



**COLEX HOLDINGS LIMITED**  
**Company Registration No.: 197101485G**

**Unaudited Half Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2014**

*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") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and 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.*

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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>		<b>Increase/ (decrease) %</b>
	<b>Unaudited 30/06/2014 S\$'000</b>	<b>Unaudited (restated) 30/06/2013 S\$'000</b>	
Revenue	28,453	25,484	11.7
Other income	887	409	116.9
Changes in inventories and consumables used	(774)	(727)	6.5
Staff costs	(11,426)	(9,774)	16.9
Depreciation expenses	(1,296)	(783)	65.5
Other operating expenses	(13,082)	(12,839)	1.9
Profit from operations	<u>2,762</u>	<u>1,770</u>	56.0
Finance costs	(50)	(1)	4,900.0
Profit before taxation	<u>2,712</u>	<u>1,769</u>	53.3
Taxation	(404)	(326)	23.9
Profit for the period	<u><u>2,308</u></u>	<u><u>1,443</u></u>	59.9
Profit for the period	2,308	1,443	59.9
Other comprehensive income	-	-	-
Total comprehensive income	<u><u>2,308</u></u>	<u><u>1,443</u></u>	59.9
Total comprehensive income attributable to:			
Equity holders of the Company	2,308	1,443	59.9
Non-controlling interests	-	-	-
Total comprehensive income	<u><u>2,308</u></u>	<u><u>1,443</u></u>	59.9

**Explanatory notes:**

	<u>Group</u>	
	<b>30/06/2014 S\$'000</b>	<b>30/06/2013 S\$'000</b>
<b>Note 1(a)(i) Other income</b>		
Interest income	2	2
Gain on disposal of property, plant and equipment	70	86
Rental income	20	48
Late payment charges received from SP Services	9	10
Government grant	767	241
Recovery of bad debts	13	-
Other miscellaneous income	6	22
	<u><u>887</u></u>	<u><u>409</u></u>

	<u>Group</u>	
	<u>30/06/2014</u> S\$'000	<u>30/06/2013</u> S\$'000
<b>Note 1(a)(ii)</b> Impairment of trade receivables		
Balance at beginning of the period	94	46
Allowance made	32	37
Bad debt written off	(12)	(14)
Allowance no longer required	(55)	(4)
Balance at end of the period	<u>59</u>	<u>65</u>

The allowance for impairment will be made on inactive trade receivables which are overdue for more than 3 months. Specific allowance may also be written off when the debt is irrecoverable.

**Note 1(a)(iii)** The tax expenses for the half year ended 30 June 2014 ("HY2014") was higher mainly due to higher taxable profit generated during the HY2014.

**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>30/06/2014</u> S\$'000	<u>Audited</u> <u>31/12/2013</u> S\$'000	<u>Unaudited</u> <u>30/06/2014</u> S\$'000	<u>Audited</u> <u>31/12/2013</u> S\$'000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	19,651	17,628	-	-
Subsidiaries	-	-	4,489	4,489
	<u>19,651</u>	<u>17,628</u>	<u>4,489</u>	<u>4,489</u>
<b>Current Assets</b>				
Inventories	55	57	-	-
Trade and other receivables	8,704	8,630	9,103	9,961
Deposits	397	248	-	17
Prepayments	573	394	2	9
Cash and cash equivalents	5,933	7,429	983	1,188
	<u>15,662</u>	<u>16,758</u>	<u>10,088</u>	<u>11,175</u>
<b>Total assets</b>	<u>35,313</u>	<u>34,386</u>	<u>14,577</u>	<u>15,664</u>
<b>Equity</b>				
<b>Capital and reserves</b>				
Share capital	14,524	14,524	14,524	14,524
Other reserves	7,890	6,245	10	821
<b>Total equity</b>	<u>22,414</u>	<u>20,769</u>	<u>14,534</u>	<u>15,345</u>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Deferred taxation	880	880	-	-
Obligation under finance leases	3,596	4,730	-	-
	<u>4,476</u>	<u>5,610</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>				
Trade and other payables	4,760	4,725	23	279
Obligation under finance leases	3,173	2,979	-	-
Provision for directors' fees	20	40	20	40
Current tax payable	470	263	-	-
	<u>8,423</u>	<u>8,007</u>	<u>43</u>	<u>319</u>
<b>Total equity and liabilities</b>	<u>35,313</u>	<u>34,386</u>	<u>14,577</u>	<u>15,664</u>

