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

Unaudited condensed interim financial statements for the six months ended 30 June 2022

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

1 (a) **Condensed interim consolidated 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.**

	Group 6 months ended		Increase/
	30/06/2022	30/06/2021	(decrease)
	S$'000	S$'000	%
Revenue	20,592	21,075	(2.3)
Other income (Note 1(a)(i))	656	2,678	(75.5)
Cost of inventories and consumables used	(406)	(392)	3.6
Staff costs	(12,228)	(12,897)	(5.2)
Depreciation expenses (Note 1(a)(ii))	(1,946)	(1,994)	(2.4)
Other operating expenses	(7,240)	(7,907)	(8.4)
Impairment loss on financial assets - net	(10)	(3)	N.M.
(Loss)/Profit from operations	(582)	560	N.M.
Finance costs (Note 1(a)(iii))	(89)	(88)	1.1
(Loss)/Profit before taxation	(671)	472	N.M.
Income tax expense (Note 1(a)(iv))	(138)	(200)	(31.0)
(Loss)/Profit for the year	(809)	272	N.M.
(Loss)/Profit for the year	(809)	272	N.M.
Other comprehensive income after tax	-	-	-
Total comprehensive (loss)/income	(809)	272	N.M.
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(809)	272	N.M.
Non-controlling interests	-	-	-
Total comprehensive (loss)/income	(809)	272	N.M.
(Loss)/Earnings per share attributable to equity holders of the Company (expressed in cents per share)			
- Basic	(0.61)	0.21	
- Diluted	(0.61)	0.21	

N.M.: Not meaningful

Explanatory notes:

		Group 6 months ended	
		30/06/2022	30/06/2021
		S$'000	S$'000
Note 1 (a)(i)	Other income		
	Interest income	1	2
	Rental income	12	11
	Late payment charges received	4	5
	Government grants	589	2,628
	Gain on disposal of property, plant and equipment	2	9
	Other miscellaneous income	48	23
		656	2,678

Note 1 (a)(ii) Depreciation expenses decreased for the half year ended 30 June 2022 ("HY2022") mainly due to the effect from impairment of certain property, plant & equipment for financial year ended 31 December 2021 for the waste disposal segment.

Note 1 (a)(iii) Finance costs for HY2022 relates to the interest expense on lease liabilities following the adoption of SFRS(I) 16 on 1 January 2019.

Note 1 (a)(iv) Tax expense for HY2022 relates to tax payable on contract cleaning segment profit.

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

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
	S$'000	S$'000	S$'000	S$'000
Assets				
Non-Current Assets				
Property, plant and equipment	13,057	14,209	-	-
Investment in subsidiaries	-	-	4,589	4,589
	13,057	14,209	4,589	4,589
Current Assets				
Inventories	125	130	-	-
Trade and other receivables	8,137	7,636	9,877	17,373
Tax recoverable	-	80	-	-
Deposits	130	116	-	-
Prepayments	487	208	-	3
Cash and cash equivalents	5,530	16,826	279	3,552
	14,409	24,996	10,156	20,928
Total assets	27,466	39,205	14,745	25,517

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
	S$'000	S$'000	S$'000	S$'000
Equity and Liabilities				
Capital and reserves				
Share capital	14,524	14,524	14,524	14,524
Retained profits	4,340	15,751	160	10,895
Total equity	18,864	30,275	14,684	25,419
Non-Current Liabilities				
Deferred tax liabilities	1,003	1,003	-	-
Lease liabilities	2,869	2,665	-	-
Provision	740	740	-	-
	4,612	4,408	-	-
Current Liabilities				
Trade and other payables	3,072	3,757	61	98
Lease liabilities	778	765	-	-
Current tax payable	140	-	-	-
	3,990	4,522	61	98
Total liabilities	8,602	8,930	61	98
Total equity and liabilities	27,466	39,205	14,745	25,517

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 2022 and 31 December 2021.

