



COLEX HOLDINGS LIMITED
Company Registration No.: 197101485G

Unaudited Half Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2017

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 Catalyst. 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.

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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>30/06/2017</u> S\$'000	Unaudited Half year ended <u>30/06/2016</u> S\$'000	Increase/ (decrease) %
Revenue	34,694	35,555	(2.4)
Other income (Note (a)(i))	1,076	1,965	(45.2)
Changes in inventories and consumables used	(727)	(1,005)	(27.7)
Staff costs	(16,795)	(16,957)	(1.0)
Depreciation expenses	(1,575)	(1,531)	2.9
Other operating expenses	(13,631)	(13,612)	0.1
Profit from operations	3,042	4,415	(31.1)
Finance costs	-	(57)	(100.0)
Profit before taxation	3,042	4,358	(30.2)
Taxation (Note (a)(ii))	(263)	(689)	(61.8)
Profit for the period	<u>2,779</u>	<u>3,669</u>	(24.3)
Profit for the period	2,779	3,669	(24.3)
Other comprehensive income	-	-	-
Total comprehensive income	<u>2,779</u>	<u>3,669</u>	(24.3)
Total comprehensive income attributable to:			
Equity holders of the Company	2,779	3,669	(24.3)
Non-controlling interests	-	-	-
Total comprehensive income	<u>2,779</u>	<u>3,669</u>	(24.3)

Explanatory notes:

	<u>Group</u>	
	<u>30/06/2017</u> S\$'000	<u>30/06/2016</u> S\$'000
Note 1(a)(i) Other income		
Interest income	18	7
Gain from disposal of PPE	1	-
Rental income	10	10
Late payment charges received from SP Services	17	11
Government grant	1,021	1,903
Other miscellaneous income	9	34
	<u>1,076</u>	<u>1,965</u>

Note 1(a)(ii) The tax expenses for the half year ended 30 June 2017 ("HY2017") was lower mainly due to the lower taxable profit and enhanced allowance under the productivity and innovation credit scheme of automation equipment as compared to that in the half year ended 30 June 2016. ("HY2016").

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>30/06/2017</u> S\$'000	<u>Audited</u> <u>31/12/2016</u> S\$'000	<u>Unaudited</u> <u>30/06/2017</u> S\$'000	<u>Audited</u> <u>31/12/2016</u> S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	18,680	19,214	-	-
Subsidiaries	-	-	4,589	4,489
	<u>18,680</u>	<u>19,214</u>	<u>4,589</u>	<u>4,489</u>
Current Assets				
Inventories	113	100	-	-
Trade and other receivables	9,873	10,512	9,367	9,669
Deposits	459	229	-	-
Prepayments	393	238	-	6
Cash and cash equivalents	15,442	13,822	547	1,959
	<u>26,280</u>	<u>24,901</u>	<u>9,914</u>	<u>11,634</u>
Total assets	<u>44,960</u>	<u>44,115</u>	<u>14,503</u>	<u>16,123</u>

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u> <u>30/06/2017</u> S\$'000	<u>Audited</u> <u>31/12/2016</u> S\$'000	<u>Unaudited</u> <u>30/06/2017</u> S\$'000	<u>Audited</u> <u>31/12/2016</u> S\$'000
Equity and Liabilities				
Capital and reserves				
Share capital	14,524	14,524	14,524	14,524
Retained profits/(Accumulated loss)	22,056	20,735	(70)	1,513
Total equity	<u>36,580</u>	<u>35,259</u>	<u>14,454</u>	<u>16,037</u>
Non-Current Liabilities				
Deferred income tax liabilities	1,150	1,150	-	-
Provisions	740	740	-	-
	<u>1,890</u>	<u>1,890</u>	<u>-</u>	<u>-</u>
Current Liabilities				
Trade and other payables	5,862	6,226	49	86
Current tax payable	628	740	-	-
	<u>6,490</u>	<u>6,966</u>	<u>49</u>	<u>86</u>
Total liabilities	<u>8,380</u>	<u>8,856</u>	<u>49</u>	<u>86</u>
Total equity and liabilities	<u>44,960</u>	<u>44,115</u>	<u>14,503</u>	<u>16,123</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 2017 and 31 December 2016.

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>30/06/2017</u> S\$'000	Unaudited Half year ended <u>30/06/2016</u> S\$'000
Cash Flows from Operating Activities		
Profit before taxation	3,042	4,358
Adjustments for:		
Depreciation of property, plant and equipment	1,575	1,531
Property, plant and equipment written off	41	42
Interest expense on finance leases	-	57
(Gain)/Loss on disposal of property, plant and equipment	(1)	32
Interest income	(18)	(7)
Operating profit before working capital changes	<u>4,639</u>	<u>6,013</u>
Increase in inventories	(13)	(14)
Decrease/(Increase) in trade and other receivables	639	(639)
Increase in deposits and prepayments	(385)	(237)
Decrease in trade and other payables	(364)	(403)
Cash generated from operations	<u>4,516</u>	<u>4,720</u>
Interest received	18	7
Income tax paid	(375)	(323)
Net cash generated from operating activities	<u>4,159</u>	<u>4,404</u>
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	38	119
Acquisition of property, plant and equipment	(1,119)	(941)
Net cash used in investing activities	<u>(1,081)</u>	<u>(822)</u>
Cash Flows from Financing Activities		
Repayment of finance lease liabilities	-	(1,695)
Interest paid on finance lease liabilities	-	(57)
Payment of dividend	(1,458)	(729)
Net cash used in financing activities	<u>(1,458)</u>	<u>(2,481)</u>
Net increase in cash and cash equivalents	<u>1,620</u>	<u>1,101</u>
Cash and cash equivalents at beginning of the period	13,822	9,293
Cash and cash equivalents at end of the period (Note A)	<u>15,442</u>	<u>10,394</u>

