocated capital expenditure						1,041
						10,888
Depreciation	1,824	913	217	3,958	-	6,912
Unallocated depreciation						247
						7,159

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Other information

11 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial position as at 30 September 2017 and the results, statements of changes in equity and cash flows for the third quarter and nine-month period ended 30 September 2017 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

12 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Please refer to the Independent Auditor's review report on page 13.

13 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

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

	Group		Group	
	3 months ended		9 months ended	
	30.09.17	30.09.16	30.09.17	30.09.16
Profit attributable to owners of the Company (\$'000)	7,365	7,833	23,752	23,497
Weighted average number of ordinary shares in issue during the period ('000)	478,500	478,500	478,500	478,500
Basic and diluted earnings per ordinary share (cents)	1.54	1.64	4.96	4.91

The basic and diluted earnings per ordinary share for the period ended 30 September 2017 and 30 September 2016 are calculated based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period.

14 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.09.17	31.12.16	30.09.17	31.12.16
	(cents)	(cents)	(cents)	(cents)
Net asset ^a value per ordinary share ^b	28.23	26.41	10.05	10.12

^a Net asset refers to shareholders' funds

^b Based on the total number of issued shares of approximately 478,500,000.

15 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's performance – 3 months ended 30.09.2017 ("3QFY17") vs 3 months ended 30.09.2016 ("3QFY16")

Group revenue for 3QFY17 increased by \$1.2 million, or 4%, from \$34.1 million to \$35.3 million. The increase was mainly driven by the increased business volume handled for the container depot management services and transportation management services.

Employee benefits expense decreased by \$0.2 million, or 2%, from \$7.2 million to \$7.0 million. The decrease was mainly due to the lower provision of bonus.

Depreciation increased by \$0.8 million, or 33%, from \$2.4 million to \$3.2 million. The increase was largely due to the commencement of depreciation on certain container depot facilities since May 2017.

Rental on leased premises decreased by \$0.3 million, or 5%, from \$6.2 million to \$5.9 million. The decrease was mainly due to the partial return of land at 11 Jalan Terusan and the reduction in rental rates, offset by new lease at certain business locations.

Storage and handling charges increased by \$0.1 million, or 9%, from \$0.9 million to \$1.0 million. The increase was largely attributable to the increased level of container handling at port amidst higher trucking volume.

Contract services increased by \$0.4 million, or 15%, from \$3.0 million to \$3.4 million. The increase was mainly due to higher container repair and maintenance cost and increased security cost.

Fuel and utilities increased by \$0.2 million, or 11%, from \$1.7 million to \$1.9 million. The increase was mainly attributed to higher fuel prices for 3QFY17 as compared to 3QFY16.

Repair and maintenance increased by \$0.2 million, or 17%, from \$1.0 million to \$1.2 million. The increase was mainly due to increased repair and maintenance for motor vehicles and equipment.

Income tax expense increased by \$0.2 million, or 14%, from \$1.6 million to \$1.8 million. The increase was largely due to the tax effect of certain non-allowable capital expenditure.

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

Review of the Group's performance – 9 months ended 30.09.2017 ("9MFY17") vs 9 months ended 30.09.2016 ("9MFY16")

Group revenue for 9MFY17 increased by \$4.6 million, or 5%, from \$100.7 million to \$105.3 million. The increase was largely driven by the increased business volume handled for the container depot management services and transportation management services, and contribution from the phase 2 warehouse at Port Klang Free Zone.

Other operating income increased by \$0.5 million, or 27%, from \$2.0 million to \$2.5 million. The increase was largely due to higher gain from deposit forfeiture offset by lower government grant.

Hire of vehicle and equipment increased by \$0.3 million, or 59%, from \$0.5 million to \$0.8 million. The increase was mainly due to the hire of prime movers and container depot equipment.

For the rest of operating expenses, the increase and decrease of each expense item is largely for reasons similar to those explained for 3QFY17 vs 3QFY16.

Finance costs decreased by \$0.3 million, or 11%, from \$2.5 million to \$2.2 million. The decrease was due to lower interest rate.