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

	Group	
	6 months ended	
	30/06/2022	30/06/2021
	S$'000	S$'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(671)	472
Adjustments for:		
Depreciation of property, plant and equipment	1,946	1,994
Property, plant and equipment written off	-	46
Finance costs	89	88
Impairment of financial assets - net	10	3
Gain on disposal of property, plant and equipment	(2)	(9)
Interest income	(1)	(2)
Operating profit before working capital changes	1,371	2,592

	Group 6 months ended 30/06/2022 S$'000	30/06/2021 S$'000
Changes in working capital		
Inventories	5	(12)
Trade and other receivables	(519)	57
Deposits and prepayments	(293)	(232)
Trade and other payables	(685)	(345)
Deferred grant income	-	(1,320)
Cash (used in)/generated from operations	(121)	740
Interest received	7	2
Income tax recovered/(paid)	82	(302)
Net cash (used in)/generated from operating activities	**(32)**	**440**
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	5	16
Acquisition of property, plant and equipment	(157)	(445)
Receipt of government grant relating to property, plant & equipment	84	-
Net cash used in investing activities	**(68)**	**(429)**
Cash Flows from Financing Activities		
Principal and interest repayments of lease liabilities	(594)	(477)
Dividends paid	(10,602)	-
Net cash used in financing activities	**(11,196)**	**(477)**
Net decrease in cash and cash equivalents	**(11,296)**	**(466)**
Cash and cash equivalents at beginning of the year	16,826	16,935
Cash and cash equivalents at the end of the year (Note A)	**5,530**	**16,469**

Note A

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

	Group 30/06/2022 S$'000	30/06/2021 S$'000
Fixed deposits	-	10,340
Cash and bank balances	5,530	6,129
Cash and cash equivalents	**5,530**	**16,469**

Reconciliation of liabilities arising from financing activities

	1 January 2022	Principal and interest	Non-Cash Changes			30 June 2022
			Finance costs	Additions	Terminations	
	S$	S$	S$	S$	S$	S$
Lease Liabilities	**3,430**	**(594)**	**89**	**867**	**(145)**	**3,647**

	1 January 2021	Principal and interest	Non-Cash Changes			30 June 2021
			Finance costs	Additions	Terminations	
	S$	S$	S$	S$	S$	S$
Lease Liabilities	3,353	(477)	88	382	-	3,346

1 (d)(i) **Condensed interim 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**
Balance at 1 January 2022	14,524	15,751	30,275
Total comprehensive loss	-	(809)	(809)
Dividend			
- tax-exempt (one-tier) final dividend of S$0.0045 per share	-	(596)	(596)
- tax-exempt (one-tier) special dividend of S$0.0755 per share	-	(10,006)	(10,006)
Balance at 30 June 2022	14,524	4,340	18,864
Balance at 1 January 2021	14,524	16,435	30,959
Total comprehensive income	-	272	272
Balance at 30 June 2021	14,524	16,707	31,231

The Company	**Share capital S$'000**	**Retained profits S$'000**	**Total S$'000**
Balance at 1 January 2022	14,524	10,895	25,419
Total comprehensive loss	-	(133)	(133)
Dividend			
- tax-exempt (one-tier) final dividend of S$0.0045 per share	-	(596)	(596)
- tax-exempt (one-tier) special dividend of S$0.0755 per share	-	(10,006)	(10,006)
Balance at 30 June 2022	14,524	160	14,684
Balance at 1 January 2021	14,524	1,097	15,621
Total comprehensive loss	-	(106)	(106)
Balance at 30 June 2021	14,524	991	15,515

1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2021 up to 30 June 2022. The Company does not have treasury shares, subsidiary holdings or any outstanding convertibles as at 30 June 2022 and 30 June 2021.

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 2022 and 31 December 2021 was 132,522,560. The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

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 HY2022.

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 HY2022.

Notes to the condensed interim consolidated financial statements

1 Corporate information

Colex Holdings Limited (the “Company”) is listed on the Catalist board on the Singapore Exchange and was incorporated as a limited liability company and is domiciled in Singapore. The registered office is located at 541 Orchard Road #16-00, Liat Towers, Singapore 238881.

The principal activities of the Company are that of an investment holding company. The principal place of business is located at 8 Tuas South Street 13, Singapore 637083. The principal activities of its subsidiaries are that of refuse disposal and contract cleaning.

