



COLEX HOLDINGS LIMITED (Registration No. 197101485G)

PROPOSED ACQUISITION OF SHARES IN VEMAC SERVICES PTE. LTD.

The Board of Directors of Colex Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into an agreement (“**Agreement**”) with several third party individuals (collectively, the “**Vendors**”) in relation to the proposed acquisition (the “**Proposed Acquisition**”) by the Company from the Vendors of 494,720 issued and fully paid ordinary shares (the “**Sale Shares**”) of Vemac Services Pte. Ltd. (“**Vemac**”), constituting 80% of the entire issued and paid up share capital of Vemac.

Upon completion of the Proposed Acquisition, Vemac will be a subsidiary of the Company. The remaining 20% of the issued and paid up share capital of Vemac will continue to be held by the Vendors.

INFORMATION ON VEMAC

Vemac Services Pte. Ltd. is a private limited liability company incorporated in Singapore and carries on the business of the repair and maintenance of refrigerating, air-conditioning and ventilating machinery and equipment (the “**Business**”).

RATIONALE FOR THE PROPOSED ACQUISITION

The Company has decided to undertake the Proposed Acquisition because the Business is expected to be complementary to the Group’s existing business and to expand the Group’s service offerings in property management.

PURCHASE CONSIDERATION

As the Sale Shares constitute 80% of the total issued shares of Vemac, the aggregate purchase price payable for the Sale Shares shall be an amount equivalent to 80% of the Net Income (as defined hereinafter) multiplied by the factor of ten (the “**Purchase Consideration**”).

Net Income refers to the net income of Vemac as reflected in the unaudited financial statements of Vemac for the financial year ended 31 December 2016.

Based on the unaudited financial statements of Vemac for the financial year ended 31 December 2016, Vemac generated Net Income of approximately S\$274,519. The Net Income attributable to the Sale Shares is approximately S\$219,616. As at 31 December 2016, Vemac's unaudited net book value and net tangible asset value were approximately S\$1,090,894. The net book value and net tangible asset value attributable to the Sale Shares are approximately S\$872,715. The Purchase Consideration for the Sale Shares is expected to be S\$2,196,156, subject to an audit of the financial statements for the financial year ended 31 December 2016. The Purchase Consideration will be paid in full in cash upon completion of the Proposed Acquisition.

The Company shall make further announcement(s) on the Proposed Acquisition as required by Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), once the amount of the Purchase Consideration is finalised, or as and when there are material developments to the Proposed Acquisition.

The relative figures of the Proposed Acquisition based on, *inter alia*, the expected Purchase Consideration as computed on the bases set out in Rule 1006 of Catalist Rules are less than 5%. Accordingly, the Proposed Acquisition constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules.

FINANCIAL EFFECTS

The Proposed Acquisition based on, *inter alia*, the expected Purchase Consideration, is not expected to have any material impact on the consolidated net tangible assets and the consolidated earnings per share of the Group for the current financial year ending 31 December 2017.

SOURCE OF FUNDS

The Purchase Consideration will be funded using the Group's cash and bank borrowings.

INTERESTS OF THE DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as a director or shareholder of the Company), substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement between the Company and the Vendors will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

27 October 2017

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.

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