



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

Unaudited Full Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2020

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.

	Group		Increase/ (decrease)
	Half year ended	Half year ended	
	30/6/2020	30/6/2019	
	S\$'000	S\$'000	%
Revenue	26,359	33,725	(21.8)
Other income (Note 1(a)(i))	2,562	706	262.9
Cost of inventories and consumables used	(477)	(625)	(23.7)
Staff costs	(14,151)	(15,814)	(10.5)
Depreciation expenses (Note 1(a)(ii))	(1,836)	(2,052)	(10.5)
Other operating expenses	(10,980)	(14,356)	(23.5)
Profit from operations	1,477	1,584	(6.8)
Finance costs (Note 1 (a)(iii))	(87)	(57)	52.6
Profit before taxation	1,390	1,527	(9.0)
Income tax expense (Note 1(a)(iv))	(223)	(261)	(14.6)
Profit for the year	1,167	1,266	(7.8)
Profit for the year	1,167	1,266	(7.8)
Other comprehensive income after tax	-	-	-
Total comprehensive income	1,167	1,266	(7.8)
Total comprehensive income attributable to:			
Equity holders of the Company	1,167	1,266	(7.8)
Non-controlling interests	-	-	-
Total comprehensive income	1,167	1,266	(7.8)

Explanatory notes:

	Group	
	Half year ended	
	30/06/2020	30/06/2019
	S\$'000	S\$'000
Note 1 (a)(i) Other income		
Interest income	61	28
Rental income	11	10
Late payment charges received	12	17
Government grants	2,301	616
Gain on disposal of property, plant and equipment	108	24
Other miscellaneous income	69	11
	<u>2,562</u>	<u>706</u>

Note 1 (a)(ii) Depreciation expenses decreased for the half year ended 30 June 2020 ("HY2020") mainly due to fewer additions of plant and equipment for the waste segment.

Note 1 (a)(iii) Finance costs for the HY2020 relates to the interest expense on lease liabilities following the adoption of SFRS(I) 16 on 1 January 2019.

Note 1 (a)(iv) The tax expense for HY2020 was lower as a result of lower taxable profit for HY2020.

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.

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	18,713	20,260	-	-
Investment in subsidiaries	-	-	4,589	4,589
	<u>18,713</u>	<u>20,260</u>	<u>4,589</u>	<u>4,589</u>
Current Assets				
Inventories	115	141	-	-
Trade and other receivables	8,713	11,011	8,375	8,374
Grant receivables	1,273	-	-	-
Deposits	113	132	*	*
Prepayments	554	206	2	3
Cash and cash equivalents	27,814	22,508	2,678	2,809
	<u>38,582</u>	<u>33,998</u>	<u>11,055</u>	<u>11,186</u>
Total assets	<u>57,295</u>	<u>54,258</u>	<u>15,644</u>	<u>15,775</u>

* Less than S\$1,000

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2020</u> S\$'000	<u>31/12/2019</u> S\$'000	<u>30/06/2020</u> S\$'000	<u>31/12/2019</u> S\$'000
Equity and Liabilities				
Capital and reserves				
Share capital	14,524	14,524	14,524	14,524
Retained profits	29,684	28,517	1,054	1,179
Total equity	44,208	43,041	15,578	15,703
Non-Current Liabilities				
Deferred income tax liabilities	1,808	1,808	-	-
Lease liabilities	2,906	2,976	-	-
Provision	740	740	-	-
	5,454	5,524	-	-
Current Liabilities				
Trade and other payables	3,698	4,734	41	22
Deferred grant income	2,868	-	-	-
Accrual for directors' fees	25	50	25	50
Lease liabilities	252	337	-	-
Current tax payable	790	572	-	*
	7,633	5,693	66	72
Total liabilities	13,087	11,217	66	72
Total equity and liabilities	57,295	54,258	15,644	15,775

* Less than S\$1,000

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 2020 and 31 December 2019.