The immediate holding company is Bonvests Holdings Limited, whilst the ultimate holding company is Goldvein Holdings Pte. Ltd. Both companies are incorporated in Singapore.

2 Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial information does not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included as follow:

Impairment of property, plant and equipment ("PPE")

Property, plant and equipment are reviewed for impairment whenever there is indication that the assets are impaired in accordance with the accounting policy. If any such indication exists, management will perform an impairment assessment by comparing the carrying amount of the related PPE against the recoverable amount. The recoverable amount is estimated based on the higher of value-in-use ("VIU") and fair value less costs to sell ("FVLCTS") of the asset.

For the financial year ended 30 June 2022, based on management's assessment, the recoverable amount of the PPE approximates the carrying amount and as such, no impairment losses were recorded.

3 Seasonal operations

The Group's businesses are not affected by seasonal or cyclical factors during the financial period.

4 Revenue

4.1 Reportable segments

For management purposes, the Group is organised into the following reportable operating segments as follows:

- the waste disposal activities consist of provision of waste disposal services for domestic waste, commercial waste and industrial waste, sale and rental of equipment to customers and repair of waste compactors; and

- the contract cleaning includes provision of cleaning services.

Except as indicated above, there are no operating segments that have been aggregated to form the above reportable operating segments.

The directors of the Company monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit and loss in the consolidated financial statements.

Sales between operating segments are carried out at arm's length. The revenue from external parties reported to the management is measured in a manner consistent with that in statement of comprehensive income.

	Waste disposal S$'000	Contract cleaning S$'000	Others [1] S$'000	Total S$'000
1 January 2022 to 30 June 2022				
Segment Revenue				
External sales	9,066	11,526	-	20,592
Segment Result				
Earnings before interests, taxes, depreciation and amortisation ("EBITDA") [2]	351	1,145	(133)	1,363
Interest income	1	-	-	1
Depreciation expenses	(1,439)	(507)	-	(1,946)
Finance costs	(74)	(15)	-	(89)
(Loss)/ Profit before taxation	(1,161)	623	(133)	(671)
Income tax expense				(138)
Loss after taxation				(809)
Other information				
Segment assets	17,541	9,640	285	27,466
Segment liabilities	5,604	2,936	62	8,602
Capital expenditure	48	976	-	1,024
1 January 2021 to 30 June 2021				
Segment Revenue				
External sales	9,315	11,760	-	21,075
Segment Result				
Earnings before interests, taxes, depreciation and amortisation ("EBITDA") [2]	(161)	2,818	(105)	2,552
Interest income	2	-	-	2
Depreciation expenses	(1,585)	(409)	-	(1,994)
Finance costs	(79)	(9)	-	(88)
(Loss)/ Profit before taxation	(1,823)	2,400	(105)	472
Income tax expense				(200)
Profit after taxation				272
Other information				
Segment assets	22,318	16,064	2,608	40,990
Segment liabilities	6,487	3,218	54	9,759
Capital expenditure	396	431	-	827

[1] Others - Operations in this segment is solely the operation of the investment holding company, Colex Holdings Limited.

[2] Segment result is defined as profit/(loss) before interest, depreciation and amortisation and tax.

4.2 Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of services over time and at a point in time in the following major service lines.

	Over time S$'000	At a point in time S$'000	Total S$'000
1 January 2022 to 30 June 2022			
Waste disposal	9,066	-	9,066
Contract cleaning	11,485	41	11,526
	20,551	41	20,592
1 January 2021 to 30 June 2021			
Waste disposal	9,315	-	9,315
Contract cleaning	11,601	159	11,760
	20,916	159	21,075

Geographical segments
The Group currently operates solely in Singapore.

Segment revenue and expense
All segment revenue and expense are directly attributable to the segments. There is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenue.

