



COLEX HOLDINGS LIMITED
Company Registration No.: 197101485G

Unaudited Half Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2016

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.

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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>		
	<u>Unaudited</u> <u>Half year ended</u> <u>30/06/2016</u> <u>S\$'000</u>	<u>Unaudited</u> <u>Half year ended</u> <u>30/06/2015</u> <u>S\$'000</u>	<u>Increase/</u> <u>(decrease)</u> <u>%</u>
Revenue	35,555	32,019	11.0
Other income	1,933	1,300	48.7
Changes in inventories and consumables used	(1,005)	(862)	16.6
Staff costs	(16,957)	(14,322)	18.4
Depreciation expenses	(1,531)	(1,436)	6.6
Other operating expenses	(13,580)	(13,144)	3.3
Profit from operations	4,415	3,555	24.2
Finance costs	(57)	(56)	1.8
Profit before taxation	4,358	3,499	24.5
Taxation	(689)	(542)	27.1
Profit for the period	3,669	2,957	24.1
Profit for the period	3,669	2,957	24.1
Other comprehensive income	-	-	-
Total comprehensive income	3,669	2,957	24.1
Total comprehensive income attributable to:			
Equity holders of the Company	3,669	2,957	24.1
Non-controlling interests	-	-	-
Total comprehensive income	3,669	2,957	24.1

Explanatory notes:

	<u>Group</u>	
	<u>30/06/2016</u> S\$'000	<u>30/06/2015</u> S\$'000
Note 1(a)(i) Other income		
Interest income	7	1
Loss on disposal of property, plant and equipment	(32)	(12)
Rental income	10	9
Late payment charges received from SP Services	11	10
Government grant	1,903	1,261
Other miscellaneous income	34	31
	<u>1,933</u>	<u>1,300</u>

Note 1(a)(ii) The tax expenses for the half year ended 30 June 2016 ("HY2016") was higher mainly due to the increase in profit before taxation in HY2016 as compared to that in the half year ended 30 June 2015. ("HY2015").

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>30/06/2016</u> S\$'000	<u>Audited</u> <u>31/12/2015</u> S\$'000	<u>Unaudited</u> <u>30/06/2016</u> S\$'000	<u>Audited</u> <u>31/12/2015</u> S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	19,479	20,262	-	-
Subsidiaries	-	-	4,489	4,489
	<u>19,479</u>	<u>20,262</u>	<u>4,489</u>	<u>4,489</u>
Current Assets				
Inventories	112	98	-	-
Trade and other receivables	11,221	10,582	9,818	9,965
Deposits	278	162	-	-
Prepayments	451	330	-	5
Cash and cash equivalents	10,394	9,293	272	1,002
	<u>22,456</u>	<u>20,465</u>	<u>10,090</u>	<u>10,972</u>
Total assets	<u>41,935</u>	<u>40,727</u>	<u>14,579</u>	<u>15,461</u>

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u> <u>30/06/2016</u> S\$'000	<u>Audited</u> <u>31/12/2015</u> S\$'000	<u>Unaudited</u> <u>30/06/2016</u> S\$'000	<u>Audited</u> <u>31/12/2015</u> S\$'000
Equity				
Capital and reserves				
Share capital	14,524	14,524	14,524	14,524
Retained profits	18,022	15,082	8	857
Total equity	32,546	29,606	14,532	15,381
Liabilities				
Non-Current Liabilities				
Deferred income tax liabilities	1,089	1,089	-	-
Provisions	740	740	-	-
Obligation under finance leases	172	382	-	-
	2,001	2,211	-	-
Current Liabilities				
Trade and other payables	5,639	6,042	47	80
Obligation under finance leases	747	2,232	-	-
Current tax payable	1,002	636	-	-
	7,388	8,910	47	80
Total liabilities	9,389	11,121	47	80
Total equity and liabilities	41,935	40,727	14,579	15,461

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

	<u>Unaudited</u>		<u>Audited</u>	
	<u>30/06/2016</u> <u>Secured</u> S\$'000	<u>30/06/2016</u> <u>Unsecured</u> S\$'000	<u>31/12/2015</u> <u>Secured</u> S\$'000	<u>31/12/2015</u> <u>Unsecured</u> S\$'000
Amount repayable in one year or less	747	-	2,232	-
Amount repayable after one year	172	-	382	-

Details of any collateral

The Group's obligation under finance leases of S\$0.919 million as at 30 June 2016 (31 December 2015: S\$2.614 million) are secured by the Group's vehicles and equipment.

