



COLEX HOLDINGS LIMITED
Company Registration No.: 197101485G

Unaudited Half Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2015

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 assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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>Unaudited 30/06/2015</u> S\$'000	<u>Unaudited 30/06/2014</u> S\$'000	
Revenue	32,019	28,453	12.5
Other income	1,300	887	46.6
Changes in inventories and consumables used	(862)	(774)	11.4
Staff costs	(14,322)	(11,426)	25.3
Depreciation expenses	(1,436)	(1,296)	10.8
Other operating expenses	(13,144)	(13,082)	0.5
Profit from operations	<u>3,555</u>	<u>2,762</u>	28.7
Finance costs	(56)	(50)	12.0
Profit before taxation	<u>3,499</u>	<u>2,712</u>	29.0
Taxation	(542)	(404)	34.2
Profit for the period	<u><u>2,957</u></u>	<u><u>2,308</u></u>	28.1
Profit for the period	2,957	2,308	28.1
Other comprehensive income	-	-	-
Total comprehensive income	<u><u>2,957</u></u>	<u><u>2,308</u></u>	28.1
Total comprehensive income attributable to:			
Equity holders of the Company	2,957	2,308	28.1
Non-controlling interests	-	-	-
Total comprehensive income	<u><u>2,957</u></u>	<u><u>2,308</u></u>	28.1

Explanatory notes:

	<u>Group</u>	
	<u>30/06/2015</u> S\$'000	<u>30/06/2014</u> S\$'000
Note 1(a)(i) Other income		
Interest income	1	2
(Loss)/Gain on disposal of property, plant and equipment	(12)	70
Rental income	9	20
Late payment charges received from SP Services	10	9
Government grant	1,261	767
Recovery of bad debts	-	13
Other miscellaneous income	31	6
	<u>1,300</u>	<u>887</u>

Note 1(a)(ii) The tax expenses for the half year ended 30 June 2015 ("HY2015") was higher mainly due to higher taxable profit generated during the 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>30/06/2015</u> S\$'000	<u>Audited</u> <u>31/12/2014</u> S\$'000	<u>Unaudited</u> <u>30/06/2015</u> S\$'000	<u>Audited</u> <u>31/12/2014</u> S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	20,643	21,087	-	-
Subsidiaries	-	-	4,489	4,489
	<u>20,643</u>	<u>21,087</u>	<u>4,489</u>	<u>4,489</u>
Current Assets				
Inventories	69	78	-	-
Trade and other receivables	9,704	9,179	9,766	10,093
Deposits	157	197	-	-
Prepayments	382	312	-	8
Cash and cash equivalents	7,932	6,645	254	931
	<u>18,244</u>	<u>16,411</u>	<u>10,020</u>	<u>11,032</u>
Total assets	<u>38,887</u>	<u>37,498</u>	<u>14,509</u>	<u>15,521</u>

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>30/06/2015</u>	<u>31/12/2014</u>	<u>30/06/2015</u>	<u>31/12/2014</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Equity				
Capital and reserves				
Share capital	14,524	14,524	14,524	14,524
Retained profits/(loss)	12,134	9,840	(66)	710
Total equity	26,658	24,364	14,458	15,234
Liabilities				
Non-Current Liabilities				
Deferred income tax liabilities	818	818	-	-
Provisions	740	740	-	-
Obligation under finance leases	912	2,009	-	-
	2,470	3,567	-	-
Current Liabilities				
Trade and other payables	5,489	5,929	23	239
Accrual for for directors' fees	20	40	20	40
Obligation under finance leases	3,427	3,173	-	-
Current tax payable	823	425	8	8
	9,759	9,567	51	287
Total equity and liabilities	38,887	37,498	14,509	15,521

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

	<u>Unaudited</u>		<u>Audited</u>	
	<u>30/06/2015</u>	<u>30/06/2015</u>	<u>31/12/2014</u>	<u>31/12/2014</u>
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Amount repayable in one year or less	3,427	-	3,173	-
Amount repayable after one year	912	-	2,009	-

Details of any collateral

The Group's obligation under finance leases of S\$4.339 million as at 30 June 2015 (31 December 2014: S\$5.182 million) are secured by the Group's refuse 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.