5 Property, plant and equipment

	Leasehold land, building, site improvement and properties	Plant, equipment and containers	Office furniture and equipment	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Cost					
At 1 January 2021	10,257	11,723	297	15,759	38,036
Additions	969	724	4	174	1,871
Reclassification	-	84	-	(84)	-
Disposals	(85)	(196)	-	(1,539)	(1,820)
Write-off	-	(618)	(2)	-	(620)
At 31 December 2021	11,141	11,717	299	14,310	37,467
Additions	867	146	4	7	1,024
Disposals	(509)	(1)	-	(94)	(604)
Write-off	-	(84)	-	-	(84)
Grants received	-	(84)	-	-	(84)
At 30 June 2022	11,499	11,694	303	14,223	37,719
Accumulated depreciation and accumulated impairment losses					
At 1 January 2021	3,444	7,310	227	9,594	20,575
Depreciation	1,363	1,191	25	1,508	4,087
Reclassification	0	(69)	-	69	-
Disposals	(85)	(196)	-	(1,329)	(1,610)
Write-off	-	(518)	(2)	-	(520)
Impairment loss	-	726	-	-	726
At 31 December 2021	4,722	8,444	250	9,842	23,258

	Leasehold land, building, site improvement and properties	Plant, equipment and containers	Office furniture and equipment	Motor vehicles	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Depreciation	729	518	12	687	1,946
Disposals	(366)	*	-	(92)	(458)
Write-off		(84)	-	-	(84)
At 30 June 2022	5,085	8,878	262	10,437	24,662
Net book value					
At 30 June 2022	**6,414**	**2,816**	**41**	**3,786**	**13,057**
At 31 December 2021	6,419	3,273	49	4,468	14,209

*.: Less than S$1,000

The leasehold land, building and site improvements relate to a single storey detached factory on the leasehold land with an area of 8,854 square metres at 8 Tuas South Street 13.

Additions for property, plant and equipment (excluding right-of-use assets) for HY2022 amounted to S$157,000 (HY2021: S$445,000).

Grants received relates to asset-related grant (i.e. Productivity Solutions Grant) which the Group has elected to deduct from the carrying amount of property, plant & equipment.

During the financial year, the Group has revised the useful lives of certain containers to match the economic life of these assets, which are in line with their intended use.

The change in estimates were applied prospectively.

The revision of the useful lives of these assets has resulted in a S$27,400 increase in depreciation expense for the half year ended 30 June 2022.

This change in useful lives is expected to result in an increase in depreciation of about S$54,800 for the financial year 2022 and a decrease in depreciation of about S$21,000, S$19,000 and S$12,000 for the financial year 2023, 2024 and 2025.

6 Trade and other receivables

	Group		Company	
	30/06/2022	**31/12/2021**	**30/06/2022**	**31/12/2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade receivables				
- Third parties	8,149	7,662	-	-
Less: Loss allowance	(34)	(41)	-	-
Net trade receivables	8,115	7,621	-	-
Interest receivable	-	6		-
Amount owing by subsidiaries (non-trade)	-	-	9,872	17,372
Staff Advance	17	5	-	-
Net GST receivables	5	1	5	1
Sundry receivables	-	3	-	-
Net other receivables	22	15	9,877	17,373
Total	8,137	7,636	9,877	17,373
The movements in credit loss allowance are as follows:				
Beginning of financial year	41	59	-	-
Changes in credit risk	10	20	-	-
Receivables written off as uncollectible	(17)	(38)	-	-
End of financial year	34	41	-	-

7 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30/06/2022 S$'000	31/12/2021 S$'000	30/06/2022 S$'000	31/12/2021 S$'000
Financial assets				
Financial assets, at amortised cost	13,792	24,577	10,151	20,924
Financial liabilities				
Financial liabilities, at amortised cost	5,986	6,419	61	98

8 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following are significant transactions between the Group and related parties at agreed rates:

	Group	
	30/06/2022 S$'000	30/06/2021 S$'000
With companies in which a director of the Company has interest		
- Contract cleaning revenue	115	100
With fellow subsidiaries		
- Contract cleaning revenue	276	273

9 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	Group 6 months ended	
	30/06/2022 S$'000	30/06/2021 S$'000
Current income tax expense	(138)	(200)
	(138)	(200)

10 Dividends

	Group	
	30/06/2022 S$'000	30/06/2021 S$'000
Ordinary dividends paid:		
- final tax-exempt (one-tier) dividend paid in respect of the previous financial year of S$0.0045 per share (2021: S$Nil)	596	-
Special dividend paid:		
- exempt (one-tier) special dividend of S$0.0755 per share (2021: S$Nil)	10,006	-
	10,602	-

11 Net Asset Value

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Net asset value per ordinary share (Singapore cents)	14.23	22.85	11.08	19.18

The net asset value per ordinary share of the Group and Company as at 30 June 2022 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 132,522,560 (31 December 2021: 132,522,560).

