



COLEX HOLDINGS LIMITED
Company Registration No.: 197101485G

Unaudited Half Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2018

This announcement has been prepared by Colex Holdings Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship. (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

Part I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u>		
	Unaudited Half year ended <u>30/06/2018</u> S\$'000	Unaudited Half year ended <u>30/06/2017</u> S\$'000	Increase/ <u>(decrease)</u> %
Revenue	35,015	34,694	0.9
Other income (Note (a)(i))	1,004	1,076	(6.7)
Cost of inventories and consumables	(674)	(727)	(7.3)
Staff costs	(16,697)	(16,795)	(0.6)
Depreciation expenses	(1,657)	(1,575)	5.2
Other operating expenses	(14,807)	(13,631)	8.6
Profit before taxation	<u>2,184</u>	<u>3,042</u>	(28.2)
Taxation (Note (a)(ii))	(206)	(263)	(21.7)
Profit for the period	<u>1,978</u>	<u>2,779</u>	(28.8)
Profit for the period	1,978	2,779	(28.8)
Other comprehensive income	-	-	-
Total comprehensive income	<u>1,978</u>	<u>2,779</u>	(28.8)
Total comprehensive income attributable to:			
Equity holders of the Company	1,978	2,779	(28.8)
Non-controlling interests	-	-	-
Total comprehensive income	<u>1,978</u>	<u>2,779</u>	(28.8)

Explanatory notes:

	<u>Group</u>	
	<u>30/06/2018</u> S\$'000	<u>30/06/2017</u> S\$'000
Note 1(a)(i) Other income		
Interest income	30	18
Gain from disposal of PPE	2	1
Rental income	10	10
Late payment charges received from SP Services	16	17
Government grant	927	1,021
Other miscellaneous income	19	9
	<u>1,004</u>	<u>1,076</u>

Note 1(a)(ii) The tax expenses for the half year ended 30 June 2018 ("HY2018") was lower mainly due to the lower taxable profit as compared to that in the half year ended 30 June 2017. ("HY2017").

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u> <u>30/06/2018</u> S\$'000	<u>Audited</u> <u>31/12/2017</u> S\$'000	<u>Unaudited</u> <u>30/06/2018</u> S\$'000	<u>Audited</u> <u>31/12/2017</u> S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	18,510	18,932	-	-
Subsidiaries	-	-	4,589	4,589
	<u>18,510</u>	<u>18,932</u>	<u>4,589</u>	<u>4,589</u>
Current Assets				
Inventories	135	135	-	-
Trade and other receivables	10,309	11,336	8,079	8,674
Deposits	163	184	-	5
Prepayments	555	370	2	3
Cash and cash equivalents	17,720	16,694	1,913	2,177
	<u>28,882</u>	<u>28,719</u>	<u>9,994</u>	<u>10,859</u>
Total assets	<u>47,392</u>	<u>47,651</u>	<u>14,583</u>	<u>15,448</u>

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u> <u>30/06/2018</u> S\$'000	<u>Audited</u> <u>31/12/2017</u> S\$'000	<u>Unaudited</u> <u>30/06/2018</u> S\$'000	<u>Audited</u> <u>31/12/2017</u> S\$'000
Equity and Liabilities				
Capital and reserves				
Share capital	14,524	14,524	14,524	14,524
Retained profits/(Accumulated loss)	25,226	23,977	(80)	788
Total equity	<u>39,750</u>	<u>38,501</u>	<u>14,444</u>	<u>15,312</u>
Non-Current Liabilities				
Deferred income tax liabilities	1,124	1,124	-	-
Provisions	740	740	-	-
Deferred lease liability	59	-	-	-
	<u>1,923</u>	<u>1,864</u>	<u>-</u>	<u>-</u>
Current Liabilities				
Trade and other payables	5,176	6,608	139	136
Current tax payable	543	678	-	-
	<u>5,719</u>	<u>7,286</u>	<u>139</u>	<u>136</u>
Total liabilities	<u>7,642</u>	<u>9,150</u>	<u>139</u>	<u>136</u>
Total equity and liabilities	<u><u>47,392</u></u>	<u><u>47,651</u></u>	<u><u>14,583</u></u>	<u><u>15,448</u></u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