	<u>Group</u>	
	<u>Unaudited</u> <u>30/06/2015</u> <u>S\$'000</u>	<u>Unaudited</u> <u>30/06/2014</u> <u>S\$'000</u>
Cash Flows from Operating Activities		
Profit before taxation	3,499	2,712
Adjustments for:		
Depreciation of property, plant and equipment	1,436	1,296
Property, plant and equipment written off	38	26
Interest expense on finance leases	56	50
Loss/(Gain) on disposal of property, plant and equipment	12	(70)
Interest income	(1)	-
Operating profit before working capital changes	<u>5,040</u>	<u>4,014</u>
Decrease in inventories	9	2
(Increase) in trade and other receivables	(525)	(74)
(Increase) in deposits and prepayments	(30)	(328)
(Decrease)/Increase in trade and other payables	<u>(460)</u>	<u>15</u>
Cash generated from operations	4,034	3,629
Interest received	1	-
Income tax paid	<u>(144)</u>	<u>(197)</u>
Net cash generated from operating activities	3,891	3,432
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	23	204
Acquisition of property, plant and equipment	<u>(1,065)</u>	<u>(2,897)</u>
Net cash used in investing activities	(1,042)	(2,693)
Cash Flows from Financing Activities		
Proceeds from finance lease	863	-
Repayment of finance lease liabilities	(1,706)	(1,522)
Interest paid on finance lease liabilities	(56)	(50)
Payment of dividend	<u>(663)</u>	<u>(663)</u>
Net cash used in financing activities	(1,562)	(2,235)
Net increase/(decrease) in cash and cash equivalents	1,287	(1,496)
Cash and cash equivalents at beginning of the period	6,645	7,429
Cash and cash equivalents at end of the period (Note A)	<u>7,932</u>	<u>5,933</u>

Note A

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

	<u>Group</u>	
	<u>Unaudited</u> <u>30/06/2015</u> <u>S\$'000</u>	<u>Unaudited</u> <u>30/06/2014</u> <u>S\$'000</u>
Fixed deposits	2,000	-
Cash and bank balances	<u>5,932</u>	<u>5,933</u>
	<u>7,932</u>	<u>5,933</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> S\$'000	<u>Retained profits/(loss)</u> S\$'000	<u>Total</u> S\$'000
The Group			
(Unaudited)			
Balance at 1 January 2014	14,524	6,245	20,769
Total comprehensive income for the period	-	2,308	2,308
Dividends for year ended 31 December 2013 - tax-exempt (one-tier) final dividend of \$0.005 per share	-	(663)	(663)
Balance at 30 June 2014	<u>14,524</u>	<u>7,890</u>	<u>22,414</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>
The Company			
(Unaudited)			
Balance at 1 January 2014	14,524	821	15,345
Total comprehensive loss for the period	-	(148)	(148)
Dividends for year ended 31 December 2013 - tax-exempt (one-tier) final dividend of \$0.005 per share	-	(663)	(663)
Balance at 30 June 2014	<u>14,524</u>	<u>10</u>	<u>14,534</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 2014 up to 30 June 2015. The Company did not have treasury shares or any outstanding convertibles as at 30 June 2015 and 30 June 2014.

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 2015 and 31 December 2014 was 132,522,560. The Company did not have any treasury shares as at 30 June 2015 and 31 December 2014.

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 HY2015.

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 2014 ("**FY2014**") 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 2015.

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 2015.

- 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	
	<u>30/06/2015</u>	<u>30/06/2014</u>
Based on the weighted average number of ordinary shares in issue (Singapore cents)	2.23	1.74
On a fully diluted basis (Singapore cents)	2.23	1.74

As there were no potentially dilutive ordinary shares as at 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>	
	Unaudited	Audited	Unaudited	Audited
	<u>30/06/2015</u>	<u>31/12/2014</u>	<u>30/06/2015</u>	<u>31/12/2014</u>
Net asset value per ordinary share (Singapore cents)	20.12	18.38	10.91	11.50

- 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

Group revenue for HY2015 increased by S\$3.566 million or 12.5% to S\$32.019 million from S\$28.453 million for the half year ended 30 June 2014 ("HY2014"). This was mainly due to the rollover effect of existing contracts at higher value and new contracts secured by the Group during HY2015.

