



**COLEX HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
Company Registration No. 197101485G

**Unaudited Full Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2019**

**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>		<u>Increase/ (decrease)</u> %
	<u>30/6/2019</u>	<u>30/06/2018</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	
Revenue	33,725	35,015	(3.7)
Other income (Note 1(a)(i))	706	1,004	(29.7)
Cost of inventories and consumables used	(625)	(674)	(7.3)
Staff costs	(15,814)	(16,697)	(5.3)
Depreciation expenses (Note 1(a)(ii))	(2,052)	(1,657)	23.8
Other operating expenses	(14,356)	(14,807)	(3.0)
Profit from operations	1,584	2,184	(27.5)
Finance costs (Note 1 (a)(iii))	(57)	-	Nm
Profit before taxation	1,527	2,184	(30.1)
Income tax expense (Note 1(a)(iv))	(261)	(206)	26.7
Profit for the year	1,266	1,978	(36.0)
Profit for the year	1,266	1,978	(36.0)
Other comprehensive income after tax	-	-	-
Total comprehensive income	1,266	1,978	(36.0)
Total comprehensive income attributable to:			
Equity holders of the Company	1,266	1,978	(36.0)
Non-controlling interests	-	-	-
Total comprehensive income	1,266	1,978	(36.0)

Nm denotes Not meaningful

**Explanatory notes:**

	<b>Group</b>	
	<b>Half year ended</b>	
	<b>30/06/2019</b>	<b>30/06/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Note 1 (a)(i)</b> Other income		
Interest income	28	30
Rental income	10	10
Late payment charges received	17	16
Government grants	616	927
Gain on disposal of property, plant and equipment	24	2
Other miscellaneous income	11	19
	<u>706</u>	<u>1,004</u>

**Note 1 (a)(ii)** Depreciation expenses increased for the half year ended 30 June 2019 ("HY2019") mainly due to the depreciation of right-of-use assets following the adoption of SFRS(I) 16 as disclosed in paragraph 5 and the additions of plant and equipment for the waste disposal segment.

**Note 1 (a)(iii)** Finance costs for the HY2019 relates to the interest expense on lease liabilities following the adoption of SFRS(I) 16 as disclosed in paragraph 5.

**Note 1 (a)(iv)** The tax expense for HY2019 was higher as a result of lower capital allowance utilised.

**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.

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2019</b>	<b>31/12/2018</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	18,317	18,934	-	-
Right-of-use assets	3,992	-	-	-
Investment in subsidiaries	-	-	4,589	4,589
	<u>22,309</u>	<u>18,934</u>	<u>4,589</u>	<u>4,589</u>
<b>Current Assets</b>				
Inventories	123	115	-	-
Trade and other receivables	11,156	11,121	8,378	8,373
Deposits	157	160	-	-
Prepayments	569	190	2	3
Cash and cash equivalents	19,695	19,458	1,890	2,736
	<u>31,700</u>	<u>31,044</u>	<u>10,270</u>	<u>11,112</u>
<b>Total assets</b>	<u>54,009</u>	<u>49,978</u>	<u>14,859</u>	<u>15,701</u>

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2019</u> S\$'000	<u>31/12/2018</u> S\$'000	<u>30/06/2019</u> S\$'000	<u>31/12/2018</u> S\$'000
<b>Equity and Liabilities</b>				
<b>Capital and reserves</b>				
Share capital	14,524	14,524	14,524	14,524
Retained profits	27,294	26,691	289	1,087
Total equity	<u>41,818</u>	<u>41,215</u>	<u>14,813</u>	<u>15,611</u>
<b>Non-Current Liabilities</b>				
Deferred income tax liabilities	1,769	1,769	-	-
Lease liabilities	3,594	75	-	-
Provisions	740	740	-	-
	<u>6,103</u>	<u>2,584</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>				
Trade and other payables	4,946	5,535	21	40
Accrual for directors' fees	25	50	25	50
Lease liabilities	583	48	-	-
Current tax payable	534	546	-	-
	<u>6,088</u>	<u>6,179</u>	<u>46</u>	<u>90</u>
<b>Total liabilities</b>	<u>12,191</u>	<u>8,763</u>	<u>46</u>	<u>90</u>
<b>Total equity and liabilities</b>	<u>54,009</u>	<u>49,978</u>	<u>14,859</u>	<u>15,701</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 2019 and 31 December 2018.