Assets and liabilities

Current assets decreased by \$2.8 million, or 4%, from \$79.0 million as at 31 December 2016 to \$76.2 million as at 30 September 2017. The decrease was largely due to decrease of \$2.5 million in the cash and bank balances and decrease of \$0.8 million in trade receivables, offset by increase of \$0.5 million in other receivables. The decrease in trade receivables was largely due to improved efficiency in debt collections. The increase in other receivables was mainly due to increase in deposit held by suppliers.

Non-current assets increased by \$9.8 million, or 5%, from \$215.2 million as at 31 December 2016 to \$225.0 million as at 30 September 2017. The increase resulted mainly from the incremental cost in respect of the construction of new container depot facilities and cranes at the integrated logistics hub, and the purchase of prime movers and handling equipment.

Current liabilities decreased by \$6.0 million, or 10%, from \$61.3 million as at 31 December 2016 to \$55.3 million as at 30 September 2017. The decrease resulted mainly from payment of FY2016 bonus, repayment of short term revolving loans, and payment of income tax, offset by finance leases taken for crane construction and prime movers.

Non-current liabilities increased by \$4.0 million, or 4%, from \$106.6 million as at 31 December 2016 to \$110.6 million as at 30 September 2017. The increase was mainly due to finance leases taken for crane construction and prime movers, offset by repayment of bank loans and finance leases.

Cash flows

Net cash generated from operating activities was \$11.0 million in 3QFY17 as compared with \$14.6 million in 3QFY16. The decrease was mainly due to effect of changes in working capital.

Net cash used in investing activities was \$2.7 million in 3QFY17 as compared with \$4.4 million in 3QFY16. Purchase of property, plant and equipment for 3QFY16 was higher mainly due to cost of constructing the phase 2 warehouse in Malaysia.

Net cash used in financing activities was \$19.6 million in 3QFY17 as compared with \$2.7 million in 3QFY16. The increase was mainly due to interim dividend payout in 3QFY17.

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

No forecast or prospect statement has been previously disclosed to shareholders.

17 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite volatility in the geo-political and business environment around the world, the Singapore economy is growing at a positive pace. Meanwhile, the Group will continue to keep a tight reign on operating costs and will explore new opportunities to grow its business in the region.

On 7 September 2017, the Group announced that it is seeking to expand its property management capabilities to include the management of hostels, in order to tap the growing opportunities in meeting the needs of local and foreign students here in Singapore. Its wholly-owned subsidiary, Cogent Land Capital Pte Ltd, was awarded a three-year lease (and a further term of three years upon request) by the Singapore Land Authority to operate a student hostel at 362 Holland Road (the "Property").

The Property, which occupies an estimated land area of 2,318 square metres, comprises two blocks of one-storey buildings with an estimated total gross floor area of about 583.4 square metres, and will be able to house up to 60 students.

The Group will be using Cogent Realty Capital Pte. Ltd. (formerly known as Cogent Chemical Logistics Pte. Ltd.), an indirect wholly-owned subsidiary incorporated on 31 May 2017, to manage the student accommodation.

18 If a decision regarding dividend has been made:

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

Not applicable.

Interim Financial Statements For The Third Quarter And Nine-month Period Ended 30 September 2017

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

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
Income from rental of premises and utility recovery - Soon Hock Investment Group Pte Ltd - Phoenix Wines Pte Ltd	178 47	N.A. N.A.
Income from transportation management services - SH Design & Build Pte Ltd - Asia Pacific Wine Hub Pte Ltd - Soon He Construction Pte Ltd - Range Construction Pte Ltd	132 3 8 1	N.A. N.A. N.A. N.A.

21 Negative confirmation pursuant to Rule 705(5).

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the consolidated statement of profit or loss and other comprehensive income, statements of financial position, consolidated statement of cash flows and statement of changes in equity, together with their accompanying notes) as at 30 September 2017 and for the third quarter and nine-month period ended on that date, to be false or misleading in any material aspect.

22 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tan Yeow Khoon
Executive Chairman

Tan Min Cheow, Benson
Executive Director & CEO

27 November 2017

The Singapore Code on Take-overs and Mergers

The Unaudited Financial Statements For The Third Quarter and Nine-month Period Ended 30 September 2017 have been reported on in accordance with The Singapore Code on Take-overs and Mergers.