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.

	Group	
	Unaudited Half year ended <u>30/06/2016</u> S\$'000	Unaudited Half year ended <u>30/06/2015</u> S\$'000
Cash Flows from Operating Activities		
Profit before taxation	4,358	3,499
Adjustments for:		
Depreciation of property, plant and equipment	1,531	1,436
Property, plant and equipment written off	42	38
Interest expense on finance leases	57	56
Loss on disposal of property, plant and equipment	32	12
Interest income	(7)	(1)
Operating profit before working capital changes	<u>6,013</u>	<u>5,040</u>
(Increase)/Decrease in inventories	(14)	9
Increase in trade and other receivables	(639)	(525)
Increase in deposits and prepayments	(237)	(30)
Decrease in trade and other payables	(403)	(460)
Cash generated from operations	<u>4,720</u>	<u>4,034</u>
Interest received	7	1
Income tax paid	(323)	(144)
Net cash generated from operating activities	4,404	3,891
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	119	23
Acquisition of property, plant and equipment	(941)	(1,065)
Net cash used in investing activities	(822)	(1,042)
Cash Flows from Financing Activities		
Proceeds from finance lease	-	863
Repayment of finance lease liabilities	(1,695)	(1,706)
Interest paid on finance lease liabilities	(57)	(56)
Payment of dividend	(729)	(663)
Net cash used in financing activities	(2,481)	(1,562)
Net increase in cash and cash equivalents	1,101	1,287
Cash and cash equivalents at beginning of the period	9,293	6,645
Cash and cash equivalents at end of the period (Note A)	<u>10,394</u>	<u>7,932</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>30/06/2016</u> <u>S\$'000</u>	<u>Unaudited</u> <u>30/06/2015</u> <u>S\$'000</u>
Fixed deposits	3,800	2,000
Cash and bank balances	6,594	5,932
	<u>10,394</u>	<u>7,932</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 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 \$0.0055 per share	-	(729)	(729)
Balance at 30 June 2016	<u>14,524</u>	<u>18,022</u>	<u>32,546</u>
(Unaudited)			
Balance at 1 January 2015	14,524	9,840	24,364
Total comprehensive income for the period	-	2,957	2,957
Dividends for year ended 31 December 2014			
- tax-exempt (one-tier) final dividend of \$0.005 per share	-	(663)	(663)
Balance at 30 June 2015	<u>14,524</u>	<u>12,134</u>	<u>26,658</u>

	<u>Share capital</u> S\$'000	<u>Retained profits/(loss)</u> S\$'000	<u>Total</u> S\$'000
The Company (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 \$0.0055 per share	-	(729)	(729)
Balance at 30 June 2016	<u>14,524</u>	<u>8</u>	<u>14,532</u>
(Unaudited)			
Balance at 1 January 2015	14,524	710	15,234
Total comprehensive loss for the period	-	(113)	(113)
Dividends for year ended 31 December 2014 - tax-exempt (one-tier) final dividend of \$0.005 per share	-	(663)	(663)
Balance at 30 June 2015	<u>14,524</u>	<u>(66)</u>	<u>14,458</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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There was no change in the Company's share capital since 31 December 2015 up to 30 June 2016. The Company did not have treasury shares or any outstanding convertibles as at 30 June 2016 and 30 June 2015.

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 2016 and 31 December 2015 was 132,522,560. The Company did not have any treasury shares as at 30 June 2016 and 31 December 2015.

1 (d)(iv) A statement showing all sales, transfers, disposals, 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 HY2016.

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.

Save as disclosed in paragraph 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 2015 ("**FY2015**") 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 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 2016.