The Group did not have any borrowings and/or debt securities as at 30 June 2018 and 31 December 2017.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u>	
	Unaudited Half year ended <u>30/06/2018</u> S\$'000	Unaudited Half year ended <u>30/06/2017</u> S\$'000
Cash Flows from Operating Activities		
Profit before taxation	2,184	3,042
Adjustments for:		
Depreciation of property, plant and equipment	1,657	1,575
Property, plant and equipment written off	42	41
Gain on disposal of property, plant and equipment	(2)	(1)
Interest income	(30)	(18)
Rental expense (Note A)	59	-
Operating profit before working capital changes	<u>3,910</u>	<u>4,639</u>
Inventories	-	(13)
Trade and other receivables	987	607
Deposits and prepayments	(164)	(385)
Trade and other payables	<u>(1,432)</u>	<u>(364)</u>
Cash generated from operations	3,301	4,484
Interest received	70	50
Income tax paid	<u>(341)</u>	<u>(375)</u>
Net cash generated from operating activities	3,030	4,159
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	27	38
Acquisition of property, plant and equipment	<u>(1,302)</u>	<u>(1,119)</u>
Net cash used in investing activities	(1,275)	(1,081)
Cash Flows from Financing Activities		
Payment of dividend	<u>(729)</u>	<u>(1,458)</u>
Net cash used in financing activities	(729)	(1,458)
Net increase in cash and cash equivalents	1,026	1,620
Cash and cash equivalents at beginning of the period	16,694	13,822
Cash and cash equivalents at end of the period (Note B)	<u>17,720</u>	<u>15,442</u>

Note A

Deferred rental expense on annual rental escalation for JTC land rent on straight-lined basis in accordance with FRS 17.

Note B

Cash and cash equivalents in the above consolidated statement of cash flows comprise the following statement of financial position amounts:

	<u>Group</u>	
	<u>Unaudited</u> <u>30/06/2018</u> <u>S\$'000</u>	<u>Unaudited</u> <u>30/06/2017</u> <u>S\$'000</u>
Fixed deposits	11,664	8,050
Cash and bank balances	6,056	7,392
	<u>17,720</u>	<u>15,442</u>

1 (d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<u>Share capital</u> <u>S\$'000</u>	<u>Retained profits</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
The Group			
(Unaudited)			
Balance at 1 January 2018	14,524	23,977	38,501
Total comprehensive income for the period	-	1,978	1,978
Dividend for year ended 31 December 2017			
- tax-exempt (one-tier) final dividend of \$0.0055 per share	-	(729)	(729)
Balance at 30 June 2018	<u>14,524</u>	<u>25,226</u>	<u>39,750</u>
(Unaudited)			
Balance at 1 January 2017	14,524	20,735	35,259
Total comprehensive income for the period	-	2,779	2,779
Dividends for year ended 31 December 2016			
- tax-exempt (one-tier) final dividend of \$0.0055 per share and tax-exempt (one-tier) special dividend of \$0.0055 per share	-	(1,458)	(1,458)
Balance at 30 June 2017	<u>14,524</u>	<u>22,056</u>	<u>36,580</u>

	<u>Share capital</u> S\$'000	<u>Retained profits/(accumula ted loss)</u> S\$'000	<u>Total</u> S\$'000
The Company (Unaudited)			
Balance at 1 January 2018	14,524	788	15,312
Total comprehensive loss for the period	-	(139)	(139)
Dividend for year ended 31 December 2017			
- tax-exempt (one-tier) final dividend of \$0.0055 per share	-	(729)	(729)
Balance at 30 June 2018	<u>14,524</u>	<u>(80)</u>	<u>14,444</u>
(Unaudited)			
Balance at 1 January 2017	14,524	1,513	16,037
Total comprehensive loss for the period	-	(125)	(125)
Dividends for year ended 31 December 2016			
- tax-exempt (one-tier) final dividend of \$0.0055 per share and tax-exempt (one-tier) special dividend of \$0.0055 per share	-	(1,458)	(1,458)
Balance at 30 June 2017	<u>14,524</u>	<u>(70)</u>	<u>14,454</u>

- 1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital since 31 December 2017 up to 30 June 2018. The Company did not have treasury shares, subsidiary holdings or any outstanding convertibles as at 30 June 2018 and 30 June 2017.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares of the Company as at 30 June 2018 and 31 December 2017 was 132,522,560. The Company did not have any treasury shares as at 30 June 2018 and 31 December 2017.

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of HY2018.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the HY2018.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial year ended 31 December 2017 ("FY2017") have been applied.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) SFRS(I). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by IASB.

The Group's has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
- SFRS (I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

SFRS(I) 1 required that the Groups applied SFRS(I) on a retrospective basis and restatement of comparatives may be required because of SFRS(I) 1 requires both the operating balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The adoption of SFRS(I) 1 does not have any significant impact on the Group's financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The adoption of SFRS(I) 9 does not have any significant impact on the Group's financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The adoption of SFRS(I) 15 does not have any significant impact on the Group's financial statements.

The adoption of these New/revised SFRS(I) did not have any significant impact on the financial statements of the Group.

6 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.

	<u>Group</u>	
	<u>Unaudited</u> Half year ended <u>30/06/2018</u>	<u>Unaudited</u> Half year ended <u>30/06/2017</u>
Based on the weighted average number of ordinary shares in issue (Singapore cents)	1.49	2.10
On a fully diluted basis (Singapore cents)	1.49	2.10

As there were no potentially dilutive ordinary shares as at the end of the respective financial periods above, the basic and diluted earnings per share are the same.