**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>	
	<u>Half year ended</u> <u>30/6/2019</u> S\$'000	<u>30/06/2018</u> S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,527	2,184
Adjustments for:		
Depreciation of property, plant and equipment	2,052	1,657
Property, plant and equipment written off	72	42
Finance costs	57	-
Gain on disposal of property, plant and equipment	(24)	(2)
Interest income	(28)	(30)
Rental expense	-	59
Operating profit before working capital changes	<u>3,656</u>	<u>3,910</u>

	<b>Group</b>	
	<b>Half year ended</b>	
	<b><u>30/6/2019</u></b>	<b><u>30/06/2018</u></b>
	S\$'000	S\$'000
Changes in working capital		
Inventories	(8)	-
Trade and other receivables	(93)	987
Deposits and prepayments	(376)	(164)
Trade and other payables	(614)	(1,432)
Cash generated from operations	<u>2,565</u>	<u>3,301</u>
Interest received	86	70
Income tax paid	(273)	(341)
<b>Net cash generated from operating activities</b>	<b><u>2,378</u></b>	<b><u>3,030</u></b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	174	27
Acquisition of property, plant and equipment	(1,296)	(1,302)
<b>Net cash used in investing activities</b>	<b><u>(1,122)</u></b>	<b><u>(1,275)</u></b>
<b>Cash Flows from Financing Activities</b>		
Lease payments	(356)	-
Payment of dividend	(663)	(729)
<b>Net cash used in financing activities</b>	<b><u>(1,019)</u></b>	<b><u>(729)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>237</u></b>	<b><u>1,026</u></b>
Cash and cash equivalents at beginning of the year	19,458	16,694
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b><u><u>19,695</u></u></b>	<b><u><u>17,720</u></u></b>

Note A

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

	<b>Group</b>	
	<b><u>30/6/2019</u></b>	<b><u>30/06/2018</u></b>
	S\$'000	S\$'000
Fixed deposits	12,605	11,664
Cash and bank balances	7,090	6,056
<b>Cash and cash equivalents</b>	<b><u><u>19,695</u></u></b>	<b><u><u>17,720</u></u></b>

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.

The Group	Share capital S\$'000	Retained profits S\$'000	Total S\$'000
<b>Balance at 1 January 2019</b>	14,524	26,691	41,215
Total comprehensive income	-	1,266	1,266
<b>Dividends for year ended 31 December 2018</b> - tax-exempt (one-tier) final dividend of S\$0.005 per share	-	(663)	(663)
<b>Balance at 30 June 2019</b>	<u>14,524</u>	<u>27,294</u>	<u>41,818</u>
Balance at 1 January 2018	14,524	23,977	38,501
Total comprehensive income	-	1,978	1,978
Dividends for year ended 31 December 2017 - tax-exempt (one-tier) final dividend of S\$0.0055 per share	-	(729)	(729)
Balance at 30 June 2018	<u>14,524</u>	<u>25,226</u>	<u>39,750</u>
<b>The Company</b>			
<b>Balance at 1 January 2019</b>	14,524	1,087	15,611
Total comprehensive loss for the period	-	(135)	(135)
<b>Dividends for year ended 31 December 2018</b> - tax-exempt (one-tier) final dividend of S\$0.005 per share	-	(663)	(663)
<b>Balance at 30 June 2019</b>	<u>14,524</u>	<u>289</u>	<u>14,813</u>
Balance at 1 January 2018	14,524	788	15,312
Total comprehensive loss for the period	-	(139)	(139)
Dividends for year ended 31 December 2017 - tax-exempt (one-tier) final dividend of S\$0.0055 per share	-	(729)	(729)
Balance at 30 June 2018	<u>14,524</u>	<u>(80)</u>	<u>14,444</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 2018 up to 30 June 2019. The Company did not have treasury shares, subsidiary holdings or any outstanding convertibles as at 30 June 2019 and 30 June 2018.

**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 2019 and 31 December 2018 was 132,522,560. The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

**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 HY2019.

**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 HY2019.

**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 2018 ("FY2018") 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 adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019.

SFRS(I) has resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to the first adoption.