Group's other income increased by S\$0.413 million or 46.6% from S\$0.887 million for HY2014 to S\$1.300 million for HY2015. The increase was mainly due to the special employment and wage credits from the Singapore Government.

Group's profit before tax in HY2015 was S\$3.499 million, an increase of S\$0.787 million or 29.0% from S\$2.712 million in HY2014. This was mainly attributable to the higher revenue, higher other income, partially offset by the increases in consumables used, staff costs of S\$2.896 million and depreciation expenses of S\$0.140 million. The higher staff costs were due mainly to the increase in workers' wages and its related costs as well as increase in headcount to cope with the new contracts secured by the Group during HY2015. The higher depreciation expenses was mainly attributable to the additions of property, plant and equipment by the Group.

The tax expenses increased by S\$0.138 million or 34.2% from S\$0.404 million for HY2014 to S\$0.542 million for HY2015 due to the higher taxable profit.

Statement of Financial Position

Non-current assets (comprising property, plant and equipment) was S\$20.643 million as at 30 June 2015, representing a decrease of S\$0.444 million from S\$21.087 million as at 31 December 2014. This was mainly due to the depreciation expenses for the property, plant & equipment, partially offset by the additions of plant and equipment during HY2015.

Current assets (comprising inventories, trade and other receivables, deposits and prepayments and cash and cash equivalents) were S\$18.244 million as at 30 June 2015, representing an increase of S\$1.833 million from S\$16.411 million as at 31 December 2014. This was mainly due to the increase in trade and other receivables of S\$0.525 million as a result of the increase in revenue and an increase in cash and cash equivalents of S\$1.287 million.

Non-current liabilities (comprising deferred taxation, provisions and obligation under finance leases) were S\$2.470 million as at 30 June 2015, a decrease of S\$1.097 million from S\$3.567 million as at 31 December 2014 was mainly due to the payment of obligation under finance leases.

Current liabilities (comprising trade and other payables, accrual for directors' fees, obligation under finance leases and current tax payable) were S\$9.759 million as at 30 June 2015, an increase of S\$0.192 million from S\$9.567 million as at 31 December 2014 due to higher finance lease obligation and tax provision, offset by decrease in trade and other payables.

The Group had a positive working capital of S\$8.485 million as at 30 June 2015, as compared to S\$6.844 million as at 31 December 2014.

Statement of Cash Flows

The Group had cash and cash equivalents amounting to S\$7.932 million as at 30 June 2015, as compared to cash and cash equivalents amounting to S\$6.645 million as at 31 December 2014.

Net increase in cash and cash equivalents of S\$1.287 million for HY2015 was mainly as a result of net cash generated from operating activities of S\$3.891 million, partially offset by the net cash used in investing activities of S\$1.042 million and net cash used in financing activities of S\$1.562 million.

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

In the Company's financial disclosure statement for the first quarter ended 31 March 2015, it was mentioned that "The Industrial Division is expected to remain profitable". There is no variation from the statement.

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.

Despite the competitive environment, the Group will continue its marketing effort to secure new contracts and continue to be prudent in its cost management.

11 Dividend

No interim dividend for HY2015 has been recommended and there were no dividends declared for the corresponding period of the immediately preceding financial year.

Interested Person Transactions

The Company has obtained the approval for the renewal of the general mandate for interested person transactions from its shareholders at the annual general meeting held on 21 April 2015. Save as disclosed below, there is no other interested person transaction entered into during HY2015:

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⁾	-	145,105
Allsland Pte Ltd ⁽²⁾	-	119,454
Richvein Pte Ltd ⁽³⁾	-	378,100

⁽¹⁾ Mr Henry Ngo holds 40% shareholdings 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 Holdings Limited ("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⁾ Mr Henry Ngo holds 40% shareholdings in the issued share capital of Goldvein which in turn holds 59.68% shareholdings in the issued share capital of Bonvests. 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.

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 the attention which may render the HY2015 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
5 August 2015