Note A

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>30/06/2017</u> <u>S\$'000</u>	<u>Unaudited</u> <u>30/06/2016</u> <u>S\$'000</u>
Fixed deposits	8,050	3,800
Cash and bank balances	7,392	6,594
	15,442	10,394

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 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	14,524	22,056	36,580
(Unaudited)			
Balance at 1 January 2016	14,524	15,082	29,606
Total comprehensive income for the period	-	3,669	3,669
Dividends for year ended 31 December 2015			
- tax-exempt (one-tier) final dividend of \$0.005 per share	-	(729)	(729)
Balance at 30 June 2016	14,524	18,022	32,546

	<u>Share capital</u> S\$'000	<u>Retained</u> <u>profits/(accumula</u> <u>ted loss)</u> S\$'000	<u>Total</u> S\$'000
The Company			
(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>
(Unaudited)			
Balance at 1 January 2016	14,524	857	15,381
Total comprehensive loss for the period	-	(120)	(120)
Dividends for year ended 31 December 2015			
- tax-exempt (one-tier) final dividend of \$0.005 per share	-	(729)	(729)
Balance at 30 June 2016	<u>14,524</u>	<u>8</u>	<u>14,532</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 2016 up to 30 June 2017. The Company did not have treasury shares, subsidiary holdings or any outstanding convertibles as at 30 June 2017 and 30 June 2016.

- 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 2017 and 31 December 2016 was 132,522,560. The Company did not have any treasury shares as at 30 June 2017 and 31 December 2016.

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 HY2017.

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 HY2017.

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 2016 ("FY2016") 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.

The Group has adopted all the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that were relevant to its operations and are effective for financial periods beginning on or after 1 January 2017.

The adoption of these new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor had any significant impact on the Group's financial statements for the HY2017.

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>	
	Unaudited Half year ended <u>30/06/2017</u>	Unaudited Half year ended <u>30/06/2016</u>
Based on the weighted average number of ordinary shares in issue (Singapore cents)	2.10	2.77
On a fully diluted basis (Singapore cents)	2.10	2.77

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>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>30/06/2017</u>	<u>31/12/2016</u>	<u>30/06/2017</u>	<u>31/12/2016</u>
Net asset value per ordinary share (Singapore cents)	27.60	26.61	10.91	12.10

- 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 1H2017 decreased by S\$0.861 million or 2.4% to S\$34.694 million from S\$35.555 million in 1H2016. Revenue from both the waste disposal and contract cleaning segments decreased by S\$0.234 million or 1.3% and S\$0.627 million or 3.6% respectively. The decrease from the waste disposal segment was mainly due to contracts renewed at lower rate and reduction in monthly refuse fees for the public waste collection segment as stipulated by National Environment Agency from 1 April 2017. The decrease from the contract cleaning segment was mainly due to the non-renewal of certain contracts in the second half of FY2016.

The Group's other income decreased by S\$0.889 million or 45.2% from S\$1.965 million in HY2016 to S\$1.076 million in HY2017. This was mainly due to the decrease in government grant received, mainly the Wage Credit Scheme.

The Group's profit before tax in HY2017 was S\$3.042 million, a decrease of S\$1.316 million or 30.2% from S\$4.358 million in HY2016. The decrease in profit as compared to HY2016 was mainly due to the lower revenue and lower Government grants, an increase in depreciation charges and other operating expenses, partially offset by the decrease in inventories and consumables used, staff costs and finance costs.

Statement of Financial Position

The decrease in property, plant and equipment of S\$0.534 million was mainly due to depreciation, partially offset by the additions of motor vehicles and equipment during HY2017.

Current assets increased by S\$1.379 million to S\$26.280 million as at 30 June 2017, mainly due to an increase in deposits and prepayments of S\$0.385 million that is largely attributable to the downpayment for the purchase of motor vehicles and equipment for the waste disposal segment. The increase was partially offset by the decrease in trade and other receivables of S\$0.639 million which was in line with the decrease in revenue and the adjustment of refuse fees.

Current liabilities decreased by S\$0.476 million to S\$6.490 million as at 30 June 2017, mainly due to a decrease in trade payable of S\$0.355 million arises from a decrease in accrued expenses. The decrease in current tax payable of S\$0.112 million was mainly due to the settlement of income tax liability in respect of FY2016.

The Group had a positive working capital of S\$19.790 million as at 30 June 2017.

Statement of Cash Flows

Net increase in cash and cash equivalents of S\$1.620 million in HY2017 was mainly as a result of net cash generated from operating activities of S\$4.159 million, partially offset by the net cash used in investing activities of S\$1.081 million and net cash used in financing activities of S\$1.458 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 manage its operations effectively and optimise its resources due to competitive market conditions in the waste management and contract cleaning industries.

11 Dividend

No interim dividend for HY2017 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 2017. Save as disclosed below, there is no other interested person transaction entered into during HY2017 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)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$	S\$
Goldvein Pte Ltd ⁽¹⁾	-	152,248
Richvein Pte Ltd ⁽²⁾	-	374,250
Allsland Pte Ltd ⁽³⁾	-	125,595

⁽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 Catalyst (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 Catalyst Rules.

⁽³⁾ Allsland Pte Ltd is wholly-owned by Mr Henry Ngo. Accordingly, Allsland Pte Ltd is an interested person as defined by the Catalyst 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 HY2017 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 2017