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

	<u>Group</u>	
	<u>Half year ended</u> <u>30/6/2020</u> S\$'000	<u>30/06/2019</u> S\$'000
Cash Flows from Operating Activities		
Profit before taxation	1,390	1,527
Adjustments for:		
Depreciation of property, plant and equipment	1,836	2,052
Property, plant and equipment written off	94	72
Finance costs	87	57
Gain on disposal of property, plant and equipment	(108)	(24)
Interest income	(61)	(28)
Rental expense	-	-
Operating profit before working capital changes	3,238	3,656

	Group	
	Half year ended	
	30/6/2020	30/06/2019
	S\$'000	S\$'000
Changes in working capital		
Inventories	26	(8)
Trade and other receivables	2,205	(93)
Grant receivables	(1,273)	-
Deposits and prepayments	(329)	(376)
Trade and other payables	(1,061)	(614)
Deferred grant income	2,868	-
Cash generated from operations	5,674	2,565
Interest received	154	86
Income tax paid	(5)	(273)
Net cash generated from operating activities	5,823	2,378
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	197	174
Acquisition of property, plant and equipment	(440)	(1,296)
Net cash used in investing activities	(243)	(1,122)
Cash Flows from Financing Activities		
Lease payments	(274)	(356)
Payment of dividend	-	(663)
Net cash used in financing activities	(274)	(1,019)
Net increase in cash and cash equivalents	5,306	237
Cash and cash equivalents at beginning of the year	22,508	19,458
Cash and cash equivalents at the end of the period (Note A)	27,814	19,695

Note A

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

	Group	
	30/6/2020	30/6/2019
	S\$'000	S\$'000
Fixed deposits	17,146	12,605
Cash and bank balances	10,668	7,090
Cash and cash equivalents	27,814	19,695

Reconciliation of liabilities arising from financing activities

	1 January 2020	Principal payment	Non-Cash Changed			30 June 2020	
			Adoption of SFRS (I) 16	Interest expense	Additions		Termination
			\$	\$	\$		\$
Lease Liabilities	3,313	(274)	0	87	32	-	3,158

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group

	Share capital S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1 January 2020	14,524	28,517	43,041
Total comprehensive income	-	1,167	1,167
Balance at 30 June 2020	<u>14,524</u>	<u>29,684</u>	<u>44,208</u>
Balance at 1 January 2019	14,524	26,691	41,215
Total comprehensive income	-	1,266	1,266
Dividends for year ended 31 December 2018 - tax-exempt (one-tier) final dividend of S\$0.005 per share	-	(663)	(663)
Balance at 30 June 2019	<u>14,524</u>	<u>27,294</u>	<u>41,818</u>

The Company

Balance at 1 January 2020	14,524	1,179	15,703
Total comprehensive loss for the period	-	(125)	(125)
Balance at 30 June 2020	<u>14,524</u>	<u>1,054</u>	<u>15,578</u>
Balance at 1 January 2019	14,524	1,087	15,611
Total comprehensive loss for the period	-	(135)	(135)
Dividends for year ended 31 December 2018 - tax-exempt (one-tier) final dividend of S\$0.005 per share	-	(663)	(663)
Balance at 30 June 2019	<u>14,524</u>	<u>289</u>	<u>14,813</u>

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 2019 up to 30 June 2020. The Company did not have treasury shares, subsidiary holdings or any outstanding convertibles as at 30 June 2020 and 30 June 2019.

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 2020 and 31 December 2019 was 132,522,560. The Company did not have any treasury shares as at 30 June 2020 and 31 December 2019.

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 HY2020.

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 HY2020.

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.

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 2019 ("FY2019") 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 2020. 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 new/revised SFRS(I) 3 *Business Combination* effective for annual periods beginning on or after 1 January 2020 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 the financial period ended 1H2020.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>Group</u>	
	<u>Half year ended</u>	
	<u>30/6/2020</u>	<u>30/6/2019</u>
Based on weighted average number of ordinary shares in issue (Singapore cents)	0.88	0.96
On a fully diluted basis (Singapore cents)	0.88	0.96

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

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2020</u>	<u>31/12/2019</u>	<u>30/06/2020</u>	<u>31/12/2019</u>
Net asset value per ordinary share (Singapore cents)	33.36	32.48	11.75	11.85

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

The Group's revenue for HY2020 decreased by 21.8% to S\$26.359 million from S\$33.725 million in HY2019. The decrease was mainly due to the expiry of the public waste collection contract for Jurong sector on 31 March 2020 for the waste disposal segment and expiry of some existing contracts for the contract cleaning segment.