12 Subsequent events

There is no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other Information Required by Listing Rule Appendix 7C

1 Review

The condensed consolidated statement of financial position of Colex Holdings Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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 modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion.
(a) Updates on the efforts taken to resolve each outstanding audit issues.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest financial statements for the financial period ended 31 December 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 2021 ("FY2021") 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 2022. 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.

The adoption of the new/revised SFRS(I) 1-16 Property, Plant and Equipment and SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets effective for annual periods beginning on or after 1 January 2022 did not result in any substantial changes to the Group's accounting policies and has no significant impact on the Group's financial statements for HY2022.

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.**

	Group 6 months ended	
	30/06/2022	**30/06/2021**
(Loss)/Earnings per ordinary share based on weighted average number of ordinary shares in issue (Singapore cents)	(0.61)	0.21
(Loss)/Earnings per ordinary share on a fully diluted basis (Singapore cents)	(0.61)	0.21

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

7 **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.**

HY2022 vs HY2021

Income Statement

The Group's revenue for HY2022 decreased by 2.3% to S$20.592 million from S$21.075 million in HY2021. The decrease was mainly due to fewer new contracts secured and non-renewal of contracts upon expiry for both the waste disposal and contract cleaning segments.

The Group's other income for HY2022 decreased by 75.5% to S$0.656 million from S$2.678 million in HY2021 mainly due to the decrease in government grants recognised, especially the Jobs Support Scheme and Special Employment Credit.

The Group's cost of inventories and consumables used for HY2022 increased by 3.6% to S$0.406 million from S$0.392 million In HY2021. This was due to the increase in consumables used for the contract cleaning segment as a result of recovery in footfall in commercial complexes after the relaxation of more COVID-19 restrictions in the early part of this year.

The Group's staff costs for HY2022 decreased by 5.2% to S$12.228 million from $12.897 million in HY2021. This was mainly due to the decrease in headcount for both segments, in-line with the decline in revenue.

The Group's depreciation expenses for HY2022 decreased by 2.4% to S$1.946 million. This was mainly due to the effect from impairment of certain property, plant and equipment for financial year ended 31 December 2021 for the waste disposal segment.

The Group's other operating expenses for HY2022 decreased by 8.4% to S$7.240 million from S$7.907 million in HY2021. The decrease mainly arose from less dumping fees, service agency fees and repair and maintenance costs of the vehicles, partially offset by the increase in diesel expenses for the waste disposal segment. The decrease in dumping fees and service agency fees were in line with lower revenue while the decrease in repair and maintenance costs of the vehicles was due to better costs control measures.

The Group's operating loss before tax for HY2022 was S$0.671 million as compared to HY2021 operating profit before tax of S$0.472 million. This was mainly due to the aforesaid lower other income, as a result of lower government grants recognised.

Operating profit before tax for the contract cleaning segment for HY2022 decreased by 74.0% to S$0.623 million from HY2021 profit of S$2.40 million. The decrease was mainly due to the lower revenue and government grants recognised, partially offset by the decrease in staff costs and other operating expenses. Operating loss for the waste disposal segment for HY2022 decreased by 36.3% to S$1.161 million from HY2021 loss of S$1.823 million . The decrease in operating loss for the waste disposal segment was mainly due to the streamlining of its operations and costs control, which mainly consists of a reduction in staff costs and operating expenses, partially offset by the lower revenue and government grants recognised.

Statement of Financial Position

Non-current assets decreased by S$1.152 million to S$13.057 million as at 30 June 2022, mainly due to depreciation expenses during HY2022, partially offset by the addition of right-of-use assets arising from accommodation leases for the contract cleaning segment.