7 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.

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u> <u>30/06/2018</u>	<u>Audited</u> <u>31/12/2017</u>	<u>Unaudited</u> <u>30/06/2018</u>	<u>Audited</u> <u>31/12/2017</u>
Net asset value per ordinary share (Singapore cents)	29.99	29.05	10.90	11.55

- 8 **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.**

Income Statement

The Group's revenue for 1H2018 of S\$35.015 million increased by 0.9% from S\$34.694 million for 1H2017. The increase was mainly due to the rollover effect of existing contracts and new contracts secured in 1H2018 for the waste disposal segment, partially offset by the lower revenue for the contract cleaning segment due to completion of some contracts.

The Group's other income for 1H2018 of S\$1.004 million decreased by 6.7% from S\$1.076 million for 1H2017 mainly due to the decrease in government grants received.

The Group's profit before tax in HY2018 of S\$2.184 million decreased by 28.2% from S\$3.042 million for 1H2017. The decrease was mainly due to (1) lower Government grants, (2) an increase in depreciation charges for the waste disposal segment due to additions of plant and equipment, and (3) an increase in other operating expenses, mainly due to the higher dumping fees, distillate costs and maintenance of equipment and vehicles for the waste disposal segment, partially offset by the decrease in consumables used for the contract cleaning segment.

Statement of Financial Position

The decrease in property, plant and equipment of S\$0.422 million was mainly due to depreciation, partially offset by the additions of motor vehicles and equipment during HY2018.

Current assets increased by S\$0.163 million to S\$28.882 million as at 30 June 2018, mainly due to an increase in deposits and prepayments of S\$0.164 million that was largely attributable to the prepayment of expenses for both the waste disposal and contract cleaning segments. The decrease in trade and other receivables of S\$1.027 million was mainly due to prompt payment from customers during 1H2018.

Current liabilities decreased by S\$1.576 million to S\$5.719 million as at 30 June 2018, mainly due to a decrease in trade and other payables of S\$1.432 million arising from the payment of expenses accrued as at 31 December 2017. The decrease in current tax payable of S\$0.135 million was mainly due to the settlement of income tax liability in respect of FY2017.

The Group had a positive working capital of S\$23.163 million as at 30 June 2018.

Statement of Cash Flows

Net increase in cash and cash equivalents of S\$1.026 million in HY2018 was mainly as a result of net cash generated from operating activities of S\$3.030 million, partially offset by the net cash used in investing activities of S\$1.275 million and net cash used in financing activities of S\$0.729 million.

- 9 **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 was made previously.

10 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.

The Group will continue to optimise its resources to be cost effective due to competitive market conditions.

11 Dividend

No interim dividend for HY2018 has been recommended and there were no dividends declared for the corresponding period of the immediately preceding financial year.

12 Interested Person Transactions

The Company has obtained shareholders' approval for the renewal of the general mandate for interested person transactions at the annual general meeting held on 18 April 2018. Save as disclosed below, there is no other interested person transaction entered into during HY2018 that were S\$100,000 and above:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Goldvein Pte Ltd ⁽¹⁾	-	151
Richvein Pte Ltd ⁽²⁾	-	381
Allsland Pte Ltd ⁽³⁾	-	125

⁽¹⁾ Mr Henry Ngo has a 21.23% direct interest and a deemed interest of 1.89% (held through Allsland Pte Ltd) in Bonvests Holdings Limited ("Bonvests"). He also holds 40% interest in the issued share capital of Goldvein Holdings Pte Ltd ("Goldvein") which in turn holds 59.70% shareholdings in the issued share capital of Bonvests. Bonvests in turn holds 100% shareholdings in Goldvein Pte Ltd. Accordingly, Mr Henry Ngo is deemed interested in the whole of the issued share capital of Goldvein Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50 (the "Companies Act"), and Goldvein Pte Ltd is an interested person as defined by the Listing Manual of the SGX-ST, Section B: Rules of Catalist (the "Catalist Rules").

⁽²⁾ Bonvests holds 100% shareholdings in the issued share capital of Richvein Pte Ltd. Accordingly, Mr Henry Ngo is deemed interested in the whole of the issued share capital of Richvein Pte Ltd by virtue of Section 7 of the Companies Act, and Richvein Pte Ltd is an interested person as defined by the Catalist Rules.

⁽³⁾ Allsland Pte Ltd is wholly-owned by Mr Henry Ngo. Accordingly, Allsland Pte Ltd is an interested person as defined by the Catalist Rules.

13 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

14 Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the HY2018 unaudited financial results of the Group to be false or misleading in any material aspect.

On behalf of the Board
Henry Ngo
Director

Desmond Chan Kwan Ling
Director

BY ORDER OF THE BOARD
Foo Soon Soo
Company Secretary
3 August 2018