The Group's other income for HY2020 increased by 262.9% to S\$2.562 million from S\$0.706 million in HY2019 was mainly due to the Jobs Support Scheme by Singapore Government to help enterprises retain their local employees during this period of economic uncertainty and foreign workers levy rebates to help employers.

The Group's operating profit before tax for HY2020 decreased by 9.0% to S\$1.390 million from S\$1.527 million in HY2019. The decrease in profit was mainly due to the decrease in revenue, partially offset by the increase in the aforesaid other income, decreases in cost of inventories and consumables used, staff costs, depreciation expenses and other operating expenses, in-line with the decrease in revenue for both segments.

Statement of Financial Position

Non-current assets decreased by S\$1.547 million to S\$18.713 million as at 30 June 2020 was mainly due to depreciation charges during HY2020.

Current assets increased by S\$4.584 million to S\$38.582 million as at 30 June 2020, mainly due to an increase in grant receivables of S\$1.273 million, prepayment expenses of S\$0.348 million and cash and cash equivalent of S\$5.306 million, partially offset by the lower trade and other receivables of S\$2.298 million for the waste disposal segment which was in-line with the decrease in revenue.

Non-current and current liabilities increased by S\$1.870 million to S\$13.087 million as at 30 June 2020, mainly due to an increase in deferred grant income of S\$2.868 million and current tax payable of S\$0.218 million, partially offset by the decrease in trade and other payables of S\$1.036 million for the waste disposal segment, in-line with the decrease in revenue and lease liabilities of S\$0.155 million.

The Group has a positive working capital of S\$30.949 million as at 30 June 2020.

Statement of Cash Flows

The net increase in cash and cash equivalent of S\$5.306 million for HY2020 was mainly as a result of net cash generated from operating activities of S\$5.823 million, partially offset by the net cash used in investing activities of S\$0.243 million and net cash used in financing activities of S\$0.274 million.

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

No forecast or prospect statement was previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group operating environment continues to be challenging. The expiry of the 7-year public waste collection contract for Jurong sector in 1Q2020 and competition from our competitors have affected the overall performance of the Group. The waste disposal segment had participated in the public waste collection ("PWC") tender for the Clementi Bukit Merah sector tendered out by the National Environment Agency and was not successful. Nevertheless, the waste disposal segment will continue to participate in the remaining three PWC sectors tenders which are expected to be released between August 2020 to January 2021. The contract cleaning segment will also face challenges as clients expect higher level of services without corresponding increase in contract value.

With the lifting of the Circuit Breaker on 2 June 2020 and entering into phase 2 of the COVID-19 situation in Singapore, there will be negative impact on the Group's revenue for the current financial year end as some of the premises are only open for business gradually. The Group's business is expected to pick up when all business premises are fully operational.

11 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

The Directors are pleased to declare a tax exempt one-tier special dividend of 10.00 Singapore cents per share. The company is declaring a special dividend as it was unsuccessful in the last two PWC tenders and is unable to invest its surplus cash during this uncertain period.

- (b) (i) Amount per share - 10.00 Singapore cents
- (ii) Previous corresponding period - NA

(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).

The special dividend is tax exempt (one-tier).

(d) The date the dividend is payable.

The special dividend will be paid on 31 August 2020.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The transfer book and register of members of the Company will be closed on 17 August 2020 after 5.00 p.m., for the purpose of determining shareholders' entitlements to the special dividend. Duly completed transfers received by the Company's share registrar, KCK CorpServe Pte Ltd at 333 North Bridge Road, #08-00, KH KEA Building, Singapore 188721, up to 5.00 p.m. on 17 August 2020 will be registered before entitlements to the proposed dividend are determined. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 17 August 2020 will be entitled to the special dividend.

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

Not applicable.

13 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 17 June 2020. Save as disclosed below, there is no other interested person transaction entered into during HY2020 that were 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)
		S\$'000	S\$'000
Goldvein Pte Ltd	refer note 1	-	140
Allsland Pte Ltd	refer note 2	-	118
Richvein Pte Ltd	refer note 3	-	235

1. Mr Henry Ngo has a 21.26% direct interest and a deemed interest of 2.33% (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.

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 Manual.

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

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 HY2020 unaudited financial results of the Group to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
4 August 2020

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

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

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).