Auditor's Consent

Deloitte & Touche LLP has given and has not withdrawn its consent to the release of the Unaudited Financial Statements For The Third Quarter and Nine-month Period Ended 30 September 2017 with the inclusion therein of its name and the Auditor's Review Report On The 3Q2017 Results dated 27 November 2017.

Independent Financial Adviser's Consent

CIMB Bank Berhad, Singapore Branch, the independent financial adviser to the directors of the Company who are considered independent for the purposes of the offer by COSCO SHIPPING International (Singapore) Co., Ltd. for all the issued ordinary shares of the Company, has given and has not withdrawn its consent to the release of the Unaudited Financial Statements For The Third Quarter and Nine-month Period Ended 30 September 2017 with the inclusion therein of its name and its letter dated 27 November 2017.

COGENT HOLDINGS LIMITED AND ITS SUBSIDIARIES
INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
Cogent Holdings Limited
Cogent 1 Logistics Hub
1 Buroh Crescent
#6M-01
Singapore 627545

Dear Sirs

COGENT HOLDINGS LIMITED AND ITS SUBSIDIARIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE
NINE MONTHS ENDED 30 SEPTEMBER 2017

Introduction

We have reviewed the accompanying statement of financial position of Cogent Holdings Limited ("CHL" or the "Company") as of 30 September 2017 and statement of changes in equity of the Company for the nine months then ended, the statement of financial position of Cogent Holdings Limited and its subsidiaries (the "Group") as of 30 September 2017 and related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the nine months then ended, selected notes and other explanatory information ("interim financial information").

The Management of CHL are responsible for the preparation and presentation of the interim financial information in accordance with Singapore Financial Reporting Standard *34 Interim Financial Reporting* ("FRS 34"). Our responsibility is to express a conclusion to this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

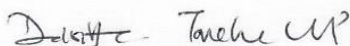
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

Other matter

We have not carried out an audit or review in accordance with Singapore Standards on Auditing or Singapore Standard on Review Engagements on the financial information for the nine months ended 30 September 2016 included as comparatives in the interim financial information and, accordingly, we do not express any assurance on the comparative financial information.

Restriction on Use

This report has been prepared solely in connection with the Company's announcement of the interim financial information. This report is made solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.


Public Accountants and
Chartered Accountants
Singapore

27 November 2017



27 November 2017

The Board of Directors
Cogent Holdings Limited
Cogent 1 Logistics Hub
1 Buroh Crescent #6M-01
Singapore 627545

Dear Sirs

COGENT HOLDINGS LIMITED (THE "COMPANY")

VOLUNTARY CONDITIONAL CASH OFFER FOR COGENT HOLDINGS LIMITED

On 3 November 2017, Bank of China Limited, Singapore Branch announced, for and on behalf of COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares (the "**Shares**") in the capital of the Company, including all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror.

On 27 November 2017, the Company announced the unaudited consolidated financial statements of the Company for the nine-month period ended 30 September 2017 ("**Financial Statements**"). The Financial Statements are solely the responsibility of the directors of the Company (the "**Directors**").

We have reviewed and have held discussions with the management of the Company on the Financial Statements. We have also considered the letter from the Company's auditors, Deloitte & Touche LLP dated 27 November 2017 addressed to the Directors relating to their review of the Financial Statements.

Based on the above, we are of the opinion that the Financial Statements have been stated by the Directors after due and careful enquiry.

For the purpose of rendering our opinion on this letter, we have relied upon and assumed the accuracy and completeness of all information provided to, or discussed with us. Save as provided in this letter, we do not express any other opinion on the Financial Statements.

This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person (other than the Directors) in respect of, arising out of, or in connection with this letter.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

TAN CHER TING
DIRECTOR
INVESTMENT BANKING, SINGAPORE

CIMB Bank Berhad (13491-P)
(Incorporated in Malaysia)
50 Raffles Place #09-01 Singapore Land Tower Singapore 048623
Telephone (65) 6337 5115 Facsimile (65) 6337 5335 www.cimb.com

CIMB-LH/001/11