Current assets decreased by S$10.587 million to S$14.409 million as at 30 June 2022, mainly due to the drawdown of fixed deposits for the payment of dividends, partially offset by an increase in trade receivables and prepayment of insurance premiums for the waste disposal segment vehicles. The increase in trade receivables was due to slow repayment from some of the customers for both segments.

Non current liabilities increased by S$0.204 million to S$4.612 million as at 30 June 2022, mainly due to the increase in lease liabilities. The increase in lease liabilities was due to the addition of new workers accommodation leases for the contract cleaning segment.

Current liabilities decreased by S$0.532 million to S$3.990 million as at 30 June 2022, mainly due to the decrease in trade payables and accrued operating expenses for the waste disposal segment as a result of the Group's efforts in streamlining its operations and implementing better operating cost control.

The Group has a positive working capital of S$10.419 million as at 30 June 2022.

Statement of Cash Flows

The Group has cash and cash equivalents amounting to S$5.530 million as at 30 June 2022.

The net decrease in cash and cash equivalent of S$11.296 million for HY2022 was a result of the net cash used in financing activities of S$11.196 million for dividends and lease payments for the land used by the Group's waste disposal segment as well as lease liabilities for workers accommodation in the contract cleaning segment. The net cash used in investing activities of S$0.068 million was mainly for the addition of equipment.

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

Not applicable.

9 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.

As Singapore enters a COVID-19 endemic phase, temporary government grants extended due to the pandemic such as the Jobs Support Scheme have been discontinued. The Jobs Support Scheme was nil in HY2022 (S$2.368 million in FY2021). Challenges are expected to remain in the Group's contract cleaning segment and waste disposal segment, mainly due to stiff market competition, rising material costs and higher wage costs. The implementation of the revised Progressive Wage Model ("**PWM**") for the contract cleaning segment as well as the implementation of the PWM for the waste disposal segment due to take effect in July 2023 will add to further pressures on wage costs and continue to impact the Group's bottom line.

Following the Group's unsuccessful National Environment Agency tenders for Public Waste Collection ("**PWC**") in FY2020 and FY2021, the Company had distributed a significant portion of its cash (and retained earnings) in the form of 2 special dividends (10.00 and 7.55 Singapore cents per share respectively in respect of FY2020 and FY2021). This was the capital previously set aside for capital expenditure required if the Group had been awarded 2 PWC contracts to provide refuse collection services to domestic and trade premises.

The Group will continue to manage its cash reserves, streamline and optimise its operations and intensify efforts to secure more contracts. However, any new contracts would exclude PWC contracts as the earliest available PWC contract is expected to be in October 2025 for the Pasir Ris-Bedok Sector.

In order to preserve the Group's current working capital, it is very unlikely that the amount of dividends to be distributed (if any) in the near future will be close to that in FY2020 and FY2021.

10 **If a decision regarding dividend has been made:**

(a) Whether an interim (final) ordinary dividend has been declared (recommended);
No dividend has been declared or recommended for HY2022.

(b) (i) Amount per share
Not applicable.

(ii) Previous corresponding period
Nil.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.
Not applicable.

11 **If no dividend has been declared (recommended), a statement to that effect and the reasons(s) for the decision.**

No dividend has been recommended for HY2022 in order to preserve the Group's working capital.

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 25 April 2022. Except as disclosed below, there is no other interested person transaction entered into during HY2022 that was S$100,000 and above:

Name of Interested Person	Nature of Relationship	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)
Goldvein Pte Ltd	refer note 1	-	$160,821
Allsland Pte Ltd	refer note 2	-	$142,259
Richvein Pte Ltd	refer note 3	-	$162,468

1. Mr Henry Ngo has a 21.26% direct interest and a deemed interest of 2.76% (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 **Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules.**

During HY2022, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary or associated company.

14 **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**

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format as set out in Appendix 7H under Rule 720(1) of the Catalist Listing Manual.

15 **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 HY2022 unaudited financial results of the Group to be false or misleading in any material aspect.

Henry Ngo	Lim Chee San
Executive Chairman	Independent Director, Audit Committee Chairman

BY ORDER OF THE BOARD
Foo Soon Soo
Company Secretary
3 August 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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