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

	<u>Unaudited</u>		<u>Audited</u>	
	<u>30/06/2014</u> <u>Secured</u> S\$'000	<u>30/06/2014</u> <u>Unsecured</u> S\$'000	<u>31/12/2013</u> <u>Secured</u> S\$'000	<u>31/12/2013</u> <u>Unsecured</u> S\$'000
Amount repayable in one year or less	3,173	-	2,979	-
Amount repayable after one year	<u>3,596</u>	<u>-</u>	<u>4,730</u>	<u>-</u>

**Details of any collateral**

The Group's obligation under finance leases of S\$6.769 million as at 30 June 2014 (31 December 2013: S\$7.709 million) are secured by the Group's refuse vehicles and equipment with carrying amount of S\$8.415 million (31 December 2013: S\$8.347 million).

**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>	
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30/06/2014</b>	<b>(Restated)</b>
	<b>S\$'000</b>	<b>30/06/2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	2,712	1,769
Adjustments for:		
Depreciation of property, plant and equipment	1,296	783
Property, plant and equipment written off	26	20
Interest expense on finance leases	50	1
Gain on disposal of property, plant and equipment	(70)	(86)
Interest income	-	(2)
Operating profit before working capital changes	<u>4,014</u>	<u>2,485</u>
Decrease/(Increase) in inventories	2	(130)
(Increase) in trade and other receivables	(74)	(2,003)
(Increase)/Decrease in deposits and prepayments	(328)	110
Increase in trade and other payables	15	2,015
Cash generated from operations	<u>3,629</u>	<u>2,477</u>
Interest received	-	2
Income tax paid	(197)	(208)
<b>Net cash generated from operating activities</b>	<b><u>3,432</u></b>	<b><u>2,271</u></b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	204	86
Acquisition of property, plant and equipment	(2,897)	(7,362)
<b>Net cash used in investing activities</b>	<b><u>(2,693)</u></b>	<b><u>(7,276)</u></b>
<b>Cash Flows from Financing Activities</b>		
Repayment of finance lease liabilities	(1,522)	(33)
Interest paid on finance lease liabilities	(50)	(1)
Payment of dividend	(663)	(663)
<b>Net cash used in financing activities</b>	<b><u>(2,235)</u></b>	<b><u>(697)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(1,496)</u></b>	<b><u>(5,702)</u></b>
Cash and cash equivalents at beginning of the period	7,429	9,067
<b>Cash and cash equivalents at end of the period</b>	<b><u><u>5,933</u></u></b>	<b><u><u>3,365</u></u></b>

During HY2014, the Group acquired property, plant and equipment with an aggregate cost of S\$3.479 million of which \$0.582 million was acquired by means of finance lease.

- 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</u> S\$'000	<u>Total</u> S\$'000
<b>The Group</b>			
<b>(Unaudited)</b>			
<b>Balance at 1 January 2013</b>	14,524	4,180	18,704
Total comprehensive income for the period	-	1,443	1,443
Dividends for year ended 31 December 2012 - tax-exempt (one-tier) final dividend of \$0.005 per	-	(663)	(663)
<b>Balance at 30 June 2013</b>	<u>14,524</u>	<u>4,960</u>	<u>19,484</u>
<b>(Unaudited)</b>			
<b>Balance at 1 January 2014</b>	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	-	(663)	(663)
<b>Balance at 30 June 2014</b>	<u>14,524</u>	<u>7,890</u>	<u>22,414</u>
<b>The Company</b>			
<b>(Unaudited)</b>			
<b>Balance at 1 January 2013</b>	14,524	1,328	15,852
Total comprehensive loss for the period	-	(631)	(631)
Dividends for year ended 31 December 2012 - tax-exempt (one-tier) final dividend of \$0.005 per share	-	(663)	(663)
<b>Balance at 30 June 2013</b>	<u>14,524</u>	<u>34</u>	<u>14,558</u>
<b>(Unaudited)</b>			
<b>Balance at 1 January 2014</b>	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)
<b>Balance at 30 June 2014</b>	<u>14,524</u>	<u>10</u>	<u>14,534</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 2013 up to 30 June 2014. The Company did not have treasury shares or any outstanding convertibles as at 30 June 2014 and 30 June 2013.

**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 2014 and 31 December 2013 was 132,522,560. The Company did not have any treasury shares as at 30 June 2014 and 31 December 2013.

**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 HY2014.

**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 2013 ("FY2013") 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 2014.

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 2014.