Right-of-use assets will be measured on at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 resulted in adjustments to the statement of financial position of the Group as at 1 January 2019. The differences from the statement of financial position as previously reported at 31 December 2018 are estimated as follows:

	<b><u>As at 01/01/2019</u></b> <b><u>after adoption of</u></b> <b><u>SFRS(I) 16</u></b> <b>S\$'000</b>
Increase in right-of-use assets	4,353
Increase in lease liabilities (current)	571
Increase in lease liabilities (non-current)	3,782

- 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>Half year ended</u>	
	<u>30/6/2019</u>	<u>30/06/2018</u>
Based on weighted average number of ordinary shares in issue (Singapore cents)	0.96	1.49
On a fully diluted basis (Singapore cents)	0.96	1.49

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>30/06/2019</u>	<u>31/12/2018</u>	<u>30/06/2019</u>	<u>31/12/2018</u>
Net asset value per ordinary share (Singapore cents)	31.56	31.10	11.18	11.78

- 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 HY2019 decreased by 3.7% to S\$33.725 million from S\$35.015 million in HY2018. The decrease was mainly due to the completion of some existing contracts for the contract cleaning segment and lower contract value upon renewal for both the waste disposal and contract cleaning segments.

The Group's other income for HY2019 decreased by 29.7% to S\$0.706 million from S\$1.004 million in HY2018 mainly due to the decrease in government grants received.

The Group's operating profit before tax for HY2019 decreased by 30.1% to S\$1.527 million from S\$2.184 million in HY2018. The decrease in profit was mainly due to the aforesaid decreases in revenue and other income, increases in depreciation charges and finance costs as disclosed in Note 1(a)(ii) and Note 1(a)(iii), partially offset by the decreases in consumable used and staff costs for the contract cleaning segment which was in line with the decrease in revenue for the contract cleaning.



#### Statement of Financial Position

Non-current assets increased by S\$3.375 million to S\$22.309 million as at 30 June 2019 was mainly due to the recognition of right-of-use assets arising from the adoption of SFRS(I) 16 as disclosed in paragraph 5, the additions of motor vehicles and equipment for the waste disposal segment, partially offset by the depreciation charges during HY2019.

Current assets increased by S\$0.656 million to S\$31.700 million as at 30 June 2019, mainly due to an increase in prepayments expenses for both the waste disposal and contract cleaning segments and an increase in cash and cash equivalent.

Non-current and current liabilities increased by S\$3.428 million to S\$12.191 million as at 30 June 2019, mainly due to the increase in lease liabilities due to adoption of SFRS(I) 16 as disclosed in paragraph 5, partially offset by the decrease in trade and other payables arises mainly from the payment of accrued expenses accrued as at 31 December 2018.

The Group has a positive working capital of S\$25.612 million as at 30 June 2019.

#### Statement of Cash Flows

The net increase in cash and cash equivalents of S\$0.237 million for HY2019 was mainly as a result of net cash generated from operating activities of S\$2.378 million, partially offset by the net cash used in investing activities of S\$1.122 million and net cash used in financing activities of S\$1.019 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 previously disclosed.

**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 in view of the competitive market conditions.

The waste disposal segment, Colex Environmental Pte Ltd, had participated in the National Environment Agency tender for licence to provide refuse collection services to domestic and trade premises in the Jurong sector in Singapore for a period of 7 years commencing 1 April 2020. The result of the tender will be known in 3rd Quarter of 2019.

**11 Dividend**

No interim dividend for HY2019 has been declared/recommended as it is not the usual practice of the Group to declare interim dividend. There was no dividend declared for the corresponding period of the immediately preceding financial year.

## 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 26 April 2019. Save as disclosed below, there is no other interested person transaction entered into during HY2019 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\$'000	S\$'000
Goldvein Pte Ltd <sup>1</sup>	-	170
Allsland Pte Ltd <sup>2</sup>	-	127
Richvein Pte Ltd <sup>3</sup>	-	386

1. Mr Henry Ngo has a 21.26% direct interest and a deemed interest of 2.03% (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 59.78% 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. Allsland Pte Ltd is wholly-owned by Mr Henry Ngo. Accordingly, Allsland Pte Ltd is an interested person as defined by the Catalist Rules.

3. 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.

**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 HY2019 unaudited financial results of the Group to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Foo Soon Soo**

**Company Secretary**

**5 August 2019**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Ling Yuet Shan, Manager, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).*