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 financial period ended 30 June 2016.

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 Half year ended 30/06/2016</u>	<u>Unaudited Half year ended 30/06/2015</u>
Based on the weighted average number of ordinary shares in issue (Singapore cents)	2.77	2.23
On a fully diluted basis (Singapore cents)	2.77	2.23

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 30/06/2016</u>	<u>Audited 31/12/2015</u>	<u>Unaudited 30/06/2016</u>	<u>Audited 31/12/2015</u>
Net asset value per ordinary share (Singapore cents)	24.56	22.34	10.97	11.61

- 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 in HY2016 increased by S\$3.536 million or 11.0% to S\$35.555 million from S\$32.019 million in HY2015. This was mainly due to the rollover effect of existing contracts at higher value and new contracts secured by the Group during HY2016.

The Group's other income increased by S\$0.633 million or 48.7% from S\$1.300 million in HY2015 to S\$1.933 million in HY2016. The increase was mainly due to the increase in grant from the Singapore Government to cope with rising wage costs.

The Group's profit before tax in HY2016 was S\$4.358 million, an increase of S\$0.859 million or 24.5% from S\$3.499 million in HY2015. This was mainly attributable to the increase in revenue and other income, partially offset by the increase in inventories and consumables used of S\$0.143 million, staff costs of S\$2.635 million, depreciation expenses of S\$0.095 million and other operating expenses of S\$0.436 million. The increase in inventories and consumables used is in line with higher revenue. The increase in higher staff costs was mainly due to the increase in wage related costs as well as increase in headcount to cope with the new contracts secured. The increase in depreciation expenses was mainly due to the additions of motor vehicles and equipment in HY2016. The increase in other operating expenses was mainly due to the increase in refuse disposal fees and subcontract charges which was in line with the increase in revenue.

Statement of Financial Position

The decrease in property, plant and equipment of S\$0.783 million was mainly due to depreciation, partially offset by the additions of plant and equipment during HY2016.

Current assets amounted to S\$22.456 million as at 30 June 2016, representing an increase of S\$1.991 million from S\$20.465 million as at 31 December 2015. This was mainly due to the increase in trade and other receivables of S\$0.639 million which was in line with the increase in revenue, an increase in cash and cash equivalents of S\$1.101 million and increases in deposits and prepayments of S\$0.237 million. The increase in deposits was mainly due to the payment of deposits for the purchase of motor vehicles and equipment.

Non-current liabilities amounted to S\$2.001 million as at 30 June 2016, a decrease of S\$0.210 million from S\$2.211 million as at 31 December 2015 was mainly due to the repayment of finance lease obligation.

Current liabilities amounted to S\$7.388 million as at 30 June 2016, a decrease of S\$1.522 million from S\$8.910 million as at 31 December 2015 mainly due to the repayment of finance lease obligation of S\$1.485 million and decrease in trade payables of S\$0.405 million due to the payment of expenses accrued as at 31 December 2015. These were partially offset by the increase in current tax payable of S\$0.366 million mainly due to the increase in profit before taxation in HY2016.

The Group had a positive working capital of S\$15.068 million as at 30 June 2016, as compared to S\$11.555 million as at 31 December 2015.

Statement of Cash Flows

Net increase in cash and cash equivalents of S\$1.101 million in HY2016 was mainly as a result of net cash generated from operating activities of S\$4.404 million, partially offset by the net cash used in investing activities of S\$0.822 million and net cash used in financing activities of S\$2.481 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 be prudent in its cost management and to optimise its resources due to the prevailing competitive market environment in the waste management and contract cleaning industries.

11 Dividend

No interim dividend for HY2016 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 2016. Save as disclosed below, there is no other interested person transaction entered into during HY2016 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	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⁾	-	147,705
Richvein Pte Ltd ⁽²⁾	-	368,700
Allsland Pte Ltd ⁽³⁾	-	123,854

⁽¹⁾ Mr Henry Ngo has a 21.22% 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 59.68% 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 HY2016 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
2 August 2016