**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</u>	
	<u>30/06/2014</u>	<u>30/06/2013</u>
Based on the weighted average number of ordinary shares in issue (Singapore cents)	1.74	1.09
On a fully diluted basis (Singapore cents)	1.74	1.09

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>	
	<u>Unaudited</u> <u>30/06/2014</u>	<u>Audited</u> <u>31/12/2013</u>	<u>Unaudited</u> <u>30/06/2014</u>	<u>Audited</u> <u>31/12/2013</u>
Net asset value per ordinary share (Singapore cents)	16.91	15.67	10.97	11.58

- 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 HY2014 increased by S\$2.969 million or 11.7% to S\$28.453 million from S\$25.484 million for the half year ended 30 June 2013 ("HY2013"). This was mainly due to the successful renewal of existing contracts at higher rates and new contracts secured by the Group during HY2014.

Group's other operating income increased by S\$0.478 million or 116.9% from S\$0.409 million for HY2013 to S\$0.887 million for HY2014. The increase was mainly due to the special employment and wage credits from the Singapore Government.

Group's profit before tax in HY2014 was S\$2.712 million, an increase of S\$0.943 million or 53.3% from S\$1.769 million in HY2013. This was mainly attributable to the higher revenue and other income, partially offset by the increases in staff costs of S\$1.652 million, depreciation charges of S\$0.513 million, other operating expenses of S\$0.243 million and finance costs of S\$0.049 million. The higher staff costs were due mainly to the increase in workers' wages and its related costs as well as increase in headcount. The higher depreciation charges was mainly due to the additions of property, plant and equipment for the waste disposal segment. The finance costs increased was due to the interest charged on some vehicles and equipment under finance leases.

The tax expenses of S\$0.404 million increased by S\$0.078 million as compared with S\$0.326 million for HY2013 mainly due to the higher taxable profit generated during HY2014.

#### Statement of Financial Position

Non-current assets (comprising property, plant and equipment) was S\$19.651 million as at 30 June 2014, representing an increase of S\$2.023 million from S\$17.628 million as at 31 December 2013. This was mainly due to additions in property, plant & equipment during HY2014.

Current assets (comprising inventories, trade and other receivables, deposits and prepayments and cash and cash equivalents) were S\$15.662 million as at 30 June 2014, representing a decrease of S\$1.096 million from S\$16.758 million as at 31 December 2013. This was mainly due to the decrease in cash and cash equivalents of S\$1.496 million as a result of the cash utilised for the construction of building for the waste disposal segment, deposit for the material recovery facilities and prepayment of vehicles insurance premiums.

Non-current liabilities (comprising deferred taxation and obligation under finance leases) were S\$4.476 million as at 30 June 2014, a decrease of S\$1.134 million from S\$5.610 million as at 31 December 2013, mainly due to the repayment of finance leases.

Current liabilities (comprising trade and other payables, obligation under finance leases, provision for directors' fees and current tax payable) were S\$8.423 million as at 30 June 2014, an increase of S\$0.416 million from S\$8.007 million as at 31 December 2013. This was mainly due to the increase in obligation under finance leases in relation to the acquisition of some refuse vehicles of S\$0.194 million and an increase in current tax payable of S\$0.207 million mainly due to the higher taxable profit generated during HY2014.

The Group had a positive working capital of S\$7.239 million as at 30 June 2014, as compared to S\$8.751 million as at 31 December 2013.

### Statement of Cash Flows

The Group had cash and cash equivalents amounting to S\$5.933 million as at 30 June 2014, as compared to cash and cash equivalents amounting to S\$7.429 million as at 31 December 2013.

Net decrease in cash and cash equivalents of S\$1.496 million for HY2014 was mainly as a result of S\$2.693 million used in investing activities mainly for the construction cost of the building for the waste disposal segment, net cash used in financing activities of S\$2.235 million mainly due to the repayment of finance leases and its interest, and payment of dividend. These were partially offset by the net cash generated from operating activities of S\$3.432 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 is on track to install the material recovery facilities in the 4th quarter for sorting of recyclables from the industrial, commercial and public waste collection businesses. This is in line with our aim to increase the recycling rate to save the environment and improve our operation efficiency.

Our recruitment of manpower will remain challenging due to the shrinking pool of local workforce.

The Group will continue to be prudent in its cost management.

**11 Dividend**

No interim dividend for HY2014 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 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 2014. Save as disclosed below, there is no other interested person transaction entered into during HY2014:

<b>Name of interested person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	<b>S\$</b>	<b>S\$</b>
Goldvein Pte Ltd	56,356	77,663
Allsland Pte Ltd	49,777	63,573
Richvein Pte Ltd	-	359,310

**13 Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the HY2014 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**  
**6 August 2014**